TRANSCRIPT

Event
The Red Zone: Charting Paths to Resilience in the Climate-Conflict Nexus
Breakout Panel 2: Humanitarian and Climate Finance Barriers in Afghanistan

DATE
Wednesday, May 15, 2024 at 1:00 p.m. ET

FEATURING
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In 2024 an estimated 23 million people, more than Afghanistan's, half of Afghanistan's population, are projected to require humanitarian assistance and 15 million people are acutely food insecure. Afghanistan's economy is fragile, it is heavily reliant on humanitarian aid and remittances and it faces challenges exacerbated by the exclusion of women from economic activities. The rights restrictions and policies continue to hinder women's ability to access assistance and services, as well as negatively impact international engagement and donor contributions. In addition, Afghanistan is ranked as one of the top 10 countries at risk of climate crisis and disasters.

My name is Jude Larnerd. I am a manager for the Humanitarian Agenda here at the Center for Strategic and International Studies. I’m thrilled to be joined by three incredible women who have direct experience in Afghanistan, some of which who have a close personal tie to the country as well.

Our conversation today will explore humanitarian and climate finance barriers, and it will draw on the deteriorating political landscape. It will talk about financial – limited financial services, financial access, humanitarian constraints, violations of women’s rights, and overall the population's exposure to climate shocks. Ultimately, our purpose is to discuss the need for the current financial initiatives to be scaled up in the country, and we will hopefully brainstorm a little bit together about what the future of inclusion and innovative financial initiatives will look like in the country and what we will hope for.

I will start with introducing our panelists.

All the way on the right of me is Katy Striffolino. She is the director of humanitarian policy at Mercy Corps, leading the organization’s humanitarian policy work in the United States and globally. She formerly served as senior manager for humanitarian policy and practice at InterAction, where she represented collective humanitarian NGO perspectives within the U.N. humanitarian system at all levels, led the team responsible for humanitarian country response, operational, policy, and advocacy support for the humanitarian NGO community, the IASC’s work on bureaucratic and administrative impediments, and InterAction’s work on sanctions, counterterrorism, and financial access. Katy worked for Amnesty International, Physicians for Human Rights, Save the Children, and International Rescue Committee, working on international human rights crime investigations, crisis prevention, response outreach, analysis, and advocacy, and humanitarian negotiations, access, and protection.

Next is Afsana, Afsana Rahimi. She is the chairperson of the Afghanistan
Women Chamber of Commerce and Industry and the vice chairperson of Afghanistan’s International Chamber of Commerce, with extensive experience in senior management roles within private-sector chambers and NGOs. Afsana also held the position of chairperson of the SAARC Chamber Women Entrepreneur Council from 2019 to 2023. She is a successful entrepreneur managing several companies that she established in 2013. Afsana has been recognized as one of the awardees in the International Women’s Entrepreneurial Challenge in 2018 for her effective business management/job creation, particularly for women.

And directly on my right is Simin Wahdat. She has over a decade of diverse experience in international development, governance, women’s empowerment, project management, and advocacy, with a dedication to advocating for inclusive democratic processes and empowering marginalized communities, particularly Afghan women. And she currently serves as the senior officer for program and partnership(s) at Aga Khan Foundation. Simin is providing grant management assistance for World Bank-funded projects in Afghanistan, and her work focuses on ensuring effective implementation of initiatives aimed at fostering humanitarian work, and small and microbusiness empowerment in Afghanistan.

I am thrilled to have all of you on this panel today. I think it’s going to be an exciting conversation. It’s one that is not necessarily happening yet, but I think that’s the case for a lot of this conference. So I’m really excited that everyone else is here and interested in the conversation.

To open up the discussion, let’s start with some context and what the landscape looks like in Afghanistan right now, but also draw on 2021 and the past. So in 2021, the Taliban overtook Kabul and overthrew the government, resulting in devastating consequences for the country. And the country has experienced near economic collapse, acute food insecurity, lack of access to basic resources, climate challenges, and women particularly have experienced the brunt of all of these crises. So my question is, drawing on your specific expertise and perspective, can you describe what the situation for Afghans facing crisis looked in – looked like in 2021 versus what it looks like today? Maybe we can start with Katy and just come down the line.

Kathryn Striffolino: Sure. So thank you so much, Jude, for putting together this panel. I’m really privileged to be here with two amazingly smart and brilliant ladies, and I always love an all-female panel. So thank you again.

Just a quick note on Mercy Corps and Mercy Corps’ work in Afghanistan, to provide you all a bit of that background. We’ve been there since 1986. So I was one year old – (laughs) – when we opened up our offices there,
to give you that. Our priority has and continues to be humanitarian assistance and longer-term development support. We do a lot of cash assistance, that I can get into, which is quite relevant to this conversation. And we do it in a few different creative ways, which is pretty cool. And we right now are focusing on three outcomes for the next several years, which are very relevant to the conversation today. One, economic opportunities, particularly looking at women and girls. Two, food security. Very relevant in this context. And three, water security. So that’s a bit of Mercy Corps in Afghanistan.

Now looking 2021 versus now, I was in Afghanistan prior to the Taliban takeover. So that’s kind of – I’ll offer some reflections from that, and then what we’re seeing today in the humanitarian kind of financing – through the humanitarian financing lens. So before the DFA took over the country, I mean, Afghanistan was a chronically neglected crisis. It had been neglected for decades. The international community had largely, you know, kind of left it aside. It was known as a hidden crisis. And we were constantly trying to fight to put Afghanistan, its people, on the map, to raise funds to just get the basic needs to people.

Now, Afghanistan, as we know, it’s a country that faces conflict and climate shocks together. I saw that in Herat, out in the west, profusely back in 2019-2020. I can only imagine how bad things are now for those folks. And so, in terms of financing, in terms of the situation, an interesting bit is that you will look at pre-2021, and you’ll look at the humanitarian response plan, which is the – you know, the humanitarian response plan for the country and the humanitarian needs overview. What you’ll see is that that was marked 68 percent funded, which, whoa, that sounds like a very well-funded humanitarian response.

But we dug a little bit deeper at the time. And what we found was that wasn’t encompassing all of the needs across the country. What it was, was basically focusing on a subset of the population, and the cause of their humanitarian need – whether its climate, whether it was conflict. And then there were one-off – it tended to be one-off assistance packages that were provided. And that was more or less how aid in different ways was working. That’s a massive generalization. But that’s kind of what it was.

So you can imagine, that’s a lot of money going in, and really no kind of sustainable aspect associated with that. So donors were giving. You know, there was some funding coming in. You know, we – organizations have worked in Afghanistan for decades, donors knew us. And so they knew how we worked. They know how the NGOs worked. They were comfortable with how we worked in the country. We’re very transparent, you know, with our donors about how we work. And so
there was a good degree of comfort in terms of giving to humanitarian actors.

Now, kind of fast forward a bit to today. What we’ve seen is really a complex maze of sanctions, counter-terror policies and practices, and a real financial access deficit, including liquidity deficits across the country. Now, this is due to political circumstances that, you know, we can get into later if you’d like, but what that meant was there was an immediate kind of, oh, wow. OK, we as donors, we don’t know what’s going on with all of these sanctions and stuff. And, you know, we don’t want to run afoul of our own domestic laws and policies. We don’t want to run afoul of U.N. sanctions programs.

And so we’re going to kind of let the dust settle a little bit and figure things out. What that meant for the NGO community was we had to do a massive campaign to try to ensure sufficient humanitarian safeguards were in place, both within donor domestic policies, as well as the international multilateral arena, to ensure that humanitarian action could continue in the context of Afghanistan without the fear of worrying about having to run afoul of sanctions violations, and what have you.

So there was a U.N. Security Council resolution passed, which was pretty groundbreaking. It was the second time there was a humanitarian carve out in a U.N. Security Council resolution. And we now have – which really set the stage for what we now have today, which is U.N. Security Council Resolution 2664, which is a transverse carve out across all U.N. sanctions programs. And member states are starting to implement it directly. So we were able to get all of these safeguards in place. However, that – you know, the economy was essentially destroyed, I mean, if not completely demolished. And so what that meant was access to liquidity for NGOs to be able to pay staff, pay rent, run operations, you know, all of that became incredibly, incredibly challenging.

And there were months, you know, going on with – months going on that organizations, you know, generally were just not able to pay staff because there was no liquidity in the country. What we’re kind of seeing now is a bit of a renewed interest. Which is great, but not enough. I mean, in my view, I still consider Afghanistan a completely neglected context. You know, with such potential, though. And I think the focus of this conference – I mean, Afghanistan is almost the perfect example to look at and examine in terms of climate conflict nexus, because it needs to be done.

And so, I mean, I think now – I will note that the humanitarian response
plans have started to include resilience in them, which is a big shift. It was a big deal at the time. And there was a lot of back and forth, you know, about is resilience humanitarian, is it not? Is it basic needs? Is it not? But there we were able to eventually get that into the humanitarian response plan. And from that, then Mercy Corps and other organizations have been able to start some resilience work. And we focus primarily on cash. And that can get into some of that later.

But, yeah, those are – I mean, those are just some of my reflections in terms of then and now. And, I mean, I'll just close this and say there is a massive opportunity here. And I’m really excited to learn from my fellow panelists and have a conversation about creative options that could be explored in the context of Afghanistan through financing. So thanks, Jude.

Mr. Larnerd: Yeah, completely. I think that drawing on that donor risk aversion is such a key part of this conversation, because people do not want to invest because of the sanctions. Because if you violate them then you’re going to be held accountable to whatever mechanism or oversight that already exists. And that just damages the economy completely. And, Afsana, I think that you could draw on that a lot more, about what that actually looks like in country on the ground, particularly for women and girls. Like, how does it manifest?

Afsana Rahimi: I would like to thank CSIS for providing this platform and to raise the reality situation of economy in Afghanistan, especially for a woman and girls. And hello, everyone.

To start from another part of this crisis – let’s say economy crisis, not just humanitarian assistance. We have a lot of challenges in terms of economy, especially for women and girls. After restriction of the de facto authority in Afghanistan of at least 1 million of those that they were busy in different parts of public service and in terms of business, or anything that they were busy and made – and generate income for their family, and they supported the economy of the family, they lost their job.

First of all, one of – the push, let’s say, for women and girls that they were at the stage of making income, they lost their incomes. And then the education sectors. They lost the opportunity of doing education and continuing the process until higher education and getting jobs. It just completely stopped. And when you think about this situation, that those women, they were engaged in this part. For example, they were a provider of clothes, they were a provider of education sector, they were teachers – all those, they lost their incomes. It means a big, you know, loss in the economic part.
In terms of private sector, which is my experience-based, you know, reality, before 2021 – August 2021, we had a lot of good businesses. We had a lot of opportunity of doing business, especially those woman that they were busy in terms of cloth production. Most of their cloth were luxury things. Due to the situation, they lost their market, because the purchasing power reduced and people cannot afford to buy good things. So they lost their business on that way.

So another was the education sector that most of the woman had their businesses at, that sector. They lost their business due to the close of the schools and, you know, the girls cannot go to school. So they lost that opportunity. In terms of exports, in terms of jewelry, in terms of other, you know, renovated businesses, we try to change the face of business from tradition to the renovated business. But unfortunately, due to the situation in the crisis in sanctions and not being connected in different – you know, in outside the country, so they lost their opportunity of doing good businesses, making good incomes and providing jobs. And if I share with you the data that we had, here, we don't have any study after 2021. But we can imagine that we had – in 2020, we had around 2,471 registered businesses under women completely, that they had they own they managed, and around 55,000 informal businesses. Those women – they were owned by women. And those women, they were in urban area, not in – sorry, rural area. They were not in urban area. They were in urban area, and they made good income out of that. It means that they had the support of the economy.

But now we have this number of informal in tradition businesses increase, but the formal business is reduced. So it means that it has the impact of in the economy, in the situation has impact on their economy. So it's a kind of mix of, you know, losing the chance of doing formal business, renovated business, but at the other side, they can do tradition one, because the de facto authority allowed them. There is no restrictions in doing business, entrepreneurship. But the problem is market itself. The market, we don't have that much demand in the market, especially those that they are producing clothes. They should compete with China market, because a lot of clothes or, you know, goods are coming from China with very low price, but those that they are producing in Afghanistan, they should bring their raw material from Pakistan, from China, then again, it cost the economy.

So people, you know, they are confused that what they should do and how they should support their family, how they can participate, especially women. Men are better than – you know, they are, they're in good situation in terms of making income, and they are using the opportunity past 20 years before 2021 there were a lot of good
opportunity in terms of doing business in terms of getting contracts, but allocated for men. We couldn't make good businesswoman there that they should count on top – at least top hundreds or top thousands. But unfortunately, we lost that opportunity.

But nowadays, women are not facing, you know, good conditions in business. They are very low – you know, very low-profile businesses and most of them are doing very tradition in clothing, which is, you know, for me as chairperson of Afghanistan Women Chamber of Commerce, we did a lot of, you know, struggle to change this face from tradition to renovated businesses. But unfortunately, due to the situation, we lost all those what we have done past years after the chamber opened and established.

So now what I am suggesting for those that they are working on humanitarian base, they should work with those expertise that how they can shift a part of those humanitarian supports to the private sector development and to make something concrete, to make, you know, sustainable development and that they can continue and at least a part of self-sufficiency. I’m sure when we are discussing all these issues, everybody will think that in past 20 years before 2021, what did you do? We did a lot of good things, past 20 years. But now, we are still depending on humanitarian assistance. We are still depending on aid. But let’s work with private sector how we can change this phase. Past 20 years, they worked with private sector. The economy sustainability is – still the role of private sector should be highlighted, because they have their own share in this – you know, when the economy is not collapsed, there is private sector also. If they were not there, for sure this assistance will not do anything, you know, for keeping the economy, at least at the – (inaudible) – side.

**Mr. Larnerd:** Yeah. And I think what you’re transitioning into, which is a bigger conversation in the humanitarian sector, is the need is so exacerbated that we do have to break down the silos just to get funding inside of the country. Because there’s such a burden on funding and burden on implementers, we have to use the funding in very creative ways in order to respond to those needs. That’s difficult, because we do want to give so much to humanitarian assistance and to immediate needs. But we also want to make sure that we can somehow rebuild the economy in Afghanistan and give women and girls opportunities. But if we give everything to humanitarian assistance, then where does that go? And not to mention that there is a climate crisis. And Afghanistan experiences, as you mentioned, earthquakes, drought.

**Ms. Rahimi:** Yeah, just two days, a big flood happened in Bagram, in Takhar, in Balochistan, and they lost everything. And for sure, among those people
that they lost everything in background, there were some women entrepreneurs. They lost everything.

Mr. Larnerd: And it just puts them back even more. So it's like and we need funding for climate resilience. So it's funding that stretched so thin, that the question is, is it sustainable? Is it effective? And I think that you could get a little bit more into this, if you want to start and fill in the gaps. And the audience and myself and panelists would be very grateful.

Simin Wahdat: Sure, you make my work very easy. So – (laughter) – so we have – you highlighted all the issues and the crises in Afghanistan. And of course, Afghanistan was already struggling from humanitarian crisis, but the takeover of Taliban create a profound escalation in the situation. So the economy collapse. I just want to emphasize that more than half of the population, as you said, are in need of humanitarian assistance. So this kind of draw attention from a more profound building infrastructure in Afghanistan to creating – to focusing on immediate relief for people. So the impact of climate change, drought, the flood – of course, floods, flash floods, especially – so Afghanistan right now is experiencing the worst drought in the history or in decades, so it’s very important to remember why climate change impacts Afghanistan heavily, because more than 70 percent of the population or around 70 percent of population resides in the rural parts of Afghanistan, and they are – a big majority of that rely on agriculture and also livestock for food and livelihood. So the changes in the environment and the climate so flat and drought contribute to diminishing food production. So based on the WFP, 15.8 million people do not consume enough food, or good food, so who are in dire need of getting food. So I mean, the list of the crisis goes on and on. The problem is very dire, and the need is very dire in Afghanistan.

So I want to emphasize that just like my colleagues, there are opportunities, there are organizations that still function in Afghanistan or are still operational in Afghanistan like AKF, Aga Khan Foundation. We operate in 11 provinces directly, and we partner with other organizations in 15 additional provinces covering 26 provinces and 216 districts. So we directly serve 5.3 million people every year and 12,000 communities, focusing on agriculture, food security, climate resilience, early childhood development, water emergency relief, microfinance, and support for small and micro enterprises. It gave us an approach just like any other nonprofits are using this opportunity to focus more on building resilient communities within this humanitarian framework. Of course, it’s very hard to focus on creating a long-term effect, which is the need for Afghanistan, because if we are totally focused on the short term, the situation, the dire situation today will be even worse in a couple of years.
So considering this, I mean, we all do what we can do. But the need is overwhelming. You know, there is an urgent need for more resources and funding to address this extreme situation in Afghanistan. And hopefully, platforms like this will encourage the donors, donor communities, governments to provide more resources to Afghanistan. So we can discuss the project in detail if there are any questions.

Thank you.

Mr. Larnerd: I think that that’s probably the best place to start. It’s like, what are the initiatives that already exist? Are they sustainable? What are specific examples of what is happening in country and what that looks like. And then we could probably shift the conversation to how to scale it up, you know, start brainstorming. So if you could also start to build more on the microfinancing approach in other parts of the grant, let’s get a little bit more into resilience and what that looks like and the types of activities that are happening.

Ms. Wahdat: Yeah, absolutely. So I mean, there are opportunities, and we are very grateful for the financial support that we get from the U.S. government, from the World Bank, ARTF, U.N., and also other donors. So I currently manage two World Bank projects for Afghanistan that’s funded under ARTF. One of them is focusing on water emergency relief, and the other one is microfinance and building or strengthening the capacity of enterprises. So as my colleague said that when this shift happened, that the formal businesses are moving more toward an informal. So under this project, our focus is to identify microenterprises, especially women-led businesses, and help them to access more financial – more formal financial channel for credit and loan. So right now, there are community-based institutions and community-based groups that informally support these microenterprises – for example, the community-based saving groups. So that will be a very good area to focus, you know? So previously, I mean, during the first term of Taliban in late ’90s, my aunt, she was teaching handicraft classes in her house. She was teaching carpet weaving, embroidery. So those are the kinds of businesses that we can identify and build their capacity or help them to access more resources and be more resilient. So even though our hands are tied here given that within the framework that we work, Aga Khan’s approach is to focus on engaging communities, making sure that the projects are sustainable beyond the funding and also building resilient communities – and again, engaging communities, engaging the groups that already exist, the informal groups that already exist, or institutions that already exist in the community. So I think that kind of approach mostly can target women because they are the ones who the opportunities are very limited for them. They cannot access formal systems within the administration, so this will be a perfect way or a
perfect channel for them to access resources or build their capacity for more robust building businesses. So that would be my –

Mr. Larnerd: No, that's extremely helpful. I think that having that context about how you and Agha Khan impact in country is so relevant to the humanitarian sector. Especially the water resilience part of those grants and that implementation, that crosses over with the humanitarian sector and what that looks like in our wheelhouse, because it is important for us to have that water resilience for agriculture. And if agriculture does not have that water resilience, then we have an acute food insecure crisis that we have to engage with.

So maybe, Katy, that you can draw on a little bit more what the implementation looks like, how to mitigate.

Ms. Striffolino: Sure.

Mr. Larnerd: And are you engaging with like the Afghanistan Resilience Trust Fund, to CERF at the U.N., et cetera? And maybe just build a little bit more on that and then we’ll turn to Afsana to talk a little bit more about economic –

Ms. Striffolino: Sure. Yeah, absolutely. So I mean, first, I just want to say in terms of resilience in Afghanistan, this is a common thread that’s coming up. I mean, this does mean restoring economic development and empowerment to all communities, right? So like that's the goal here.

In terms of Mercy Corps, I mean, one example – and, you know, this is like one of our, I guess, famous areas, so to speak, is our cash programming, and we’re doing significant cash programming in Afghanistan. And I can tell you it's working. We talked about a bit earlier sanctions, counterterror policies and practices, safeguards. You might think on the surface that cash programming would be even more difficult in a context like Afghanistan. I can tell you, it's actually much easier. And you can monitor it, like every single step of the way. So the risk of diversion, waste, fraud, and abuse is quite minimal. The evidence is out there. You know, it’s all peer reviewed, and what have you.

So the way that Mercy Corps approaches this – and you know, I would recommend organizations, you know, take a look at this, and we're happy to share resources, and what have you – is to really look at cash programming. Because there’s not such a restrictive environment in Afghanistan, we use vetted money value transfer systems. So we’re not running afoul of any, you know, sanctions, kind of counterterror-related problems. And we’re able to get cash to people in very hard to reach locations, cash to women, female-headed households.
And what this allows is them, the communities, to decide for themselves what they need to help their families survive now and thrive in the future. Who are we to say, oh, this household in Afghanistan needs a food basket that includes this, this, this and aspirin? Well, maybe they don't need that. Maybe they really need antibiotics for their kid, and they need transportation to be able to get, you know, to work and back. So I mean, this is the concept behind cash programming. It's the most dignified, and frankly, most cost-efficient way to address a lot of the problems that we're talking about today. And it doesn't have to be done in a humanitarian silo, which is how we as Mercy Corps see it. I mean, because we're a mixed mandate organization, kind of the resilience sustainability is our jam. And cash is kind of the solution to a lot of this. Especially in really tricky environments security wise, you know, other operational challenges like Afghanistan, this is a very good solution.

So I mean, I'm just— you know, you asked for specific examples, I'll just pull up one. We are now looking to link our— it's primarily humanitarian cash-based assistance. We're now looking to bridge the gap between that and resilience. So how we are doing that is we're going to pilot a program that's going to be using digital cash transfers. And we're using HesabPay, which many of you might be familiar with. And it's going to be to women who have completed vocational training programs through previously funded activities funded by PRM— so thanks PRM— as a way to provide some seed money for them as they continue to pursue business opportunities in the textile sector. And this is under we're doing another cryptocurrency pilot supported by our Mercy Corps Ventures Program. So we're really trying to think outside of the box and how we can bring all of this together through cash in different ways in Afghanistan and using technological tools now that are readily available, they're very accessible, particularly for local and national NGOs— I mean, typically. And so yeah, I'm happy to, you know, talk more about this, but I did want to offer this, you know, very, very concrete recommendation.

I do also want to just point out, as well, I mean, you said, talking about the Afghan Trust Fund and all of the different funding mechanisms, the point here is that there's kind of no such thing as sustainable humanitarian action. I mean, it's a bit of an oxymoron. And so, you know, while these, you know, myriad funds are fantastic, as much money and support as we can get in, the better. But the problem is, it's humanitarian, and it's time bound. And, yeah. And so I mean, what we need to see is, we need funders and donors to really stop thinking about annual aid cycles. This is antiquated. We know and the communities know we need long term, flexible funding that's going directly to frontline actors and in a sustainable way. So instead of thinking about
annual funding cycles, what we need donors to start really thinking about is long term. And by long term, I don't mean several years. I mean a decade at a time and then really thinking through how to achieve the outcomes you want to achieve from that. Because I mean, I don't even want to guess how much foreign aid has gone into Afghanistan over the last 40, 50 years. What’s it accomplished now? I mean, where’s the resiliency and the infrastructure.

Exactly. So I mean, I do see this as a path forward. But we do need donors to kind of get around this.

And one of the problems that we’re also seeing is within the Afghanistan – was it the funding coordinators group? – all of them have different definitions of what’s development, what’s humanitarian, how much is – what’s too much development look like in Afghanistan versus – it’s like, no, no, no, no, no, no, like, let’s stop, you know? Let’s –

Mr. Larnerd: It creates competition. (Laughter.)

Ms. Striffolino: And also, it’s just unnecessary. We need to move beyond fighting each other within these silos.

Ms. Rahimi: Yeah, I think we should stop using paracetamol. We have to think about antibiotic and the – (laughs) –

Ms. Striffolino: That’s a great analogy. Yeah, that’s a great analogy. So we really need donor support to kind of get their act together, frankly, to support us and the communities and Afghanistan long term.

Mr. Larnerd: And that’s kind of what you were saying earlier, right? Like it was from the early 2000s, it took 20 years to really rebuild the economy and be inclusive to women and girls. And now what?

Ms. Rahimi: Yeah, because one thing I would like to raise here is that we had development support back then. But after the collapse, all the development project stopped. So everything becomes at the center of humanitarian assessments. So of course, this kind of situation create a lot of economic crisis, because when the development is not processing, there is no development project, there is no infrastructure support, and everything stopped. And all the push for humanitarian assistance, of course, the result, we will see, this will not support, like, you know, a country like Afghanistan. We had a lot of good things back then. We had a lot. You know, in terms of domestic production, we were very good and we had the export of, you know, our production in the outside of Afghanistan.
But nowadays, everything goes to the humanitarian assistance, no development. So when the development is stopped, so how we can expect good things when you're even – you know, what I’m afraid is about that after one more years when the people are getting all these humanitarian supports, you know, they will become more lazier, you cannot take them out of the house.

Ms. Wahdat: They will become dependent.

Mr. Larnerd: You’re talking about more aid dependence?

Ms. Rahimi: Yeah, aid independency make people more lazy. So let’s think about long term and strategical things for economic resilience, not just, you know, humanitarian support and aid depending people. For sure, after one year you will not ask someone to go into something and say – (laughs) – you know what they say – (inaudible). (Laughter.)

Ms. Wahdat: They do it.

Ms. Rahimi: I said, yeah, they will do it. They will do it. They will provide it. So we have to think about something that we should do, you know, sustainable the economy. So there are a lot of good ways that if you don’t want to support, you know, their sanction for a de facto authority, we have a lot of other opportunities.

You know, when I’m telling this, the private sector is there, everybody thinking that this is the business side. But when the business is more active, they can create jobs. When the jobs created, the good thing is that the de facto authority is not banning woman working through private sector, in the industry sector, in the banking sector. In terms of other sector that they are run by private sector, they are not banning. So if you support private sector, you will support the country. Maybe not in short term, but in long term, there will be sustainable economy.

So what I’m always requesting is that you have to think about how you can work with private sector. Without working with them, even the way you, you know, explain the (self-pay ?) and the way that you’re working on vocational training, it’s good; they can generate income in the family. But just think about long-term businesses. So with, you know, very small or – no, not small micro, even smaller than micro, they don’t have – you know, they cannot continue those business for long term. Maybe for short term it will work, but not for long term.

Mr. Larnerd: And you are referring to that there was over 4,000 businesses, right, that women owned and were leading and involved in. So there is that need and urge and desire to want to own businesses and invest and
invest in entrepreneurship. Like that exists, even if there’s this other layer of aid dependency, right? And that will always exist because people do have desires, right? Like just like cash assistance, it’s a good like, maybe, metaphor.

Ms. Rahimi: But then cash assistance work for informal businesses, but not for – you know, in terms of microfinance, we had a meeting with donors. What I, you know, raised, there was the voice of a group of women that they requested me to raise this issue that we don’t want microfinance; we want easy, large loans to establish something bigger and to do something bigger and to own a large business. And I raised this voice. You know, there was people from World Bank and UNDP, they said, this is good idea. But in terms of, you know, getting those loans easier, we have to think, we have to make mechanism for that, how they can get access to that loan easier. So for women, getting loan is difficult because of the financial literacy. In terms of collateral, in terms of, you know, returning the loan, they are facing a lot of challenges. But we have to – we have to provide – you know, we have to work on a mechanism that how can a woman get access to bigger loans, not just the micro financing.

Mr. Larnerd: Yeah, micro financing is just to make sure that it doesn’t go further awry and like, it’s not completely devastated. It’s like a lifeline, right? A lot of the funds that we are talking about are lifelines, and millions of livelihoods rely on that. But it’s not the initiatives we need in order to get Afghanistan to where we want it to be, and especially for these small businesses, right? Like some of these small businesses can also be climate-focused business in order to like reinforce water security. And that can improve rural livelihoods because 70 percent of the country is in rural spaces.

Sorry, were you going to –

Ms. Striffolino: Oh, I was just going to, I mean, state a very frank point, which is, as we’ve learned over the years, you can’t sustain an entire country’s population on humanitarian assistance. That’s impossible, and that’s expensive, and it is in no way sustainable. So just to make that point incredibly clear that that is not an option. So just to hammer that home.

Ms. Wahdat: Yeah, and also given the limitations on the government to support the current administration in Afghanistan, I think there will be a common ground, you know, for donors to come together and invest on private sectors because it’s independent of the government. You don’t have to engage the administration, but you can directly support us. And the World Bank project microfinance is also focusing on small businesses, not just the micro businesses. The businesses that are already
established and also working with the current – functional microfinance providers in Afghanistan to create a more affordable loan for small businesses and also micro businesses. I think that would be a very good common area, you know, to focus – yeah, and bring donors, invest on those. But the focus is on women. You know, and the focus – most of those who are in need of loan credit are women businesses because of just lack of capital.

Ms. Rahimi: Because of just, Simin, as you said, in micro and small, I think at least we should think about how we can support woman to be in the medium businesses, at least some of them. But unfortunately, due to the situation, due to the not giving them chance, and provide them opportunity, they are not coming to the medium businesses. And they’re small, micro and less than, let’s say. Because when I’m noticing, and when I’m seeing the groups of women, that they are just busy with very, you know, tradition, from – (inaudible) – till, you know, mantu. And those are – they are busy with that. They were making good incomes, but it’s the kind of entrepreneurship. It’s not business. They are not supporting whole economy. They are just getting something and they are not paying tax, they are not – you know, it’s a kind of very traditional business.

And we have to think about that. You know, I’m always telling this to those that they are – their interest in Afghanistan women. That if we had at least 10 woman-based businesses, that they could provide tax for government, they were at the top of the decision. Women don’t pay any tax, they cannot pay tax, they are not affording the tax. So no one will listen to them. The man is speaking, to be honest. The economy is speaking. When a woman is not at that level, that – you know, at that level of economy or financially, she is not, you know, enough empowered, so no one listened to them. Honestly, when the money is in your pocket, your gender is not a matter.

Ms. Striffolino: If I may add too, I mean, in order, you know, to kind of unlock, you know, additional financial streams to support a lot of the activities that you are referencing, it does require further examination of the regulatory and legal environment. And so, I mean, this is, you know, essentially a call to the international community. I mean, we need to continue to address these sanction regimes that particularly scare away, which we call de-risking, it scares way legitimate private sector investment and technical support, which is required, obviously, to rebuild the economy and to support Afghan women in particular.

So, just to say there is – there is going to be some more work required within the legal and regulatory environment. History has shown it’s possible. Donors are willing. You know, we even have a Security Council
Mr. Larnerd: Right, that’s example of what can be done.

Ms. Strifolino: So, you know – exactly. So, I mean, there’s progress that will need to be addressed. And we need the international community’s support on that. And we need their support to engage with the private sector to explain more and more that humanitarian and other lifesaving and sustaining activities, they’re safeguarded. You don’t need to run away. And then you can kind of get that momentum going, and then hopefully bring more development-oriented actors, different funding streams in, because, again, I mean, humanitarian assistance, it’s short, it’s time bound.

It’s the ambulance. You know, it’s the first responders. And then we take people to a hospital, and then, you know, our job is done. That’s what humanitarians specialize in. (Laughter.) And then, you know, the hospital is where you get kind of the peacebuilding, the development actors. And, you know, that’s really where we need to be going. We need donors to –

Mr. Larnerd: It’s learning moments, right? It’s just like, hey, this emergency, this context, this climate disaster happened. We respond. What are the lessons learned? How can we prevent this from happening at this scale again? And that is by having conversations with donors, engaging with the international community. And having those conversations is extremely difficult, because we’re seeing so many things at the same time. We’re, like, hey there’s an emergency here. Hey, there’s climate crisis. Hey, we have to respond to this earthquake. Hey, there’s violations against women’s rights. Like, it’s so much. And that, on top of sanctions? That’s a hard conversation. Like, how are you having these conversations?

Ms. Rahimi: Yeah, you know, this – the response of donor community for the flood that in Pakistan, you know, last year ago. These people are tired of, you know, everything. We understood how it’s difficult for them to provide everything. Yeah, we can – we can – you know, I can imagine that the situation of those that they are in assistance position. So they are seeing that the natural disaster is happening, the humanitarian assistance, economy will not collapse, everything. They cannot – human rights, woman rights, everything came together and makes others life also, you know, horrible. When they are thinking about Afghanistan, a bunch of problem will come in there in front of them.

But you know, what we should do? How we can – you know, came up with this? One of the things that we can do is to support those area
which can work on sustainable economy. Again, I’m telling – I’m repeating everywhere, and I’m not feeling ashamed of it. (Laughter.) I keep saying this. Private sector can be a part of that.

Ms. Wahdat: Yeah. Agriculture –

Ms. Rahimi: No, private sector can do through agriculture, through industry, through trade. And we have a lot of dry fruits now in in Afghanistan. But how we can use of that? A lot of fresh fruit, how we can use of that? We can make a kind of an industry that they can process that in all – you know, different type of – but we have to think about long-term strategy.

Mr. Larnderd: Yeah, definitely. Yeah, And I think that phases into, like, this, like, tail end of the conversation brainstorm. (Laughter.) So what does – what do – like, what does innovation inclusion look like for financial access? Because we do have to bring ideas to donors. We do have to engage them in things that we are thinking about. I know, Katie, like, earlier you had mentioned crypto, tech, MVTS. Hey, technology’s here. It’s not going anywhere, right? So we do have to engage in it. We have to engage in private sector. It’s just necessary. So I would be interested to get all of your reads on, like, what is innovation to make Afghanistan prosperous?

Ms. Rahimi: One of the things is that we can do, based on what crypto and digital markets ecommerce and everything, we have a very good opportunity nowadays because a lot of educated people are – especially women – they lost their jobs. So we can use this opportunity. This challenge is an opportunity. We have a lot of educated woman that they are ready to shift in private sector part, in business sector. So we have to think about them and make – provide a good strategy, and work on a good strategy to bring them in business. So one of the good things is this one. And another, just an idea – and always I’m saying that this is a dreamy idea. But I’m –

Mr. Larnerd: We’re here. We’re ready for – (laughter) –

Ms. Rahimi: Yeah. In the state of giving, I’m seeing in the reports that they provided around one – around 100 woman, the tailoring machine. Don’t give individually these things for them. Put all of them together in one big platform, that they – it calls, let’s say, a fabric for – let’s call it – let’s name it like production of cloth with a group of woman. I don’t know the name, it calls cooperation business, I think. You know, everybody has their own share. So let’s think about that. If we make, for example, a production line owned by 100 woman, with their own share, this share can be provided by donors. Or, for example, we can make a machinery of production of eggs owned by 20 women. They became the owner of that, and they will work to do to make it. You know, this kind of stuff will
work for long term. If we give them individually, it will not work. Even the competition will come and, you know, destroy, you know, sometimes.

Mr. Larnerd: This is economic opportunity. It’s, like, what that is.

Simin, were you going to build?

Ms. Wahdat: Yeah. I mean, I want to emphasize that people still use computers in Afghanistan, the smartphones. They have access to technology, internet. So that’s a very good opportunity for us to be more innovative in terms of mobile banking, you know, providing online services for accessing loans, or credits for businesses that we work with, and digitalize, you know, the services so that if women cannot go to the bank to apply for credit, they can just grab their phones, apply for credit, get their credit. You know, so there are opportunities like this that we can utilize, and, you know, for a long-term impact, even though it’s humanitarian. But it can be creative to create a more sustainable, and with the lens of looking at the long-term impact. So, yeah, that would be my idea.

And there are microfinance providers in Afghanistan. But they also need capacity. You know, they need advanced technology to facilitate the these, you know, access to formal financing for businesses for – especially for small businesses, which are ready to apply for credit. You know, so identifying those and providing that kind of capacity, resources to build – to build a more formal banking services, that would be – I think that would be a good approach.

Ms. Rahimi: Yeah, especially for urban area. For rural area, this community things, maybe it will work. But for those that they are having the passion of doing good businesses, we have to think. And now we have a lot of women that they are interested. I’m speaking about private sector, especially women. (Laughs.) But, you know, we have a lot of women that they are interested to come, but they are looking for facilitation, for opportunity, getting, you know, easy loan without interest. Because one of the thing is – in the country is the de facto authorities has stopped loan against – interest against loan, Islamic banking. So should be facilitated and providing options for those woman that they are interested to enter the private sector.

Mr. Larnerd: Katie, I’ll turn to you and then we can open to Q&A.

Ms. Striffolino: Sure. So, I mean, innovation. Just a quick note on innovation. Oftentimes, people think it’s, like, these advanced technological, like, crazy things that I couldn’t even describe to you. That’s not really what we’re talking about here. We’re talking about just creative, different ways of doing
things that achieve better outcomes for the populations in need. So I just kind of want to share that. And that’s how we view, you know, innovation is, you know, it’s very practical. So there are significant opportunities with technology – money value transfer, you know, other digital payment platforms, fintech. I mean, so there’s a lot there that can be further cultivated. And we’re happy to share the results of our pilot, you know, and continue to kind of share learnings from our own experience. So lots of opportunity in the tech sector. I’ll also just, again, kind of put a plug in for cash and looking at kind of the resilience, which is almost the bridge between humanitarian and development.

So really looking at how humanitarians can integrate resilience activities into their ongoing programming, and how that work can then kind of bring in and bridge to more of your traditional development actors. I also – I mean, I’d be remiss to not state, you know, kind of the obvious, is in line with innovation and shifting and creative approaches, I mean, let’s face it, we’re working in systems, international systems, I mean, that are very antiquated. They’re no longer fit for purpose, right? They’re neocolonialistic. They’re patriarchal. They’re racist, sexist. I mean, all of those things. And this is not fit for purpose anymore. And so we also need to look at more area-based approaches. So this is the whole nexus, nexus, nexus discussion. But, I mean, what that really means is looking at an area, looking at the needs, and then figuring out together how to achieve, you know, the outcomes that we all want, you know, including with communities.

So, I mean, that’s a simple approach that really could be taken from kind of a response coordination system standpoint. But there needs to be significant changes. And that’s a whole nother panel and maybe a whole nother conference. But just to say, traditional approaches –

Ms. Rahimi: Another brainstorm, maybe. (Laughter.)

Ms. Striffolino: Yeah. Traditional approaches are not working anymore. And we also need to look at more area-based approaches. It’s more practical and it just allows communities to have better access – yeah, to engage in the development of the rest of their lives. And that’s what we want to see. So just to throw that out there. And I also see a massive role – we haven’t mentioned the philanthropic. That word always gets me. The philanthropic sector here too.

I mean, traditional donors, institutional donors, there are so many more crises worldwide. Humanitarians are getting asked to do more and more that goes well beyond humanitarian mandate, with less and less and less. So, I mean, we also – you know, we need our donors to kind of get a little bit more involved. And I also think there’s a real space for
philanthropy here. And to test out different approaches. And I would really love to, you know, encourage everyone, all of us, to kind of take a look at that together too.

Ms. Wahdt: I just want to also add to the community resilient projects, especially cash for work. That we also do similar project under UNOP. So one of the things – I mean, in terms of the infrastructure, the climate change, Afghanistan is the sixth country that has – that’s the most impacted by the – and is vulnerable to climate change, and the least ready to address a climate crisis. So why is that? Because we haven't been – Afghanistan is so focused on survival. You know, so to survive, get relief. And we haven’t really built infrastructure that will be climate responsive. And as a culture that most of the food comes from agriculture, it totally depends on the water, you know, the climate.

So we haven’t built infrastructure to be responsive to – climate responsive. On the other hand, we haven’t even done maintenance to the existing infrastructure or clean those infrastructure. So with one of our cash for work project, we encourage the community members to get engaged with these projects, to do small-scale projects and their communities. For example, clean the irrigation channels or the waterways that are damaged because of the landslide or some other issues, so that it lessen the impact of the flash flood or other environmental disaster. So in that way, we can engage the community, build more impactful projects in the community, and also build the ownership so that the community can look after those infrastructures when the organizations are done and leaving.

So I think one of the things that donors can do is look at these projects, you know, and upgrade them. Imagine if we can do this in a much bigger scale with different parts of Afghanistan, especially the communities that are mostly affected by climate change. You know, so the impact will definitely be massive. So I think they – even if it’s within the humanitarian – we can stretch it a little bit, you know? We can look at the opportunities and see, OK, we can replicate this in Mazar-i-Sharif, if we can replicate this Herat, or off or in other provinces. So I think there are lots of opportunities that we can use this humanitarian framework, but with slightly more flexibility.

Ms. Striffolino: Yeah. Just if I may add too, I mean we’re talking essentially about a vicious cycle, right? I mean, Afghanistan, just the people of Afghanistan have faced this cycle of conflict, climate, conflict, climate – often in the same locations. People being displaced. Families being displaced two, three, four, five times. And so, I mean, I think the unspoken theme – but maybe we’ll just put it out there – is how do we break this vicious cycle? And I think this is going to be the key to unlock opportunity for
investment in Afghanistan and Afghan people. So, yeah, like, let's break it. (Laughs.)

Mr. Larnerd: It’s institutional, systematic, systemic, like, kind of threat. We are – we could talk for such much longer, I’m sure. (Laughter.) We can take one question from the audience, and then we will need to wrap up with closing remarks. If anyone has a question?

Ms. Rahimi: Last – yeah. I just want to ask you guys that they are – you’re in a humanitarian assistance. I remember in 2017, when I joined a global entrepreneurship summit, when we discuss the things, we were similar to those developed country. Now, we are talking about the very traditional, four years back, experiences. Why it’s coming? You know, I’m feeling really sad that when I’m hearing all these process, all these supports, which is very tradition – we were not like this. When we discussed things, when we shared our experience with those woman entrepreneurs in that global entrepreneurship summit, it was similar with the developed country.

Now, we are talking about community-based things. So see the change. Seems to say at the beginning that what is, you know, the situation back then and now. This is the change. We were at the level of competing with the very developed countries. But now we are discussing about very traditional income. We are now at the zero end – not zero, minus. And we are – we are struggling through community-based things, very tradition. So we have to think about that you should not go even – if we are solving all these issues and come up a bad condition, we have to think about the sustainability of the future.

Mr. Larnerd: Yeah. That’s a big question.

Any questions from the audience? We could take one.

Ms. Striffolino: Apparently, we covered everything. (Laughter.)

Mr. Larnerd: I think that we can then wrap up with a question that I know some of my colleagues at CSIS like to ask, and now I like to ask it. Is what gives us hope for the future? There’s so much toll that all of our sectors take on and are responsible for and are sometimes burdened by. What do you hope for? In, like, a sentence or two, and then we can close out.

Ms. Rahimi: I hope that we can do more for sustainability of the economy in Afghanistan. And we should use this young generation’s capability for the development of the country.
Mr. Larnerd: Katie.

Ms. Striffolino: What gives me hope is— and this is a question I struggle with often—is, I mean, just the fact that everyone here is here today, and we have colleagues online, and you all care. We all care. We’re keeping humanity going here. And it’s hard to see in the bigger picture, you know, when the world feels like it is completely on fire—which it kind of is—is to look around and find the other helpers that are out there, and to kind of know that, OK, well, we’re all in it together. And we can move forward together.

You know, we just need to break, you know, all of these different silos and antiquated structures. And, you know, leave egos and all of that at the door. And really forge a different way forward. And so just seeing everyone and having everyone here together and being able to learn and speak with my fellow panelists, I mean, this is—that’s what gives me—gives me hope. It’s a long road ahead, but, you know, there is some hope still out there.

Mr. Larnerd: Simin.

Ms. Wahdat: Yeah. For me, I think we are in a completely different era compared to the first time Taliban took over. So we have a more highly educated population in Afghanistan. We have technology that we didn’t have then. We have social media, you know, so people can advocate through those channels. And at the same time, we can be creative in a way that, you know, using technology, engaging women, even if there are—you know, people can from the U.S. can directly communicate with women in Afghanistan.

So, I am grateful that Afghanistan is not as isolated as it was under the first time Taliban. So I think there is—there is an appetite for providing more support, assistance to Afghanistan from the international community and donors. And we are testing some of those. Like, you know, the World Bank projects that we are engaging right now. So I think this is a very good beginning for engaging in Afghanistan in a bigger scale. So I think there are interests to expand the support. So we, as implementing organization, can be as creative as we can to prove that it works in Afghanistan. You know, like whatever we do. So let’s see how we could see it from the building resilient communities, building long-term impact, even through humanitarian, you know, platform. So I think there are more hope. There are more opportunities. But we have to be more creative and be more sharp about this, yeah.

Mr. Larnerd: That’s a nice—
Ms. Rahimi: Yeah. Do not forget the young generation.

Ms. Wahdat: Absolutely.

Ms. Rahimi: Because we have – Afghanistan is the only country that has 60 percent of their population young generation. So when they are there, we should think about – like, we shouldn't lose this opportunity to use their energy for the basic – (inaudible).

Mr. Larnerd: I think I hope for something similar, is, like, that people just keep on carrying, that we keep on having these conversations, that we have an audience who wants to come and engage and listen, and hopefully continue the conversation after a panel to brainstorm more. And with that being said, thank you to Katie, Afsana, Simin for joining me to have this conversation at this forum. Thank you to our in-person, our online audience. Special thank you to CSIS conferencing, AV broadcasting, our iLab team, I-team – Michelle, Elliott, Amineh – for making all of this possible. And USAID for their supports. I hope you found this conversation insightful. And I hope you enjoy the rest of the Washington Humanitarian Forum. Thank you.

(END.)