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ANNEX

to the Commission Implementing Decision on the financing of a special measure in favour of the people of Afghanistan for 2023

Action Document for “Addressing basic needs and supporting livelihoods of 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 a 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	Addressing basic needs and supporting livelihoods of the people of Afghanistan OPSYS number: ACT-62315 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe Regulation</u>)
2. Team Europe Initiative	Yes – The Action will contribute to the Regional Team Europe Initiative on the Afghan displacement situation proposed in the Asia-Pacific regional MIP for 2021-2027.
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 Regulation</u> .
5. Link with relevant MIP(s) objectives / expected results	Multiannual Indicative Programme (MIP) for Afghanistan: n/a Regional Multiannual Indicative Programme (RIP) for Asia and the Pacific: Priority Area 3 of the Regional Multiannual Indicative Programme for Asia and the Pacific 2021-2027 focuses on <i>Migration, Forced Displacement and Mobility</i> . The overall objective of this priority area is to <i>contribute to inclusive growth and sustainable development in countries of origin, transit, and destination by fostering well-managed migration and mobility</i> . Specific Objective 1 – <i>Support durable solutions to existing and future forced displacement situations</i> . Expected result 1.3 <i>Partner countries’ capacities to ensure protection space, human rights and empowerment of uprooted people and host communities as well as the sustainable integration and reintegration of refugees, returnees, Internally Displaced Persons (IDPs) and other categories of migrants are strengthened</i> .

	Expected result 1.4 <i>Access to basic services and livelihood opportunities, living conditions, resilience, self-reliance, and social cohesion of refugees, IDPs and host communities are improved.</i>			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	<ul style="list-style-type: none"> • Essential social services: health and nutrition, water, sanitation and hygiene (WASH), education, protection; • Economic recovery: private sector, microfinance; • Livelihoods: Agriculture, food security, community-based climate resilience. • RIP Priority area 3 – Migration, Forced Displacement and Mobility. 			
7. Sustainable Development Goals (SDGs)	Main SDG: No Poverty (SDG 1) Other significant SDGs: Zero Hunger (SDG 2); Good Health and Well-Being (SDG 3); Quality Education (SDG 4); Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Reduced Inequalities (SDG 10); Climate Action (SDG 13)			
8 a) DAC code(s)	110 – Education 120 – Health 15180 – Ending violence against women and girls 15190 – Facilitation of orderly, safe, regular and responsible migration and mobility 250 – Business & Other Services 311 – Agriculture 430 – Other Multisector			
8 b) Main Delivery Channel	20000 – NGOs and Civil Society 40000 – Multilateral Organisations 60000 – Private Sector institution			
9. Targets	<input checked="" type="checkbox"/> Migration <input checked="" 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 checked="" 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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2023-14.020130-C1-INTPA Total estimated cost: EUR 142 800 000 Total amount of EU budget contribution: EUR142 800 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through grants and procurement Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.3			

1.2 Summary of the Action

The Action has been designed in continuation with the EU's decision to reorientate development aid towards basic needs and livelihoods support to the Afghan people, since the Taliban came to power on 15 August 2021. On 11 October 2021, the EU Member States' Development Ministers agreed on the need to assist the population directly,

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 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.

The Action is further guided by the Commission's objectives and priorities, as well as Foreign Affairs Council Conclusions on Afghanistan of 21 September 2021¹ and 20 March 2023². Principles for delivery of aid will be followed 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, NGOs or the private sector. No funds can be channelled through the Taliban de facto authorities both in Kabul and at the local level, either directly or through other actors; 3) the Taliban de facto authorities should not be involved in the hiring, recruitment policy, implementation or management of support mechanisms; and 4) A do-no-harm and conflict sensitive approach will be ensured.

The Action adopts a human rights-based and principled “for-women-by-women” approach putting notably women and girls at the center of its interventions, as well as other vulnerable groups. It will address challenges of forced displacement and irregular migration in the context of an increased risk of outward migration. In alignment with the Afghanistan Coordination Group (ACG)'s *Framework for International Partner Support in Afghanistan* (2023-2025), the Action aims to address basic needs and support livelihoods of the people of Afghanistan through (i) improved uptake of basic services, and (ii) enhanced resilient livelihoods and economic opportunities. Interventions will build on gains and lessons learnt from preceding actions, and focus on social and economic areas in which women can still contribute in a meaningful way, while ensuring sufficient flexibility to seize any arising opportunities for attaining the objectives of the Action.

Given Afghanistan's high vulnerability to climate change³, its exposure to increasingly frequent extreme weather events and the threats from water scarcity to livelihoods and displacement, climate change adaptation and climate resilience will be factored in through resilient livelihoods support.

Overall, activities under the Action will alleviate multidimensional poverty in support to SDG 1 - No Poverty. More specifically, the Action will contribute to SDG 2 - Zero Hunger by addressing food insecurity and malnutrition, SDG 3 – Good Health and Wellbeing by strengthening health care services, SDG 4 – Quality Education by supporting public schools and community-based education, SDG 8 - Decent Work and Economic Growth by enhancing resilient livelihoods and economic opportunities, and SDG 13 – Climate Action. Transversally, any projects funded under this Action will seek Reduced Inequalities (SDG 10) and to the extent possible, Gender Equality (SDG 5).

Thus far, a Team Europe approach has been implemented in terms of strategic concertation and coordination with Member States. 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 Humanitarian-Development-Peace nexus approach in practice.

The Action will also contribute to the Regional Team Europe Initiative (TEI) on the Afghan displacement situation proposed under the Regional Multiannual Indicative Programme for Asia and the Pacific (2021-2027), which gathers so far 12 EU Member States and the Union..

1.3 Zone benefitting from the Action

The Action shall be carried out in Afghanistan, which is included in the list of ODA recipients.

2 RATIONALE

2.1 Context

More than two years since the collapse of the Islamic Republic and the Taliban takeover of Afghanistan on 15 August 2021, the country continues to face enormous challenges hindering economic recovery and social welfare,

¹ Council Conclusions on Afghanistan from 21 September 2023 (11713/2/21)

² Council Conclusions on Afghanistan from 20 March 2023 (7264/23)

³ Afghanistan ranks 179/185 on the [ND-GAIN index](#) for countries vulnerable to climate change.

as well as rights-based, inclusive and representative governance. Despite some signs of macroeconomic recovery, albeit at a low and fragile level, private sector resilience, reduced corruption, progress on poppy reduction, and the absence of war across the country, Afghanistan remains affected by one of the world's largest humanitarian crises. Two-thirds of its population require immediate assistance and more than 9 in 10 people are living in poverty, while external aid is drying up. Widespread acute food insecurity and malnutrition are of high concern and may be further exacerbated by economic downturn and eroding purchasing power, as well as increasing climate vulnerability and extreme weather-related events causing disasters. Severe droughts affect rain-fed agriculture, climate change is exacerbating water scarcity (also provoking displacement), and desertification and soil degradation is affecting farming and livelihoods. The lack of a functioning government able to articulate comprehensive sector policies, fiscal transparency and macroeconomic stability, put at risk any social gains made under the former Republic in the sectors of health and education. Institutionalised and systemic human rights violations and discrimination, particularly targeting women and girls, have been endemic under Taliban rule. Any past gains made in the social sectors are put at risk by the de facto authorities' abuses against women and girls, lack of capacity, and highly insufficient public investment. The United Nations Development Programme (UNDP) estimated that an Afghan economy restricting women from working would result into a 5% GDP cut⁴.

Human rights defenders and media workers, as well as ethnic, religious and other minority groups, remain highly exposed to repressions by the Taliban de facto authorities. Subsequent decrees issued by the Taliban de facto authorities violating notably women's and girls' rights to education, work, leisure, and freedom of movement, have drastically reduced the operating space for aid implementors and harshly challenged principled service delivery. Considering these developments, the EU, together with international partners from both the humanitarian and basic needs communities, put into place a robust framework for principled assistance and monitoring mechanisms since February 2023 to ensure that the "for women by women" principle is continued. There are 'exemptions' formally granted by the Taliban de facto authorities to the December 2022 ban on Afghan female NGO workers. These exemptions can be found in the health, nutrition and primary education sectors. Beyond these exempted sectors, implementing partners have, at great difficulty, overall managed to navigate Taliban restrictions, among others by finding localised solutions safeguarding access to women by women. Within this highly volatile context, opportunities for building resilience of communities and individuals persist through basic social services, community-based safety nets, and livelihoods support including agriculture, income generation, and climate adaptation. Local communities, grassroots organisations, and private sector, have even more than before become key actors of change in Afghanistan. Despite all difficulties in aid implementation, partners welcome an improved security situation, which allows them to reach beneficiaries in previously inaccessible areas.

It has been recognised widely that the emergency response alone is insufficient to address the current challenges and associated risks, and only briefly delays a looming socio-economic crisis (but does not avert it). Therefore, basic needs assistance is a necessary complement to provide the population with some medium-term perspective, create a set of stabilising factors and put a break on the ever-increasing humanitarian needs of the population. For the purpose of ensuring a coordinated approach, the Afghanistan Coordination Group (ACG) developed, with substantial EU involvement, the *ACG Framework for International Partner Support in Afghanistan (2023-2025)*. Subsequently, the *United Nations Strategic Framework for Afghanistan (2023-2025)*⁵ adopted in June 2023 and the World Bank strategic approach are also aligned to the *Framework for International Partner Support in Afghanistan (2023-2025)*.

Conclusions of the Foreign Affairs Council meeting held on 20 March 2023 acknowledge that a stable Afghanistan is in the interest of the entire international community to prevent regional instability, terrorism threats, forced displacement and irregular migration. They reaffirm the European Union's principled commitment to supporting the people of Afghanistan. The present Action contributes to the international efforts for addressing basic human needs in Afghanistan, within the boundaries of the Commission's objectives and priorities, as well as Foreign Affairs Council conclusions on Afghanistan of 21 September 2021 and 20 March 2023. In the absence of any notable progress by the Taliban de facto authorities on the benchmarks outlined in the Foreign Affairs Council

⁴ Afghanistan Socio-Economic Outlook 2021-2022: Averting a Basic Needs Crisis, UNDP

⁵ The United Nations Strategic Framework for Afghanistan articulates the UN's approach to addressing basic human needs in Afghanistan. Anchored in the principle of leaving no one behind, the UN Strategic Framework prioritizes the needs and rights of those most vulnerable and marginalized, including women and girls, children and youth, internally displaced persons, returnees, refugees, ethnic and religious minorities, geographically isolated communities, sexual and gender minorities, the Kuchi community, persons with disabilities, human rights defenders, people who use drugs, and people living with and affected by HIV.

conclusions of 21 September 2021 and considering the worsening human rights situation under Taliban rule, the Action focuses on principled support directly benefitting the people of Afghanistan by addressing part of their basic human needs. The Action will specifically aim to (i) improve the uptake of basic services, and (ii) enhance resilient livelihoods and economic opportunities. A strong focus on human rights and the empowerment of women, as well as climate action, will run through the entire portfolio.

The intervention strategy builds foremost on results achieved with the implementation of the 2021 and 2022 special measures on Afghanistan as well as the Spotlight Initiative to end violence against women and girls. Flexibility will allow to eventually readjust focus on sectors and activities feasible within the Afghan context, depending on political dynamics during the implementation period of the Action. The Action has been elaborated in close partnership with EU humanitarian actors preserving the humanitarian space in project implementation and aid coordination, as well as EU crisis response experts and the EU Member States. Through its basic needs support including to Internally Displaced Persons (IDPs) and returnees, the Action is also complementary to EU funded support in the field of migration and forced displacement in Afghanistan and neighbouring countries. Thus, it will directly contribute to the Team Europe Initiative on the Afghan displacement situation's Specific Objectives 1 and 2⁶. Several consultations have been held with civil society organisations (CSOs), private sector actors, other donors, international financing institutions and UN agencies, notably during the NDICI mid-term review process, but also the preparation of the *ACG Framework for International Partner Support to Afghanistan*. In addition, the EU has established a *Basic Needs Forum* with EU-funded NGO implementing partners for regular consultation and exchanges of views on implementation related challenges. Since 2022, the EU has also conducted studies on the issues of education, water resources, and private sector in Afghanistan, as well as a country assessment. Moreover, recommendations of several Results-Oriented Monitoring (ROM) missions conducted in 2023 have fed into the design of the present Action. Since June 2023, the EU has contracted Third-Party Monitoring (TPM) experts to further complement the multilateral and own monitoring efforts on partners' compliance with the principled approach in EU-funded basic needs assistance. Combined monitoring results confirm that women and girls continue to be reached with basic needs assistance, and female staff remain actively employed in international and national civil society organisations, as well as United Nations agencies, despite the numerous challenges faced on a daily basis within the highly restrictive environment under Taliban rule.

Funds will be channelled and interventions will be implemented through international organisations, civil society organisations (e.g. international and national NGOs), and private sector actors. No support shall be provided to the Taliban de facto authorities at national, provincial or local levels, and the Action does not grant any recognition to the Taliban de facto authorities as legitimate rulers of Afghanistan. The Taliban de facto authorities will not be involved in the hiring of staff and partners' recruitment policy nor in the implementation and management of support mechanisms. All assistance will continue to be underpinned with robust monitoring frameworks. Implementing partners are asked to report to donors on interference and when necessary, assistance can be punctually scaled down or reorientated. The monitoring efforts are being coordinated more closely with EU Member States and likeminded partners within the basic needs' assistance community, as well as with the humanitarian community. Risks for the implementation of EU aid in this fragile context are constantly reviewed by the EU, which has established a presence in Kabul since 2022.

2.2 Problem Analysis

In their first two years in power, the Taliban de facto authorities have concentrated on their transition from insurgents to country rulers. No progress has been made since 15 August 2021 on national policies and their implementation. In terms of international aid coordination for basic needs assistance, the ACG is the main vehicle of the new aid architecture. Established in May 2022, the ACG is made up of several EU Member States, number of other international donors, International Financial Institutions (IFIs), and the UN. Civil society groups, international and national NGOs, regional partner countries, as well as private sector actors, are also represented in the ACG structure. The chair of the ACG is shared between UNAMA and the World Bank, with a donor serving as co-chair. The EU took the role as an ACG co-chair from mid-March 2023. Representatives attending the ACG

⁶ The Regional Team Europe Initiative on the Afghan displacement situation has the overall objective to enable durable solutions for Afghans on the move in Afghanistan and Afghanistan's neighbouring countries. Specific objectives are: 1) Improve protection of refugees, Internally displaced persons, migrants and asylum seekers; 2) Strengthen resilience and self-reliance, including life-saving assistance, of refugees, internally displaced persons, migrants, asylum seekers and host community members (persons of concern); and 3) Contribute to develop and implement effective migration governance and management systems to preventing irregular migration, countering migrant smuggling and trafficking in human beings.

Senior Officials meeting at the end of June 2023, acknowledged the *Framework for International Partner Support in Afghanistan*, which lays out a collaborative approach towards supporting basic human needs in Afghanistan over the period 2023-2025.

The World Bank-administered Afghanistan Resilience Trust Fund (ARTF) remains the primary multi-donor trust fund for Afghanistan. Beyond its coordination role, the ARTF supports the international donor community and aid implementors with solid analytical capacity and third-party monitoring of ARTF interventions. Moreover, although with no direct contribution from the EU, the Asian Development Bank (ADB)'s significant investment in welfare and livelihoods of vulnerable Afghan people, provides opportunities for complementarity and coordination with this Action.

As for Team Europe coordination, the EU works closely with Member States, Norway and Switzerland. EU Member States that provide basic needs assistance to the Afghan population, and that are therefore represented in Team Europe coordination discussions led by the EU are Czech Republic, France, Denmark, Finland, Germany, Italy, the Netherlands, Spain and Sweden. Coordination happens regularly and at different levels in mission-format, and involves joint analysis, and coordination of positions before ACG meetings. While only the EU is present in Afghanistan, the EU and its Member States also coordinate closely on the topic of the regional Afghan displacement situation, through a dedicated Team Europe Initiative covering humanitarian and development funds implemented in Afghanistan and the region for the benefit of displaced populations and the host communities.

Afghan and international CSOs play a crucial role in providing not only humanitarian relief to communities and households, but also basic needs assistance, particularly in a context of non-engagement by the international donor community with the Taliban de facto authorities. Since the Taliban de facto authorities' announcement on 24 December 2022, national women staff are not allowed to work in national or international NGOs, with exceptions obtained later for the health and education sectors. Civil society partners have largely learned to navigate Taliban restrictions while safeguarding principled aid delivery, but have been put in a highly vulnerable position with de facto authorities. The situation for civil society in Afghanistan is considerably fluid. Changes around policy and practice can change at a days notice. The European Union places great importance on the voices of Afghan women in the country and abroad. Regular consultations with CSOs and women activists are organised, as well as with media representatives. A review of the EU's Roadmap for Engagement with Civil Society in 2022 has analysed the current context for local CSOs operating in the country and identified ways that could allow to work with CSOs in all their diversity. In parallel to the roadmap process, the EU attends civil society coordination meetings in Kabul and holds regular bilateral consultations with local and international representatives of CSOs active in Afghanistan. Since January 2023, the EU has established an online *Basic Needs Forum* gathering key international NGO partners on a monthly basis.

Besides NGOs, other segments of the civil society, such as local associations and community-based structures, are important partners of EU aid implementers. EU-funded projects support and build on the presence of community development councils (CDCs), local sectoral committees, and traditional community structures. They constitute important stakeholders in sustaining livelihoods, job creation, community assets, and inclusively representing the interests of their (male and female) community members.

Economic context

In 2023, more than 9 in 10 people live in poverty and around 40% of the population (17.2 million) have been affected by high levels of acute food insecurity in April (IPC Phase 3 or 4)⁷. Already in pre-Taliban times, poverty and food insecurity have primarily been the results of weak public services and the lack of a stable income by households, but they have been exacerbated by the crisis triggered in August 2021. Funding from international donors is expected to decrease with bleak outlook for 2024 across all sectors, and affecting humanitarian assistance, as well as resilience and livelihoods interventions. Only 27% of the USD 3.23 billion S(equivalent to EUR 3.06 billion based on the exchange rate on 13 October 2023) required for the Humanitarian Response Plan (HRP – revised in May) were funded as of 31 July 2023.

After a sharp economic contraction and a domestic inflation spike in the aftermath of the Taliban takeover, the Afghan economy has somewhat recovered in 2023. According to the World Bank, the year-on-year headline inflation has dropped to negative 2.83%⁸ as of May 2023, resulting mainly from stabilised food prices, improved commodity supply, reduced tariffs on key imports, controlled currency exports, and appreciation of the Afghani

⁷ <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156351/?iso3=AFG>

⁸ Afghanistan Economic Monitor, The World Bank, July 31, 2023

(AFN) against its major trading currencies. Benefiting consumers in the short term, a persistent negative inflation is likely an indication of further contraction in the economy, which may put at risk the meagre and fragile economic stabilisation achieved.

From December 2021 to July 2023, approximately USD 2.84 billion (equivalent to EUR 2.69 billion based on the exchange rate on 13 October 2023) were brought into Afghanistan by UN cash shipments for the United Nations and its partners to counter the national liquidity crisis and thus, allow the implementation of their aid programmes. Weekly allowed cash withdrawals from banks for pre-August 15 deposits have been increased by the central bank (Da Afghanistan Bank - DAB) and no limits are imposed on fresh deposits. Cash availability remains constrained and bank branches crowded particularly during periods of salary payments. Parallel informal funds transfer systems, such as Hawala, continue to operate and in absence of a reliable banking system, have become widely used by aid implementors. Afghanistan's ability to regain the confidence of the international financial system is conditioned by DAB's independence from political influence, adequate Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) controls, and third-party monitoring. However, the US-funded third-party assessment of DAB conducted mid-2023 (but not made public or shared with international partners) allegedly concludes that the central bank lacks independence from the Taliban regime and has severe deficiencies in AML/CFT capacities. Until a credible banking system is established in Afghanistan, the release of DAB's frozen assets of USD 3.5 billion (equivalent to EUR 3.32 billion based on the exchange rate on 13 October 2023) with the Swiss-based Afghan Fund is highly unlikely.

Revenue collection by the Taliban de facto administration has increased by 16%⁹ between the first four months of fiscal year 2023 and the same period in the previous fiscal year. The national income has increased due to restored imports, increased exports, mining royalties and passport fees, within a general trend of rising taxation by Taliban de facto authorities. Revenue collection can however hardly compensate for the drastic cutoff in foreign assistance, which accounted for almost 70%¹⁰ of the pre-August 2021 public budget. Some off-budget international support has been resumed during 2022, but its level at about USD 3.5 billion (equivalent to EUR 3.32 billion based on the exchange rate on 13 October 2023) has been far from reaching the USD 9 billion (equivalent to EUR 8.54 billion based on the exchange rate on 13 October 2023) of 2020¹¹. Projections of 1.3% real GDP growth in 2023 and 0.4%¹² in 2024 may be jeopardised by further scale-downs in international aid.

Macroeconomic and financial crisis triggered by the Taliban coming to power in 2021 have severely affected the **private sector** and labour market in Afghanistan, and the economy contracted by 20.7%¹³ in the same year. Women-owned businesses have most suffered from the Taliban takeover. However, after a temporary cessation of the private sector activity, by mid-2022, the Afghan economy seemed to have partially recovered at a fragile low-level equilibrium. Firms have demonstrated some resilience and benefit from improved security across the country, as well as fallen corruption. World Bank survey¹⁴ results report that fewer than 10% of the surveyed firms have made unofficial payments since August 2021, compared to 82% before Taliban takeover. However, weak consumer demand due to widespread poverty and financial sector challenges are the main factors hampering private sector rebound. Particularly small and medium businesses mainly continue operating below their full capacity. 80%¹⁵ of the employment are made up by self-employed workers. The halting of infrastructure projects financed by development aid under the Republic, limits trade and transit and hence, private sector development. Furthermore, Taliban restrictions on women's rights to work (with UN agencies and NGOs), education (beyond 6th grade), mobility, and leisure, will cause an income loss dramatically impacting poverty levels and lead to permanent lower GDP growth due to the loss of human capital. Within this highly restrictive environment, women continue to work in the private sector and lead businesses, even if under difficult circumstances.

Agriculture, Afghanistan's backbone, employs 45% of all labour force and provides **livelihoods** to about 76%¹⁶ of the population. It contributes approximately 25%¹⁷ to the national GDP, representing the second largest sector

⁹ Afghanistan Economic Monitor, The World Bank, July 31, 2023

¹⁰ Afghanistan Socio-Economic Outlook 2023, UNDP

¹¹ Macro Poverty Outlook for Afghanistan: April 2023, World Bank

¹² Afghanistan Socio-Economic Outlook 2023, UNDP

¹³ Afghanistan Development Update October 2022, World Bank

¹⁴ Afghanistan Private Sector Rapid Survey, An Assessment of the Business Environment – Round 2, World Bank, September 2022

¹⁵ Macro Poverty Outlook for Afghanistan: April 2023, World Bank

¹⁶ WFP Afghanistan Integrated Resilience Building, Climate Change Adaptation and Food Systems, WFP

¹⁷ Islamic Republic of Afghanistan Agricultural Sector Review, June 2014, World Bank

in the economy. Afghanistan follows two main cropping patterns for staple foods (winter and spring planting), while an expansion of irrigated land and production would provide multiple harvests to households. Women traditionally play an important role in agriculture, which continues to provide one of the most viable avenues for women's economic empowerment under Taliban rule. 70%¹⁸ of Afghan women are engaged in small-scale agricultural work, food processing and other stages of the value chain. Women lack however paid jobs, land and property rights, and market access. The sector has suffered from decades of conflict, low investment and natural disasters, which have flawed or broken local food systems. The future of agriculture and food security in Afghanistan will largely depend on its capacity to cope with effects of climate change and to sustainably manage its scarce natural resources. Afghanistan is experiencing a major environmental crisis, including unrelenting deforestation, and land and pasture degradation. Desertification is a major problem, affecting more than 75% of the total land area in the northern, western and southern regions.¹⁹ Despite these multiple challenges and vulnerabilities, the country has almost doubled its exports in 2022 (compared with 2021), with 9 of the top 10 exported goods reflected in agriculture and horticulture. Exports have however dropped since the first quarter of 2023.

In 2021, income from opiates in Afghanistan amounted to some USD 1.8-2.7 billion²⁰ (equivalent to EUR 1.71-2.56 billion based on the exchange rate on 13 October 2023), representing 6-11% of GDP. The opium ban announced by the Taliban de facto authorities in April 2022 and applied to the 2023 harvest, has been successfully implemented in opium-producing provinces. The area of poppy cultivation has been reduced by over 99%²¹ in Helmand, and almost 88% in Nangarhar. Although the full impact on farmers' and communities' livelihoods will only be fully visible once stocks from the summer 2022 bumper crop run out, it is certain that a large number of households in these provinces will suffer from increased deprivation and have to rely on negative coping strategies. Living conditions in villages with opium poppy cultivation are generally less advantaged in terms of infrastructure and socio-economic services, and will further deteriorate if no substantial support is provided.

Social context

Between 2000 and 2020, Afghanistan had made significant progress on several **health** outcomes with the strong support from international partners. Notably, life expectancy at birth increased from 55 to 63 years²², maternal mortality declined from 1,346 to 620 deaths per 100,000 live births²³, and infant mortality per 1,000 live births reduced from 165 in 2000 to 41 in 2020²⁴. The Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS) have expanded access to primary, secondary and tertiary health services and in 2019, Afghanistan's UHC (Universal health Coverage) service coverage index had increased from 23 in 2000 to 42 in 2019. Despite progress, maternal and child mortality, prevalence of stunting in children aged under five, drug abuses, and mental and physical disorders, are persistently striking in Afghanistan.

Many challenges remain and may be exacerbated by weak public investment under the Taliban regime and severe funding cuts by donors, affecting a heavily aid dependent sector where major parts of health care have been contracted out to international and national NGOs. Health sector spending by the Taliban de facto authorities accounts to 2.4%, which pays off salaries of the health staff in the health administration. Nearly 20% of the health expenditures are covered by donors, and Out of Pocket (OOP) expenditure reaches 77%. Such fragile health financing model makes a sustainable recovery of the health system very challenging. As in other sectors, advancements have also varied from district to district, subject to cultural and geographical specificities, as well as local conflict dynamics. In a context where male healthcare workers cannot provide key services to women because of social, cultural and gender norms, persistent shortages in medical staff in general and female staff in particular, limit further the access to basic health care.

Poverty, food insecurity and environmental factors (e.g. air pollution), as well as the impact of climate change (e.g. reduced crop yields and increased vulnerability for farmers due to erratic weather patterns and water scarcity), being on the rise, **malnutrition** and maternal and child mortality are likely to deteriorate, particularly in under-served areas. Malnutrition (both acute and chronic) remains one of the most serious health problems affecting

¹⁸ WFP Afghanistan Integrated Resilience Building, Climate Change Adaptation and Food Systems, WFP

¹⁹ [Afghanistan: The alarming effects of climate change | OCHA \(unocha.org\)](https://www.unocha.org/afghanistan/publications/2023/06/talibans-successful-opium-ban-bad-afghans-and-world)

²⁰ Drug Situation in Afghanistan 2021, UNODC, November 2021

²¹ <https://www.usip.org/publications/2023/06/talibans-successful-opium-ban-bad-afghans-and-world>

²² <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=AF>

²³ <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=AF>

²⁴ <https://rho.emro.who.int/Indicator/TermID/48>

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 world's highest rates of stunting in children under five reaching 44.7%, whilst the rate of wasting, the extreme manifestation of severe acute malnutrition, reaches 3.7%²⁵. About 804,365 pregnant and lactating women are suffering from acute malnutrition. One in three adolescent girls suffers from anaemia. Only half of Afghan babies are exclusively breastfed in their first six months and only 12% of Afghan children aged 6-24 months receive the right variety of food in the quantity needed for their age. Malnutrition in children under-5 and pregnant and lactating women is expected to further rise by end of 2023, considering the drastic reduction in food assistance by the World Food Programme due to its severe funding crisis.

Access to safe **water, sanitation and hygiene (WASH)** facilities has become more critical than ever. The vast majority of the people in Afghanistan drink unsafe water, often contaminated by sewage and deadly pathogens. Access to safe sanitation and hygiene, including basic toilets and handwashing supplies is similarly limited. Around 8 out of 10 Afghan people drink unsafe water, whilst 5 out of 10 do not have access to at least basic sanitation and hygiene facilities. 93% of children in Afghanistan (15.6 million children) live in areas of high, or extremely high, water vulnerability. Rising temperatures are rapidly altering precipitation patterns across Afghanistan, diminishing people's access to water and recurrent drought is drying surface-water sources, such as springs, while at the same time depleting groundwater levels for hand-dug and shallow wells. Nearly 4.2 million people practice open defecation. Around 94% of schools across Afghanistan lack access to basic handwashing facilities and around 35% of healthcare facilities lack access to at least basic drinking water supply. Furthermore, decades of war and political instability compounded by climate change have decimated most of the hydrological infrastructure of the country, due to the breakdown of water services especially in urban settings and increased contamination from wastewater.

As the world's leading opium producer, Afghanistan suffers from a drug abuse crisis exacerbated by extreme poverty, lack of future prospects, and post-traumatic stress due to conflict and social pressure. In 2015, out of 2,757 households sampled for the *Afghanistan national drug use survey*, 11% had tested positive for one or more drugs²⁶. Many drug users are forcibly locked up in so-called 'treatment centres' that are deficient in terms of adequate medical and mental care, food, sanitary facilities, heating, and meaningful rehabilitation and reintegration. With the lack of access to adequate health care services, especially in rural areas, some use of drugs also occurs in the context of self-medication for treatment of physical pain, as well as in case of psychological issues (e.g. stress, anxiety, depression, trauma). Drug use is associated with increased vulnerabilities in many areas of life, resulting in negative social and health consequences, such as co-occurring mental and physical disorders (including HIV, Hepatitis, and other infectious diseases), drug-related deaths, unemployment, stigmatisation, crime and violence (including domestic and family violence) affecting not only the drug users but families and entire communities.

Mental health disorders in Afghanistan are exceptionally high for both adults and children, caused by decades of conflict and insecurity. About 66% of the Afghan population have experienced at least one traumatic event in their life, and 77% witnessed such an event. The major mental health disorders with high prevalence rates are psychological distress (47.7%), suicide ideation (7.3%), attempt (3.96%) and committing (3.43%), post traumatic stress disorder (5.3%), depression (4.9%) and generalised anxiety (2.8%). The mental health situation of children has become worrying with the prevalence of emotional problems at 39%, conduct disorders at 40.7 %, Attention Deficit Hyperactivity Disorders (ADHD) at 15.47%, and problems with peers at 51.81%. 11.5% of them are impaired in their daily life owing to mental health problems.

Moreover, Afghanistan has one of the highest proportions of people with a disability in the world. Even though the overall security situation has improved, landmines, unexploded ordinance, local and domestic conflicts and accidents continue causing disability on a daily basis. About 80% of the adults live with some form of disability (24.6% mild, 40.4% moderate and 13.9% severe forms) as do 17.3% of the children aged between 2 and 17.²⁷ Severe disabilities are more prevalent among women and girls (14.9%). Human Rights Watch and other human rights organisations report that Afghan women and girls with disabilities face extreme barriers, entrenched discrimination, and sexual harassment in accessing assistance, education, employment and healthcare.

²⁵ MICS Afghanistan, Multiple Indicator Cluster Survey 2022-2023, UNICEF

²⁶ <https://dataunodc.un.org/content/country-list>

²⁷ From a study by the Asia Foundation (May 2020)

Advances made over the past twenty years in the fight against **Gender-Based Violence (GBV)** have been badly set back by the Taliban takeover. Previous legal dispositions, including the 2009 law on the Elimination of Violence Against Women (EVAW), 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 de facto authorities 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 Taliban de facto authorities have increased concerns over women's access to basic rights.

Particularly in the **education** sector, setbacks are dramatically eroding gains made under the Republic government. Gross primary school enrolment raised from 21% in 2000 to 107% in 2019, and gross secondary school enrolment from 12% in 2001 to 55% in 2018, while government expenditure on education dropped from 17.3% in 2009 to 10.3% in 2020²⁸. Although access to schooling had improved significantly in the last decade, completion rates remained low with already increasing gender disparities in the upper levels and in rural areas. 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), which includes community-based classes and accelerated learning programmes. The CBE has been part of the MoE formal education system since 2003.

In March 2022, the Taliban de facto authorities banned Afghan girls from secondary school education, and in December 2022, universities were closed to female students across the country. Net attendance in primary school reaches 40.6% for girls and 54.1% for boys, with a significantly higher rate in urban areas. In lower secondary education, the indicator drops to 8.9% for girls against 32.1% for boys, and in upper secondary education 11.5% and 28.6% respectively²⁹. Wide disparities also exist between girls and boys in terms of completion rates, and 83.4%³⁰ of girls of lower secondary school age are not attending any level of education. The future of girls' access to education remains unclear, with potential negative impacts on human development and economic indicators in the coming years. The situation is not static and new decrees or orientations by the Taliban de facto authorities continue to be issued, often further banning girls from education, impose restrictive conditions for their school attendance or review current curricula.

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. 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.

The **displacement** situation in Afghanistan, as of September 2023, is increasingly challenging, with a deteriorating humanitarian, economic, and human rights environment. From the start of 2021, approximately 1.6 million Afghans have sought refuge in neighbouring countries, mainly Iran and Pakistan, which jointly host an estimated number of 8.2 million Afghan nationals. Borders have remained tightly controlled, leading to a prevalence of informal border crossings through risky journeys in the hands of smugglers. Notably, Iran hosted an estimated 1 million Afghan arrivals since 2021, while Pakistan reported over 600,000 new arrivals, and Uzbekistan reported

²⁸ <https://data.worldbank.org/indicator/SE.XPD.TOTL.GB.ZS?locations=AF>

²⁹ MICS Afghanistan, Multiple Indicator Cluster Survey 2022-2023, UNICEF

³⁰ MICS Afghanistan, Multiple Indicator Cluster Survey 2022-2023, UNICEF

13,020 arrivals. However, these numbers reflect a transient population, with ongoing large-scale deportations despite the UNHCR non-return advisory note from 2021³¹, and circular movements.

Afghans were the leading group of asylum seekers in Europe in the third quarter of 2021 with 28,000 first time applications³². The European Union Agency for Asylum (EUAA) reported over 15,000 asylum applications by Afghans across European Union Member States, Norway, and Switzerland, as of October 2022. These new arrivals, added to over 2 million registered refugees from previous displacement waves, and another 5 million Afghans of varying statuses, have exerted significant pressure on host nations. In contrast, voluntary returns to Afghanistan have remained relatively low, with just 6,000 registered refugees recorded as returning in 2022. Within Afghanistan, over 1.3 million IDPs have returned to their communities of origin since the end of the conflict, but an estimated 3.4 million remain internally displaced due to conflict, of whom 58% are children³³, further aggravating the already dire situation in host communities. IDPs have been put under pressure by de facto authorities to return to their area of origin, although living conditions in those areas have not improved. Projections for 2023 anticipate 300,000 IDPs and 60,000 refugees will return to their homes within Afghanistan. However, the ongoing crisis continues to constrain Afghans' ability and willingness to return, leading to a steady demand for significant support in 2023, particularly for investments in health, education, water and energy.

Compounding these challenges is the forced internal displacement due to conflict and natural disasters, with affected populations often losing their livelihoods. 3.3 million people are displaced due to climate change. Ethnic minorities, such as the Hazara, face added violence and persecution. Limited livelihood opportunities for IDPs have further exacerbated the situation, leading to negative coping mechanisms, such as early child marriages or sending children abroad for work. Despite previous efforts to restore livelihoods through cash infusion and short-term employment, these strategies alone are insufficient to address Afghanistan's structural economic deficiencies and establish sustainable growth.

Statistics show that the most important drivers of migration worldwide 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, especially in the context of Afghanistan. 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. Given the lack of this medium-term perspective in Afghanistan, the need for basic needs and livelihoods activities in-country is even more acute. Activities focussing on economic recovery (both in urban and rural areas), access to social services (especially health care, education, and protection) will therefore be screened to assure that IDPs and returnees receive access to benefits on equal terms with the larger population. Advocacy efforts with local communities will include the specific situation of displaced populations and returnees.

Environmental degradation and climate change

With regard to **climate vulnerability**, although Afghanistan has contributed a mere 0.066% of global greenhouse gas (GHG) emissions³⁴, the country is ranked the sixth most vulnerable nation to the effects of climate and weather-related disasters³⁵. Projections indicate that by 2050, average temperatures in Afghanistan will rise by an additional 1.4 to 4°C, and precipitation patterns will become increasingly erratic, further intensifying recurrent cycles of drought and flooding. Water availability is projected to significantly decrease, which will heavily affect rural households relying on agriculture, but also populations in urban centers.

Climate change and environmental degradation are on track to becoming the predominant drivers of humanitarian needs in Afghanistan with serious implications also for both national and regional peace and security. Climate change is a threat multiplier through factors including livelihood deterioration, competition over scarce resources (particularly water) and access to basic services, tensions over migration, and increased vulnerability to recruitment into armed groups or narcotics production. Between 2010 and 2020, over 785,000 people in Afghanistan were displaced by natural disasters with 97 per cent due to drought and floods. The drought in 2018, displaced almost

³¹ Since August 2021, UNHCR has maintained a non-return advisory for Afghanistan (reaffirmed in February 2023), calling for a halt on forced returns of Afghan nationals. The EU adheres to the note. <https://www.unhcr.org/news/briefing-notes/unhcr-issues-non-return-advisory-afghanistan>.

³² Eurostat, 2021.

³³ UNHCR (2022). External Update: Afghanistan Situation #21.

³⁴ WRI Climate Watch (2020). https://www.climatewatchdata.org/ghg-emissions?breakBy=regions&end_year=2020®ions=WORLD%2CAFG&start_year=1990

³⁵ Global Climate Risk Index (2021). <https://www.germanwatch.org/en/19777>

half a million people and many suffered economic hardship, food insecurity and rising poverty³⁶. Without building resilience and strengthening adaptation capacities, and without focusing on inclusion, Afghanistan runs the risk to slide into cycles of shock and maladaptation that become more difficult to reverse over time.

Climate change also poses a threat to regional stability via sensitive transboundary water dynamics between Afghanistan and its neighbouring downstream states. Combined with the legacy of decades of conflict, the country's multi-ethnic composition, and the complex humanitarian emergency and economic crisis, these pressures compound vulnerabilities and may undermine the stability of Afghanistan and the wider region. While evidence on the impact of climate change on population displacement are mixed with varied effects across different contexts, extreme climate change events in the context of protracted armed conflict and long history of migration are important factors behind mass population movements. As such, addressing climate change in Afghanistan is in the interest of the international community at large, not only as a humanitarian imperative and to support the livelihoods and basic needs of the Afghan people, but to mitigate threats to regional peace and security.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this Action is to address basic needs and support livelihoods of the people of Afghanistan, which would contribute to increased stability, reduced security threats and forced displacement within Afghanistan and from Afghanistan to the region and beyond.

Specific objectives will be attained in complementarity with humanitarian efforts.

The **Specific Objectives** of this Action are to:

1. Improve the uptake of basic services of the Afghan population, particularly for women, children and vulnerable groups, including minorities, IDPs and returnees;
2. Enhance resilient livelihoods and economic opportunities, particularly for women, children and vulnerable groups, including minorities, IDPs and returnees.

The **Outputs** to be delivered by this Action contributing to the corresponding Specific Objectives are:

- contributing to Outcome 1 (or Specific Objective 1):

- 1.1. Enhanced access to quality services in health and nutrition by the population, particularly women, children, and vulnerable groups (including people with disabilities, drug users, IDPs and returnees);
- 1.2. Enhanced access to quality WASH services by the population, particularly women, children, and vulnerable groups (including people with disabilities, drug users, IDPs and returnees);
- 1.3. Enhanced access to quality education in safe learning environments, particularly for girls.

- contributing to Outcome 2 (or Specific Objective 2):

- 2.1. Improved access to income-generating and business support services, including for agricultural resilience and climate-compatible activities;
- 2.2. Enhanced value chain effectiveness and market access, particularly climate-resilient agricultural value chains;
- 2.3. Improved access to microfinance services, including for smallholder farmers;
- 2.4. Improved disaster risk reduction and natural resource management, including climate adaptation, by local communities particularly those at risk of displacement. This includes the agricultural sector and the provision of WASH services.

³⁶ Internal Displacement Monitoring Centre (IDMC) 2022 Afghanistan: Country profile. <https://www.internal-displacement.org/countries/afghanistan>

3.2 Indicative Activities

Activities listed below are indicative and non-exhaustive. They will be designed in a flexible way to cater for their adjustments in a highly volatile context. Depending on their nature, activities will be implemented with a community-based approach or private sector approach, and mainly target micro-level of the Afghan society and economy. Whenever feasible and in complementarity with humanitarian efforts, activities will be integrated into a comprehensive basic needs assistance package integrating health and nutrition, child protection, WASH, and education services, as well as other relevant activities such as disaster risk reduction in schools and health facilities.

Activities relating to Output 1.1:

- Conduct analysis on issues related to the health sector (e.g. gender, social inclusion);
- Deliver inclusive basic health and nutrition services and medicines in support of BPHS and EPHS. This includes also specific attention to reduction of maternal mortality rates.
- Deliver specialised support to people with mental health disorders, including psychosocial support particularly for women, children and vulnerable groups including IDPs and returnees;
- Deliver an improved and inclusive package of drug abuse rehabilitation services, including prevention, and socio-economic reintegration. This includes also capacity building of community-based entities engaged in drug abuse rehabilitation and psychosocial support;
- Provide protection services for victims of violence, including sexual and gender-based violence (if feasible within the Afghan context). This includes analytical studies, case management and referral systems, specialised health care, awareness raising, etc.;
- Support child protection services.

Activities relating to Output 1.2:

- Deliver WASH services in underserved communities, including in areas affected by high numbers of IDPs/returnees.

Activities relating to Output 1.3:

- Conduct analysis on issues related to the education sector;
- Support school safety and community engagement, including in areas affected by high numbers of IDPs/returnees;
- Support education services in public schools and CBE, including safe learning environments particularly for women and girls (e.g. materials, trainings, cash-for-education/incentives for school attendance);
- Support distance/multimedia learning, life skills training, and literacy classes;
- Provide mental health/psychosocial support to school children and teachers;
- Ensure access to WASH services (related to output 1.2) and nutrition in schools.

Activities relating to Output 2.1:

- Provide cash-based transfers and/or productive inputs (e.g. seeds, small livestock) for subsistence farming and micro-businesses;
- Create or support household income generating activities;
- Provide production inputs to businesses (e.g. small equipment/material, solar panels, cold storage capacity).
- Conduct analysis on livelihood patterns and inclusive and sustainable value chains;
- Provide technical trainings, skills development and coaching services. A particular focus will be attributed to (i) strengthen agricultural capacity through the implementation of agroecological principles (adoption of practices such as conservation agriculture, minimum tillage, soil cover maintenance, crop rotation, and integrated farming systems, all aimed at improving soil health and fertility, along with the use of small-scale infrastructure, to effectively address soil degradation), and (ii) diversification of agri-food systems and agricultural landscapes by preserving species diversity, including native crops, seed varieties, and livestock breeds. This activity is contributing to the enhancement of agricultural resilience and alignment with sustainable agricultural practices;
- Provide veterinary services for safeguarding livestock;

- Support Integrated Pest Management and pollinators protection;
- Diversify on-farm incomes and provide value addition opportunities for small-scale farmers;
- Provide different types of support (e.g. logistics, equipment, materials, grants, trainings) to Business Development Services (BDS) providers and business organisations networks;
- Support improved quality standards for goods and services;
- Connect businesses to BDS providers and business organisations networks.

Activities relating to Output 2.2:

- Promote the use of renewable energies in agro-processing and cooking;
- Connect producers to other actors of the value chain (e.g. traders, transporters, networks);
- Promote Business-to-Customer and Business-to-Business;
- Organise trade fairs, exhibitions and other market opportunities or support businesses in attending them.

Activities relating to Output 2.3:

- Support private sector microfinance services;
- Support community-based savings and loans schemes;
- Connect Micro, Small and Medium Enterprises (MSME) to microfinance services providers.

Activities relating to Output 2.4:

- Create climate-smart community assets (e.g. watersheds, checkdams, storage capacity, irrigation systems) and build local capacities (e.g. trainings) for community asset maintenance and replication;
- Enhance community-based early warning systems for timely disaster preparedness;
- Innovate disaster-resilient agricultural practices to safeguard food production in the face of climate-related threats;
- Expand community-based irrigation and drainage networks to reduce the impact of disasters on agriculture and water management;
- Sensitise local communities on climate resilience and train them in sustainable agriculture, natural resource management and disaster risk reduction. Land rehabilitation may be coordinated with demining actions funded among others by the EU Foreign Policy Instrument;
- Support local communities on local conflict resolution related to climate change and access to natural resources, including water.

The commitment of the EU's contribution to the TEI foreseen under this action plan will be complemented by other contributions from TEI participants. It is subject to the formal confirmation of each respective participant's meaningful contribution as early as possible. In the event that the TEI and/or these contributions do not materialise the EU action may continue outside a TEI framework.

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 rapidly, which will have both direct and indirect consequences on internal displacement, public health, nutrition, food security, and economy.

In order to improve managing the impacts of climate change, environmental factors and possible adaptation measures in the health sector should be considered in interventions. All health care providers are held responsible for environmental compliance on health care waste management in their management plan and have to set adequate

standards. Existing guidelines for health care waste management should be taken into account to the extent possible.

Environmental protection and climate adaptation will constitute a significant focus of this Action with key activities as part of the agriculture and livelihoods interventions. Community resilience will be promoted through a climate-smart approach, focusing on issues of sustainable food systems, natural disaster risk reduction, and natural resources management, in particular water and energy.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that the empowerment of women and girls will be considered a priority across all interventions and sectors. In the context of severe restrictions imposed by the Taliban de facto authorities on women's and girls' rights to education, mobility, leisure and work, the Action will aim at safeguarding women's and girls' meaningful participation in the Afghan society and economy, and ensuring that they have access to essential social services. The Action includes support to protection services for survivors of sexual and gender-based violence, currently one of the most difficult challenges under Taliban rule. Livelihoods opportunities and private sector development will contribute to women's economic empowerment and safeguarding women's rights in terms of employment and income generation.

Over the two first years of Taliban de facto authorities in power, women's participation in society/public life has dramatically worsened. Although the Taliban de facto authorities indicate that certain restrictions imposed on women/girls are only temporary (e.g. ban on girls' secondary education), a continuous assessment of such restrictions will be necessary and should inform the European Union's position for adapting the activities of this Action. Gender equality and social inclusion (GESI) analyses are required to specifically understand social, cultural and gender norms in related sectors (e.g. health, WASH, protection, education), while taking into consideration the restrictive political environment. Under this Action, the EU will collect and produce sex-disaggregated data whenever applicable and monitor and evaluate gender sensitive and intersectional indicators. Reporting efforts by the humanitarian community, ACG basic needs donors, and the EU (e.g. ROM, Third-Party Monitoring), on principled aid delivery ensure robust monitoring and assessment of the Taliban de facto authorities' restrictions and their implementation at decentralised levels.

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 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)³⁷, which aims to accelerate progress on empowering women and girls, and safeguard gains made on gender equality. The Action contributes to the implementation 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”.

Children and Youth

Afghanistan has one of the youngest and fast growing populations in the world. The population is currently estimated at 40.1 million, with an annual population growth of 2.9%³⁸ and 43% under the age of 15 in 2022³⁹.

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

³⁷ JOIN(2020) 17 final. Brussels, 25.11.2020. The Gender Action Plan III is a Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy which was welcomed through EU Presidency Conclusions of 16 December 2020. Drafting was led by European Commission in close consultation with EU Member States, EEAS, civil society organisations, partner governments, and international organisations (UN entities, International Finance Institutions among others). The different parties contributed to the drafting of the document through meetings and through responses to a survey conducted during the process. Source: https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf

³⁸

https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=AFG

³⁹ <https://data.worldbank.org/indicator/SP.POP.1564.TO.ZS?locations=AF>

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 radicalisation and possibly recruitment into armed groups for male youth.

The cross cutting constraints currently faced by the adolescents and youth in Afghanistan include high unemployment, rise in poverty and hardship affecting their quality of life. This significantly impacts their aspirations and morals, and possibly is one of the causes behind high rates of drug dependency. Challenges around child marriage and early teenage pregnancy are also increasing, as well as, high levels of GBV among adolescents girls and young women. Mental health disorders with substance abuse due to accumulated conflicts, hardship, and lack of basic services and support are more and more prevalent, especially among younger cohorts of the Afghan population, including children and women. Restrictions on education for girls, but also the possible revision of education curricula, are affecting access to education and the pursuit of knowledge.

The Action will ensure that 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 address mental health issues and drug dependency, access to economic and livelihood opportunities, basic skills, and the provision of health services. Young women and girls are also among those targeted by protection activities for survivors of sexual and gender based violence.

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 and access to information.

A protection mainstreaming approach will be pursued as well.

All categories of the community, with a special attention to populations living in the most vulnerable situations such as women, girls, boys, 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. A specific attention will be given to groups exposed to unequal access to education, particularly girls. A human rights-based approach will be integrated 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 the Basic Package of Health Services and the Essential Package of Hospital Services, and therefore this Action will continue expanding health services to persons with disabilities. Disability inclusion will also be mainstreamed in livelihoods interventions.

Fight against discrimination

Basic social services are provided to the whole population. However, groups living in the most vulnerable situations or the most subject to discriminations, including women, children, ethnic minorities, 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. Conflict sensitivity will be taken into consideration in the Action by ensuring the alignment of do-no-harm approaches with the EU principled approach. This will include for example inclusive

and non-discriminatory targeting of beneficiaries, as well as the involvement of local communities into the design and implementation of activities when appropriate, consideration of protection and risks for civil society organisations, and conflict sensitive engagement with the private sector. The Action as a whole contributes to resilience building and peace by safeguarding access to social services, economic opportunities and sustainable livelihoods in a way that specifically protects women and children.

Disaster Risk Reduction

Promoting disaster risk reduction and management 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 people displaced by disasters and hazards. Sustained investments in basic services will make them more resilient to cope with the humanitarian impacts of disasters. Livelihoods interventions, particularly in rural areas, will also integrate disaster risk reduction at community level through small community assets such as retaining walls, climate-smart agriculture and natural resource management (including water), awareness raising and preparedness training.

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 *Minimum Standards for Education in Emergencies* and the *Minimum Standards for Child Protection in Humanitarian Action*, as relevant, while ensuring complementarity with relief efforts by the humanitarian community. The activities on SGBV will include provision of services to children who are at risk or victims of SGBV (including early marriage), as well as prevention activities if the context allows.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Internal Security Increase in violent conflict and insecurity after an initial period of improved security.	<ul style="list-style-type: none"> Continued activity by Islamic State-Khorasan Province (IS-KP) and other violent extremist groups and propagation of extremist ideologies. Conflict between the Taliban and National Resistance Front. Worsening interethnic tensions, sectarian violence, and persecution of minorities. Increase in crime-related security incidents. 	H	H	<ul style="list-style-type: none"> Flexibility given to the implementing partners to engage with the local communities to provide livelihoods support and basic social services in challenging areas. Strong institutional collaboration with stakeholders at various levels. Selection of staff from local communities for livelihoods activities and the vaccination campaigns, and mitigation of risks related to their engagement. Build mediation and conflict-resolution mechanisms into activities with local CSOs and when appropriate, seek synergies with humanitarian and/or peace building interventions, also in relation to water and natural resources management. Strengthen non discrimination targeting of beneficiaries, including ethnic and religious minorities.

	<ul style="list-style-type: none"> • Increase of gender-based violence. • Almost all contributing factors to potential for large-scale, uncontrolled internal and crossborder movements are in place in Afghanistan. 			<ul style="list-style-type: none"> • Strengthen protection measures for women, children, people with disabilities and minorities.
Political Stability and Inclusion Deterioration in the political situation and increasingly fractious political dynamics, contributing to further instability and threats to peace. Further constraints imposed on democratic and civic engagement, and increased repression of civil society actors.	<ul style="list-style-type: none"> • Potential for bilateral disputes, including with neighbouring countries. • Authoritarian, non-representative, unaccountable, and extremist de facto authorities. • Replacement of former government personnel with unqualified Taliban affiliates. • Shrinking civic space and threats against civil society activists, journalists, etc. • Increased restrictions on women's participation in the public domain and in civil society. • Additional constraints imposed on implementing partners in the delivery of basic human needs assistance. 	H	H	<ul style="list-style-type: none"> • Maintain a strong partnership and coordination with key donors and international organisations engaged in Afghanistan on advocacy for inclusive, representative and broad-based governance by the Taliban de facto authorities. • Maintain close dialogue with implementing partners and civil society. • Monitor the principled delivery of aid by implementing partners. • Strengthen community-based and civil society organisations and institutions, bearing in mind the need for additional protection measures as appropriate. • Advocate for the removal of restrictions on NGOs, CSOs and international organisations, and the respect of women's and girls' human rights.
Political commitment Taliban de facto authorities do not show any commitment or	<ul style="list-style-type: none"> • Status quo or deterioration in EU relations with the Taliban de facto authorities, which could lead to security threats 	H	M	<ul style="list-style-type: none"> • Engagement with Taliban de facto authorities continues at political level to press on the EU benchmarks set out in the Council Conclusions on Afghanistan of 21 September 2021.

progress on the EU benchmarks set out in the Council Conclusions on Afghanistan of 21 September 2021.	towards EU staff and EU partners.			<ul style="list-style-type: none"> • Engagement at technical level by the implementing partners with the Taliban de facto authorities for them to allow aid implementation. • Humanitarian/basic needs assistance is delivered in a way that strictly avoids 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 continue to increase, particularly for women.	<ul style="list-style-type: none"> • Institutional capacity weakens further. • Mainly male staff and/or non-qualified human resources are retained in institutions, private sector and civil society. 	M	H	<ul style="list-style-type: none"> • Decentralisation of recruitment to provide more autonomy to implementing partners for recruitment of female staff from local communities.
Social norms Unequal social norms against women and vulnerable groups is increasing.	<ul style="list-style-type: none"> • Women cannot participate in livelihoods activities nor have access to basic services (in particular education). • Increased stigma and discrimination of people with mental disorders, other forms of disability and substance dependency issues. 	H	H	<ul style="list-style-type: none"> • 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, boys, women and groups in vulnerable situations (e.g. minorities) will take part of awareness rising to work on social norms. • Awareness rising and advocacy campaigns through community based, youth organisations and engagement with the private sector to help (re-) integrate those stigmatised socially and economically.
Financial resources and accountability The availability of funding from the international community poses significant risks in terms of creating fiscal space for low priority expenditures financed from Taliban de facto	<ul style="list-style-type: none"> • Substitution of public investments by international aid. • Continued aid dependency and no accountability by de facto authorities. 	M	M	<ul style="list-style-type: none"> • Ensuring effective coordination with international partners to avoid segmentation, overlap and inefficiencies. • Gauging, to the extent possible, and pushing for Taliban de facto authorities’ 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 the Taliban de facto authorities

authorities' own revenues, as well as labour market distortions.				
Corruption and fraud	<ul style="list-style-type: none"> • Aid diversion. • Threats to the security of implementing partners staff. 	M	M	<ul style="list-style-type: none"> • 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 channels of the Taliban de facto authorities.
Access to quality education The ban on access to secondary and tertiary education for girls is maintained. The revised school curricula go against human rights principles	<ul style="list-style-type: none"> • Education interventions cannot be implemented with a principled approach. • Support to education has minor impact or cannot be implemented with a do no harm approach. 	H	H	<ul style="list-style-type: none"> • GESI analysis on the education sector will be conducted at local level to promote equal access to education for girls. • Close coordination with partners on the ground who have access to local communities and/or authorities. • Adapting interventions to the local context to support (alternatives to the formal) education opportunities. • Technical coordination with the de facto authorities. • Close monitoring and possible 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 which goes against human rights principles.

The following key **lessons learned and recommendations** from conducted assessments and studies have been taken into consideration for designing the Action:

Study/assessment	Findings/lessons learnt/recommendations	Action
EU mid-term review of the 2021-2027 allocation for Afghanistan (July-September 2023)	There is no improvement for households to sustain livelihoods, and while food and goods are available on the market, people lack purchasing power.	The Action adopts a private sector and value chain approach, linking up with livelihoods support for the most vulnerable, which focus on job creation and income generation to increase purchasing power and stimulate local demand.
	The worsening micro-economic situation, and the lack of perspective for youth, especially women, with restrictions in their everyday lives and a lack of employment opportunities risks leading to displacement, migration, and paving the way for further extremism, drugs, arms and human trafficking.	The Action seeks to prevent displacements, extremism, and drug dependency, by providing employment opportunities, vocational and skills training, and if relevant, socio-economic reintegration. Women and youth are considered priority target groups.
	The different stakeholders who were consulted highlighted notably the following areas for further EU engagement: <ul style="list-style-type: none"> - Education, in particular for girls; - Health, in particular mental health/psychosocial support and training of male and female health workers; 	The Action support education, health, private sector, and climate resilience (integrated notably in livelihoods support).

	<ul style="list-style-type: none"> - Support to the private sector and women's economic empowerment with notably access to credit, investment in value chains, and support to market linkages; - Climate resilience. 	
	Strong advocacy for direct financial support to local NGOs and private sector.	International implementing partners will be encouraged to build the capacity or implement activities with the local civil society or community-based organisations. The Action also foresees the possibility of providing funding to private sector operators.
	The ARTF was identified as a key vehicle to coordinate and finance programmes in Afghanistan, increasing the overall impact.	The Action will support the ARTF at strategic and project implementation levels.
Thematic evaluation of the private sector support in Afghanistan (June 2023)	Complex projects with multiple inter-related components or dependencies on other related projects face higher risk of failure.	Whenever feasible and relevant, the Action will encourage strategic consortia notably under direct management (grants).
	Enterprise level support is likely to be more sustainable when provided to more established and resilient businesses.	The Action includes a specific objective on economic opportunities and private sector, which will focus primarily on resilient businesses.
	Projects that consciously and determinedly target women beneficiaries can successfully promote gender equity despite discriminatory social norms.	Women and girls are the priority population group for beneficiary targeting.
	Moving from emergency support to businesses towards more development oriented support for market systems.	The Action promotes a value chain approach from production to market to consumer.
	Supporting the recovery of the financial sector.	The Action will support access to microfinance services.
	Supporting private sector agriculture. The EU should develop a programme of private sector support in the agriculture sector, including livestock and poultry, which focuses on supporting private sector providers involved in input supply, agricultural processing, transport, logistics and cold storage, marketing and certification. Such interventions should employ a value chain approach which analyses and addresses bottlenecks and opportunities along the production, processing and marketing chain.	In the Action, agriculture is a key sector for strengthening private sector, inclusive and sustainable value chains, as well as livelihoods.
	Supporting skills development in rural areas. The EU should consider applying experience from successful technical and vocational education and training (TVET) programmes in urban areas to rural sectors, including agricultural processing. Without a functioning national system for youth training, support for SMEs to take on apprentices and trainees may currently be a more practical and sustainable approach to skills development.	Skills development and TVET, notably in rural areas, will be integrated in inclusive and sustainable value chain, private sector and livelihoods support.

	Supporting the renewable energy sector and private sector health care.	The Action will support resilient businesses, which may include renewable energy and health care services.
ROM (2023)	All interventions have been affected by delays in implementation. The common causes that apply to all interventions include the difficult operational environment, growing basic needs of the population, restrictions on women and girls, and MoU requirements for the implementing partners with the Taliban de facto authorities.	The Action foresees an implementation period of 48 months, which should allow sufficient time for implementing partners to achieve the planned results.
	Adolescent girls of Afghanistan are at highest risk. Banned from school and with growing hunger and rampant poverty, global evidence shows, and Afghanistan will not be the exception, that their risk of being trafficked or early married is exponential.	Adolescent girls are considered a target group for access to basic services, skills and vocational trainings, as well as household livelihoods support.
	The support to soft skills appears difficult to be incorporated into practices if not directly linked to the availability of the material conditions needed, and this is a reality for all interventions including health, education and support to the business sector.	The Action develops an integrated approach or comprehensive support packages in the targeted sectors of health, education, private sector and livelihoods.
Team Europe+ joint analyses (January 2023)	Community level economic development should be supported and does not contradict the sanctions regime. Though community development alone is not likely to be sustainable. Following international aid effectiveness principle such interventions benefit from support from and interaction with meso-level sector institutions (e.g. training centres, chambers of commerce).	A community-based approach is mainstreamed throughout the Action. Whenever feasible, support will be provided to meso-level actors engaged in basic services delivery, private sector support, and climate resilience.
	Develop and defend gender rights and roles based on pragmatic solutions to problems.	The Action adopts a rights-based approach in the design and implementation of activities. In accordance with the principled approach, experience gained with the implementation of the 2022 special measure showed that implementing partners have succeeded in finding pragmatic solutions to defend gender rights.
EU Political and Security Committee retreat on lessons learnt for Afghanistan (July 2023)	Within the framework of the Council Conclusions, the EU should consider what could be done despite rather than through the Taliban, and for the benefit of the Afghan people. Areas to consider could be CSO support, support to women-led businesses, mitigating climate change, crops substitution, and increased support to livelihoods, including the agriculture sector.	The Action covers all recommended support areas, such as women-led businesses, climate change, agriculture, and livelihoods. International implementing partners quite systematically work with local CSOs and the latter may also participant as grant applicants, if eligible. More specific local CSO support is however provided by the EU through the EU thematic funding programme.
	While the situation in Afghanistan is grim, it is not impossible to support the Afghan people and the EU should explore what options are within this constantly evolving context.	The Action foresees sufficient flexibility to seize opportunities when they arise and shift intervention focus as needed.

3.5 The Intervention Logic

The intervention logic builds on approaches, lessons learnt and achievements from preceding actions. Continuity is ensured with the 2021 and 2022 special measures on Afghanistan, while taking into account political and socio-economic dynamics over the past year. Focus is on sectors and activities where women and/or girls are still able to contribute in a meaningful way and basic needs and livelihoods assistance can be delivered in compliance with the principled approach. Acknowledging that the Afghan context remains highly volatile and fragile, the Action presents sufficient flexibility to cope with further restrictions by the Taliban de facto authorities, but also to benefit from eventual positive political development during the implementation period of the Action.

Women and girls' empowerment, specific needs of vulnerable groups, and triple nexus approach, are mainstreamed throughout the Action. In close coordination with Union humanitarian action, the Action will ensure contingency planning and flexibility to complement relief efforts in response to shocks and population movements by providing basic services and livelihoods support to affected households and communities.

In order to achieve the Action's overall objective of **addressing basic needs and supporting livelihoods of the people of Afghanistan**, the intervention logic assumes that:

IF the population has access to inclusive and affordable quality services in health, nutrition and WASH, AND
IF quality education for all, including girls, is sustained, AND
IF vulnerable households and MSMEs have access to productive assets, support services, income and financial services AND
IF the population, particularly women, girls, and youth, can develop the necessary skills and qualifications relevant to their specific needs and the local labour demand AND
IF local communities better manage natural resources and disasters,
THEN individuals, households, communities, and private sector employers will be more resilient and rely less on negative coping mechanisms, including climate-induced displacement AND
THEN food insecurity, health and malnutrition, education, and multidimensional poverty will decrease, and the push factors for displacement and irregular migration will be alleviated.

3.6 Logical Framework Matrix

This indicative logframe 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.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (disaggregated by sex, age, disability, and displacement status)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To address basic needs and support livelihoods of the people of Afghanistan, which would contribute to increased stability and reduced security threats and forced displacement within Afghanistan and from Afghanistan to the region and beyond.	1 Proportion of population below the international poverty line 2 Mortality rate of children under 5, adolescent girls and women	1 TBD 2 TBD	1 TBD 2 TBD	Global SDG Indicators Database	<i>Not applicable</i>
Outcome 1	1 Improve the uptake of basic services of the Afghan population, particularly for women, girls, and vulnerable groups including minorities and IDPs	1.1 Proportion of population covered by essential health services in EU-assisted areas 1.2 Proportion of school aged children out of school in EU-assisted areas 1.3 Proportion of IDPs, returnees and individuals from host communities having access to basic services in EU-assisted areas	1.1 TBD 1.2 TBD	1.1 TBD 1.2 TBD	Implementing Partner reports	<ul style="list-style-type: none"> - Security situation and access allow for implementation of the actions. - Taliban de facto authorities at the national and local levels do not impede implementation. - Donors continue to support complementary humanitarian, basic needs and peace action. - Academic curricula do not promote any concepts of discrimination or violence.
Outcome 2	2 Enhance resilient livelihoods and economic opportunities, particularly for women, girls, and vulnerable groups including minorities and IDPs	2.1 Investment capacity of EU-supported MSMEs 2.2 Production capacity of EU-supported MSMEs 2.3 Percentage of women-headed businesses among EU-supported MSMEs 2.4 Livelihood Coping Index for EU-assisted households/communities 2.5 Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) (GERF 2.2)	2.1 TBD 2.2 TBD 2.3 TBD 2.4 TBD 2.5 0	2.1 TBD 2.2 TBD 2.3 TBD 2.4 TBD 2.5 TBD	Implementing Partner reports	
Output 1 relating to Outcome 1	1.1. Enhanced access to quality services in health and nutrition by the population, particularly women, children, and vulnerable groups (including people with disabilities, drug users, IDPs and returnees)	1.1.1 Number of people with access to the Essential Package of Hospital Services 1.1.2 Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition-related interventions supported by the EU (GERF)	1.1.1 TBD 1.1.2 TBD 1.1.3 0 1.1.4 0 1.1.5 TBD	1.1.1 TBD 1.1.2 TBD 1.1.3 TBD	Implementing Partner reports	

		<p>1.1.3 Proportion of women of reproductive age (aged 15 to 49 years) who have their need for family planning satisfied (GAP III) in EU-targeted areas</p> <p>1.1.4 Number of IDPs, returnees or individuals from host communities protected or assisted with EU support (GERF indicator, adapted)</p> <p>1.1.5 Number of women/girls reached with increased sexual and reproductive health and rights services with support of EU-funded interventions (GAP III)</p>		<p>1.1.4 TBD</p> <p>1.1.5 TBD</p>		
Output 2 relating to Outcome 1	1.2. Enhanced access to quality WASH services by the population, particularly women, children, and vulnerable groups (including people with disabilities, drug users, IDPs and returnees)	<p>1.2.1 Number of people sensitised or trained on WASH</p> <p>1.2.2 Number of people with access to improved drinking water source and/or sanitation facility with EU support (GERF)</p> <p>1.2.3 Number of internally displaced people, returnees or individuals from host communities protected or assisted with EU support (GERF)</p>	<p>1.2.1 TBD</p> <p>1.2.2 0</p> <p>1.2.3 TBD</p>	<p>1.2.1 TBD</p> <p>1.2.2 TBD</p> <p>1.2.3 TBD</p>	Implementing Partner reports	
Output 3 relating to Outcome 1	1.3. Enhanced access to quality education in safe learning environments, particularly for girls	<p>1.3.1 Number of boys and girls enrolled in primary education with EU support (GERF)</p> <p>1.3.2 Number of learning materials distributed with support of the EU-funded intervention (disaggregated by level of education)</p> <p>1.3.4 Number of education spaces that meet protection and well-being standards provided with support of the EU-funded intervention</p> <p>1.3.5 Number of teachers trained with on inclusive, protective and safe education</p> <p>1.3.6 Percentage of representation of women and men in teaching profession and management (GAP III)</p>	<p>1.3.1 0</p> <p>1.3.2 0</p> <p>1.3.3 0</p> <p>1.3.4 0</p> <p>1.3.5 0</p> <p>1.3.6 TBD</p>	<p>1.3.1 TBD</p> <p>1.3.2 TBD</p> <p>1.3.3 TBD</p> <p>1.3.4 TBD</p> <p>1.3.5 TBD</p> <p>1.3.6 TBD</p>	Implementing Partner reports	
Output 1 relating to Outcome 2	2.1. Improved access to income-generating and business support services	<p>2.1.1 Number of smallholders reached with EU-supported interventions aimed to increase their sustainable production, access to markets and/or security to land (GERF)</p> <p>2.1.2 Number of food insecure people receiving EU assistance (GERF)</p> <p>2.1.3 Number of jobs supported/sustained by the EU (GERF)</p>	<p>2.1.1 0</p> <p>2.1.2 0</p> <p>2.1.3 0</p> <p>2.1.4 0</p> <p>2.1.5 0</p>	<p>2.1.1 TBD</p> <p>2.1.2 TBD</p> <p>2.1.3 TBD</p> <p>2.1.4 TBD</p>	Implementing Partner reports	

		<p>2.1.4 Number of MSMEs applying sustainable consumption and production practices with EU support (GERF)</p> <p>2.1.5 Number of people who have benefitted from institution or workplace based vocational education and training/skills development interventions supported by the EU (GERF)</p> <p>2.1.6 Amount (EUR) of exported goods and services</p> <p>2.1.7 Number of internally displaced people, returnees or individuals from host communities protected or assisted with EU support (GERF)</p>		2.1.5 TBD		
Output 2 relating to Outcome 2	2.2. Enhanced value chain effectiveness and market access	<p>2.2.1 Number of fairs and exhibitions attended by beneficiaries</p> <p>2.2.2 Number of producer/business women having increased access to markets</p> <p>2.2.3 Number of MSMEs having benefitted from training related to value chain effectiveness and/or marketing</p>	<p>2.2.1 0</p> <p>2.2.2 0</p> <p>2.2.3 0</p>	<p>2.2.1 TBD</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p>	Implementing Partner reports	
Output 3 relating to Outcome 2	2.3. Improved access to microfinance services	<p>2.3.1 Number matching grants provided</p> <p>2.3.2 Number of people and MSMEs with access to financial services with EU support (GERF)</p> <p>2.3.3. Number of smallholders reached with EU supported livelihoods interventions</p>	<p>2.3.1 0</p> <p>2.3.2 0</p> <p>2.3.3 0</p>	<p>2.3.1 TBD</p> <p>2.3.2 TBD</p> <p>2.3.3 TBD</p>	Implementing Partner reports	
Output 4 relating to Outcome 2	2.4. Improved disaster risk reduction and natural resource management, including climate adaptation, by local communities particularly those at risk of displacement	<p>2.4.1 Small-scale renewable energy generation capacity installed (MW) with EU support</p> <p>2.4.2 Number of climate smart community assets created/rehabilitation (by type of asset)</p> <p>2.4.3 Number of people trained on disaster risk and/or natural resource management resource management</p> <p>2.4.4 Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) (GERF)</p>	<p>2.4.1 0</p> <p>2.4.2 0</p> <p>2.4.3 0</p> <p>2.4.4 0</p>	<p>2.4.1 TBD</p> <p>2.4.2 TBD</p> <p>2.4.3 TBD</p> <p>2.4.4 TBD</p>	Implementing Partner reports	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is not envisaged 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 48 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 rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴⁰.

4.3.1 Direct Management (Grants)

(a) Purpose of the grants

The objectives of the grants, fields of intervention, priorities and expected outcomes are described under section 3. The grants are expected to focus on addressing direct basic human needs, building on and creating synergies with ongoing humanitarian and basic needs/livelihoods 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 EU's basic needs assistance.

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(b) Type of applicants targeted

In order to be eligible for grants, applicants must respond to the following criteria :

- Be a legal person, and
- Be an economic operators such as SMEs; or
- 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) 2021/947; 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.

(c) Justification of direct grant(s)

Under the responsibility of the Commission's authorising officer responsible, grants may be awarded without a call for proposals to applicants eligible under the criteria defined in section (b) above.

⁴⁰ 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.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified pursuant to Article 195(a) of the Financial Regulation because the country is in a crisis situation referred to in Articles 2(21) of the Financial Regulation at the date of the financing decision.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.3.3.

4.3.2 Direct Management (Procurement)

Procurement could be used for specific activities described under section 3, such as studies, assessments or surveys on issues related to one or several Specific Objectives.

4.3.3 Indirect Management with an entrusted entity

A part of this Action may be implemented in indirect management with pillar-assessed entity(ies) drawn from the United Nations specialised agencies (e.g. WFP, FAO, UNDP, UNICEF, UNHCR, WHO, UNWomen, IOM, UNODC) and funds and programmes, as well as the World Bank Group and ARTF, and EU Member States agencies.

These envisaged entities will be selected according to the new aid architecture in Afghanistan, their consolidated expertise in the different areas of intervention of the Action, 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 all specific objectives..

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 and;
- Proven experience as EU implementing partner and;
- Relevant technical expertise in the sectors tackled by this Action and;
- Previous experience in conflict-affected countries and operations focusing on direct basic human needs assistance.

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.

4.3.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

The part of the Action under the budgetary envelope reserved for direct management may partially or totally be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.3.3. The same will apply to the opposite case where the part of the action reserved for indirect management may be implemented in direct management. In this last case, the criteria mentioned under 4.3.1 will apply.

4.4 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 implementation of this Action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components⁴¹	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with pillar-assessed entities – cf. section 4.3.3	EUR 75 000 000
Grants – total envelope under section 4.3.1	EUR 67 500 000
Procurement – total envelope under section 4.3.2	EUR 300 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision
Totals	EUR 142 800 000

4.6 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 Taliban de facto authorities are not envisaged.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this Action and ensuring effective coordination.

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 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).

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, as well as on the principled implementation of aid.

⁴¹ 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.

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 Action is focusing on aid delivery in an extremely volatile and fragile context. The lessons learnt from this Action could 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 may be shared with the partners 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, apply the necessary adjustments.

The financing of the evaluation may 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 will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, 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. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Any communication related to this specific action must be undertaken prudently and attentively, demonstrating the EU’s direct support to the population and distancing from the Taliban de facto authorities.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention⁴² (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options):

Action level (i.e. Budget Support, blending)		
<input type="checkbox"/>	Single action	N/A
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	N/A
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Each contract will constitute a Primary Intervention
<input checked="" type="checkbox"/>	Single Contract 2	Each contract will constitute a Primary Intervention
	(...)	
Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts	Group of contracts under a same Primary Intervention

⁴² For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'Action' and 'Intervention' where an 'Action' is the content (or part of the content) of a Commission financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).