



## Thinking Through the Dilemmas of Aid to Afghanistan

**A**fghanistan is in the throes of a humanitarian crisis – driven by displacement, drought, the COVID-19 pandemic and a struggling economy – that has sharply worsened since the Taliban’s takeover and the prior government’s collapse on 15 August. A fundamental challenge is the country’s extreme dependency on external funds, much of which are now suspended due to understandable foreign concerns about the Taliban government’s direction. Humanitarian aid continues to arrive, but other disbursements that before the political upheaval were used to underwrite development programs, pay civil servants, provide public services and keep government functioning have ceased. Joblessness and poverty are climbing as a result. Afghanistan’s dire straits mean that donors, including the European Union (EU), have to grapple with the dilemma of how to support a population in growing distress while adhering to principles – including protection of fundamental freedoms, equal rights for women and the rule of law – that conflict with emerging Taliban government policies and practices. Although the Taliban’s transition from insurgency to governance is at an early stage, the group’s history and its actions in government so far indicate that there will likely be a wide gap between the nature of their rule and donors’ values. This gap looks set to limit the extent to which the EU and member states can provide a funding lifeline that would inevitably accrue to the benefit of Taliban regime consolidation.

The EU has framed its criteria for engaging the Taliban government around five benchmarks. These entail the Taliban: (i) allowing the safe, secure and orderly departure of all foreigners and Afghans who wish to leave the country; (ii) promoting, protecting and respecting human rights, particularly for women and minorities, the rule of law and fundamental freedoms; (iii) enabling free access for humanitarian operations (including for female staff) in line with international humanitarian law; (iv) preventing anyone from financing, hosting or supporting terrorist activity from inside Afghanistan and ceasing all ties with international terrorism; and (v) lastly, establishing an inclusive and representative government through negotiations. Brussels has made clear that it will continue “operational engagement” – interactions with the Taliban on practical matters like evacuations and humanitarian operations that do not imply recognition or the resumption of normal diplomatic relations, though the concept is deliberately ambiguous to give the EU greater flexibility.

### **Consistent with this framework, the EU and its member states should:**

- Maximise humanitarian assistance. The EU has already answered a portion of a UN flash appeal for additional such aid. It could now take a lead role in funding the UN appeal for the rest of 2021, by making further contributions and rallying other donors. Particular

attention is needed to ensure that the health care system, already in a precarious state, does not completely fall apart. Donors in this area will likely have to work with and through the Taliban's health ministry to some extent, in addition to funding international NGOs still present in Afghanistan.

- Adhere to the EU Council's five-part framework for engagement with the Taliban but interpret it flexibly enough – meaning the EU should work towards the achievement of the five principles rather than using them as prior conditions – to help prevent the collapse of essential, life-saving public services, particularly health care, even though the Taliban are unlikely to meet all the conditions in the framework. Preventing such collapse will require provision of funding for some civil servants' salaries, such as for health care providers.
- Through diplomatic engagement with the Taliban, keep making clear the benchmarks that the new government would need to meet in order to receive European development assistance. The EU and European governments should set a small number of specific objectives drawn from the five-part

framework for particular diplomatic focus, tied to a modest volume of development aid, as a means of testing the prospects for using aid as leverage. Because of its importance, educational access for girls and women could be a benchmark for the delivery of non-humanitarian aid. Earmarking aid for girls' and women's education is less likely to motivate the Taliban government to make changes than making aid available for other purposes of more interest to the group.

- Emphasise in engagement with the Taliban that they should follow through on promises they themselves have made, such as their public assurances that restrictions on girls' education will only be temporary.
- Prepare for the possibility of increased migration to Europe of Afghan asylum seekers as the humanitarian situation deteriorates. Preparation predominantly should include increasing reception capacity in EU member states. Afghanistan's neighbours, particularly Pakistan and Iran, already host millions of Afghans and are unlikely to welcome additional large numbers, even if Europe offers financial support.

## A Severe Humanitarian and Economic Crisis

Since the Taliban seized power, the overall level of violence in the country has dropped considerably. But more than 3.5 million people remain internally displaced, and many of them have little prospect of returning home, due to property damage, crop failure and fear of Taliban revenge killings as well as fresh violence related to newly shifting power relations among tribes, clans and ethnic groups.

Meanwhile, the country's economic woes are deepening. The Taliban have put at the helm of economic policymaking individuals without relevant experience or qualifications, and the suspension of non-humanitarian foreign aid has starved the public sector of resources. Before

the Taliban took over, public spending was about 75 per cent financed by foreign donors; without such assistance, the vast majority of civil servants are not being paid. The Afghan National Defence and Security Forces had been a major employer, providing income to many rural families, but are now defunct. Most of the Afghan central bank's reserves, managed by the U.S. Federal Reserve, are now frozen and unlikely to be released soon, contributing to a liquidity crisis.

The UN made a flash appeal for humanitarian aid that was the focus of a 13 September donors' conference in Geneva, seeking \$606 million to meet immediate needs. The EU

increased its planned humanitarian aid spending for 2021 from €57 million to €200 million, almost a fourfold increase – but more money is needed. The UN’s appeal is only about 35 per cent funded as of early October.

This aid may help Afghanistan avert severe

food insecurity, but with non-humanitarian assistance suspended, it is unlikely to prevent a sharp economic downturn. Whether or not to restart that assistance – and in what circumstances – presents the EU and other donors with a true conundrum.

## EU Aid to Afghanistan and Conditionality

The EU has been one of the main financial backers of the heavily aid-dependent Afghan state, with €1.4 billion committed between 2014 and 2020. Brussels sent much of this aid as budget support for the Afghan government, to help finance agriculture and rural development programs, health care, policing, the justice system, anti-corruption initiatives and democratisation projects. Even before the Taliban seized power in August, however, the Afghan government’s uneven commitment to EU aid conditions (particularly enhancing governance and public institutions, fighting corruption, and fostering human rights and fundamental freedoms, especially for women, children and minorities) led the EU to slow or withhold the release of some of its assistance.

The Taliban takeover prompted the EU to suspend non-humanitarian aid altogether and re-evaluate its conditionality framework. On 21 September, the EU Council defined five benchmarks, outlined above, that would guide any future engagement with the Taliban government, though the EU has made it clear that for now it intends to keep what it is calling operational lines of communication to the movement open. Neither the EU nor any of its member states have yet clarified how stringently these benchmarks will be used as aid conditions. Yet, even as humanitarian aid for 2021 has been significantly increased, so long as the EU is not able to verify progress on the benchmarks, the €1 billion that Brussels was planning to deliver from 2021 to 2027 for development assistance will stay in European coffers.

## Taliban Priorities and Reactions to EU Conditionality

The Taliban have not publicly responded to the EU’s conditionality framework. Indeed, few of the Taliban interlocutors who spoke with Crisis Group had even studied it. They were, however, aware of the broad contours of EU demands, given that various regional and other states have been pushing similar agendas to varying degrees.

The Taliban appear to have an optimistic set of objectives for what they want from the EU and its member states: formal recognition, normalised diplomatic relations and unconditional aid to the country. As an immediate priority, the Taliban are pressing for the establishment

of a working relationship with the EU. They see the possibility of Europeans re-establishing diplomatic presences in Kabul as a stepping stone to formal recognition. The Taliban see these measures as warranted because they have unchallenged authority in Afghanistan and because they believe the country remains strategically important to the EU. Some Taliban interlocutors warn that if Western states shun their government, they could increasingly fall under the influence of meddling neighbours, particularly Pakistan. They also caution (whether genuinely or opportunistically is difficult to say) that if Western countries do not

quickly display good-will, the group will assume that they are hostile and defer to hardliners who wish to reinforce the group's Islamist and jihadist credentials.

Be that as it may, the Taliban leadership is increasingly cognisant they are unlikely to receive any time soon formal recognition or anything like the financial aid flows the previous government enjoyed. Their most pressing priority seems to be removal of sanctions. The Taliban leadership is aware that to maintain Afghanistan's public services machinery and ward off state collapse, they will require financial and technical assistance that enables them to restructure their security and intelligence forces and build fiscal management, technological and service-delivery capacity. Without sanctions relief, almost none of that help is attainable. The Taliban's leaders appear to believe that if they can get even a fraction of the aid the country previously received, then they would be able to run a functioning government. The Taliban seem to want to extract as many benefits as possible while offering little in return.

The Taliban will accept financial aid only if there are minimal conditions. However bad the situation in Afghanistan, at least so far they appear willing to forego assistance if it entails stringent conditions. Publicly, top government officials have emphasised the need to remove conditions for providing aid. Privately, Taliban interlocutors acknowledge the futility of asking for aid with no strings attached but stress that they will be unable to fulfil strict conditions. They say donors should set realistic goals, though have not defined what they would regard as realistic.

Conversations with Taliban interlocutors suggest that the group's policies are first and foremost driven by concerns internal to the movement, particularly maintaining its cohesion, followed by broader domestic considerations, with demands by outside powers, especially faraway ones, coming a distant third. In practice, the group may frame its actions as ways to address EU concerns, where those

concerns align with the Taliban's own goals. Where they diverge, however, the movement will put internal and domestic imperatives ahead of EU demands.

The Taliban appear to believe they have already fulfilled some of the EU benchmarks. The group cites its cooperation during the post-15 August evacuation of foreign citizens and many Afghans as an example showing it can be a responsible, constructive counterpart. Interlocutors argue that with the main airports again operational, foreign citizens are free to enter and exit the country. Although concerned about brain drain, they say they are prepared to allow Afghans who want to leave the country to do so and they have facilitated some flights, even though there are also anecdotal indications to the contrary. For such cooperation to continue, they will want something in return. Taliban interlocutors also believe they are on track to meet the benchmark regarding humanitarian operations. The Taliban generally attribute occasional interference in humanitarian organisations' work to lack of discipline among the rank and file, and the group claims to be taking steps to curb such behaviour. At the same time, it is likely that the Taliban will use engagement on humanitarian operations as an opportunity to maximise interactions with foreign states in the hopes of building informal diplomatic relations and implicit recognition.

On counter-terrorism issues, the Taliban believe that compliance with their February 2020 Doha agreement with the United States (which they claim to be honouring) is sufficient to meet this benchmark. The Taliban argue that the Doha agreement set up a framework whereby their government will treat foreign fighters as refugees, with all the rights and obligations this status entails. They say they will take action against any foreign militants who seek to abuse this status. Yet Taliban interlocutors are also keen to emphasise – probably at least in part to deflect responsibility – that they would require continued security and intelligence cooperation from the EU and U.S. to

detect and stop threats emanating from the country. Given the increasingly dire challenges the Taliban face, they are unlikely to place a high priority on countering militant groups that they do not see as a threat to themselves. The Taliban also do not appear to have a comprehensive understanding of counter-terrorism obligations under international law and practice, including the obligation to cut off terrorist group financing. The group appears to believe that the Doha agreement, rather than Afghanistan's broader international obligations, defines its commitments in this area. Taliban interlocutors say they believe the group would require the removal of sanctions as well as financial and technical assistance to fulfil financial counter-terrorism obligations.

The Taliban also argue that outside powers should interpret their latest appointments, which only slightly diversified the ethnic composition of their Pashtun-dominated government, as a sign of their willingness to form an inclusive government. Interlocutors claim that inclusion will be effectuated slowly and incrementally, as the group seeks to balance its fighters' sensibilities against the need to fulfil its "obligations" to foreign countries. They also suggest that the government is preparing to form a specific ministry for women that will be led by a woman. If their conduct so far is any guide, however, it is likely that the Taliban will at best bring in one woman in a symbolic position, akin to the inclusion of a Hazara as a deputy public health minister, in order to claim that the government has now become inclusive.

One area in which the Taliban have not come anywhere close to meeting European conditions is the protection of rights and fundamental freedoms for women and girls. Taliban interlocutors insist that women will have the right to work and get an education, but they are studiously vague about when, and under what circumstances, women will be able to exercise these rights. On paper, the Taliban have extended girls' schooling up to the sixth grade to all parts of the country, including the

south, where, as an insurgency, local commanders forbade girls to attend even primary school. Anecdotal evidence about women's access to university education is mixed; while some reports indicate that women have been allowed to attend classes in some places, other reports say new restrictions have made that practically impossible in others. At present, however, girls are not being allowed to attend school from the sixth grade through the twelfth, despite the fact that boys of equivalent grades have resumed schooling. The Taliban have claimed that the exclusion of girls is temporary. But they have set no timeline for when girls will be able to resume their studies, making vague excuses for the delay. The group has also curtailed women's ability to work outside the home. They have allowed women to resume working in the health and education sectors as well as in a limited number of security roles that involve interaction with other women (such as at airports). Beyond that, the Taliban have generally barred women from going to work until further notice. While Taliban interlocutors told Crisis Group that these restrictions are temporary, the Taliban's history gives reason for doubt. Scepticism is all the more warranted given many powerful Taliban commanders' opposition to girls' education beyond the sixth grade.

On some issues the Taliban see themselves as performing a balancing act between appeasing (as they see it) Western donors and not antagonising their hardline elements. This is seen in spheres such as media and moral policing. The Taliban have so far let many media outlets continue broadcasting. At the same time, numerous journalists report being harassed, arrested and even severely beaten by the Taliban. In the resulting climate, most media outlets are forced to self-censor lest they draw the Taliban's ire. In deference to hardliners, the group has also reinstated the Vice and Virtue Ministry, feared under the Taliban regime of the 1990s for its harsh and often violent moral policing. The ministry has thus far abstained from regulating citizen's behaviour

nationwide. There have been reports, however, of ministry officials banning music, the shaving of beards and Western hairstyles, particularly in Helmand province, although the government has rejected these reports as fabricated. As the

Taliban government wrestles with a multitude of governance and security challenges, there is a risk that it will reverse these meagre concessions to international opinion – and to the views of many Afghans – to placate hardliners.

## What the EU Can Do

The immediate priority should be making sure that Afghanistan gets as much humanitarian aid as it needs. The EU and its member states should contribute additional funds to the UN humanitarian appeal for the rest of 2021 and urge other donor governments to follow suit. In addition to addressing immediate needs, it will be crucial to find ways to prevent the health care system from collapsing. Although this can be partly achieved by providing funds to international NGOs that remain active in the country, it is unlikely that donors will be able to entirely avoid working with and through the Taliban health ministry in doing so, as even if they scale up their operations, these NGOs alone will never be capable of providing health services across the country without some kind of collaboration with the government-run national health system.

Although humanitarian assistance may be able to stave off disaster for the Afghan population, it will not replace the provision of public services. Nor will it prevent the country's further impoverishment. Should the Taliban make sufficient progress toward the benchmarks set by the EU Council, the European Commission should at least prioritise resuming development assistance in the health sector. At the same time, the EU could evaluate the feasibility of a more expansive development aid program.

While aid conditionality is not likely to shape Taliban policies to any great degree, it is not impossible that renewed aid with conditions could bring some small improvements. The Taliban's practices are driven primarily by ideology and the group's perceived need to consolidate its grip on power. The group's leaders generally appear to believe that, as the military

victors, they need not compromise. They seem inclined to blame the country's economic woes on Western donors, whom they regard as inflexible and bearing grudges, even if it is clear that their own policies and actions, many of which are anathema to European values, are the chief factor obstructing the resumption of non-humanitarian aid. Nevertheless, the EU should continue to test through engagement whether renewed aid with conditionality could bring worthwhile changes, all the while sticking to its five-part framework. It should also keep reminding the Taliban government of its own commitments, such as its statements that the suspension of girls' secondary education is only temporary.

Lastly, the EU member states should prepare for large numbers of Afghans potentially fleeing the country. Even if humanitarian aid can stave off the worst in the approaching winter, the prospect of repeated humanitarian crises and possibly renewed violence in Afghanistan means that Afghans will continue to seek to migrate abroad. Many will probably head for Pakistan and Iran, the countries next door, where millions of refugees already reside. So far, the EU has suggested it will fund neighbouring countries to host Afghan refugees. But Afghanistan's neighbours are baulking at accepting new arrivals. Moreover, past attempts to increase the reception capacity of other countries have not prevented large numbers of Afghans from attempting the risky journey to Europe. The EU and its member states should accordingly prepare – politically and operationally – to welcome large numbers of Afghans themselves.