



**Annual Report for the
Special Trust Fund for Afghanistan
Multi-Partner Trust Fund**

for the period 20 October to 31 December 2021

20 May 2022

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INTRODUCTION

This consolidated Annual Report of the Special Trust Fund for Afghanistan Multi-Partner Trust Fund (STFA MPTF) is prepared by the Trust Fund Management Unit (TFMU) and the MPTF Office in fulfillment of their obligations, as per the Fund's Terms of Reference (TOR), the Memorandum of Understanding (MOU), and the Standard Administrative Arrangement (SAA) signed with contributors. This consolidated report covers the period 20 October until 31 December 2021 and provides narrative and financial data on progress made in the implementation of the STFA MPTF. It is posted on the MPTF Office [Gateway](#).

SECTION 1: PROGRESS REPORT

STFA KEY RESULTS IN 2021

- The Special Trust Fund for Afghanistan was established on 20 October 2021 as an inter-agency funding mechanism to support basic human needs and complement short-term humanitarian life-saving assistance with the safeguarding of livelihoods as well as the strengthening of community resilience across all 34 provinces of Afghanistan.
- 13 UN Agencies (UNDP, Un-Habitat, UNCTAD, UNFPA, ITC, ILO, UNODC, UNIDO, UNHCR, UN-Women, IOM, UNESCO and UNOPS) joined the STFA as Participating UN Organisations (PUNOs).
- Five contributing donors (Germany, Norway, Sweden, Turkey and Czech Republic) and UNDP provided US\$96.61 million to STFA.
- Two Steering Committee Meetings convened where the Steering Committee approved the STFA Terms of Reference (TOR), ABADEI Strategy, Joint Programme Initiation Plan (PIP) for Northern and Southern Regions of Afghanistan, STFA Allocation Strategy and First Allocation for the Joint PIP.
- One High Level Advisory Board Meeting convened where the Board endorsed the STFA TOR and reaffirmed its strategic importance under the UN Transitional Engagement Framework for Afghanistan.

FUND OVERVIEW

The power shift of 15 August 2021 has resulted in severe economic instability in a climate of heightened uncertainty in Afghanistan. In addition, the economy is also experiencing multiple shocks including the sudden drop in aid combined with frozen assets abroad, cash shortages, a weakening banking sector, falling trade, accelerating inflation and a depreciating exchange rate. In September 2021, the United Nations Development Programme released a Rapid appraisal of economic instability and uncertainty in Afghanistan warning of a near universal poverty of 97 percent by mid-2022 due to socio-political impact of the crises. Further, UNDP developed an Area-based Approach for Development Emergency Initiatives Strategy, referred to as ABADEI Strategy, to support basic human needs and consequently enable people and communities to withstand these adverse shocks. The interventions proposed under the ABADEI Strategy aim to mitigate, and hopefully avert, the immediate impact of the crisis on lives and livelihoods

and are complementary to the humanitarian responses. Consequently, to support UN joint programming in the provision of basic human needs, the Special Trust Fund for Afghanistan (STFA) was established on 20 October 2021 as an inter-agency mechanism to enable donors to channel their resources and coordinate their support to the ABADEI Strategy and the joint programme and sectoral programmes developed under it.

STRATEGIC PRIORITIES

The Fund has adopted four key areas of work and created the respective Funding Windows:

- Provision of essential services,
- Community livelihoods and local economic activities,
- Protection of farm-based livelihoods from natural disasters, and
- Community resilience and social cohesion.

GOVERNANCE

The Trust Fund has a two-tier decision-making and coordination structure, through the Advisory Board and Steering Committee. In addition, the Technical Coordination Working Group (TCWG) provides technical guidance and high-level oversight to ongoing projects and make recommendations to ensure synergies and efficiencies are capitalized across the strategic priorities or regions as much as possible; with a view to minimizing potential duplications and facilitating/promoting collaboration, complementarities and economies of scale. Also, the Trust Fund Management Unit (TFMU) is the Fund Secretariat and is responsible for the operational functioning of the Fund and provides technical and management support to the Steering Committee. The Fund is administered by the UNDP Multi-Partner Trust Fund Office (MPTF Office), acting as the Administrative Agent. The Participating UN Organisations (PUNOs) that have signed the Memorandum of Understanding with the Administrative Agent are the implementing partners and assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent.

STFA JOINT PROGRAMMING

Eleven¹ Participating UN Organisations developed one joint Programme Initiation Plan for the Northern and Southern Regions for six months of implementation from January to June 2022 with a budget requirement of US\$92.5 million. There are 11 PUNOs that will implement the PIP in the Northern Region while 9 out of the 11 PUNOs (excluding ILO and UNOPS) will implement the PIP in the Southern Region.

¹ ILO, UNODC, IOM, UN-WOMEN, UNESCO, UNFPA, UN-HABITAT, UNCTAD, UNDP, UNHCR, UNOPS

- Northern Region: The Northern Region (NR) comprises Jawzjan, Faryab, Balkh, Sari-pul and Samangan provinces and shares international borders with Uzbekistan and Turkmenistan. The economy of this region is based on agriculture and trade.
- Southern Region: The Southern Region (SR) comprises Kandahar, Helmand, Zabul, Uruzgan and Nimroz provinces. The economy of the provinces in this region is largely based on rain-fed fruit production, livestock grazing and poppy cultivation.

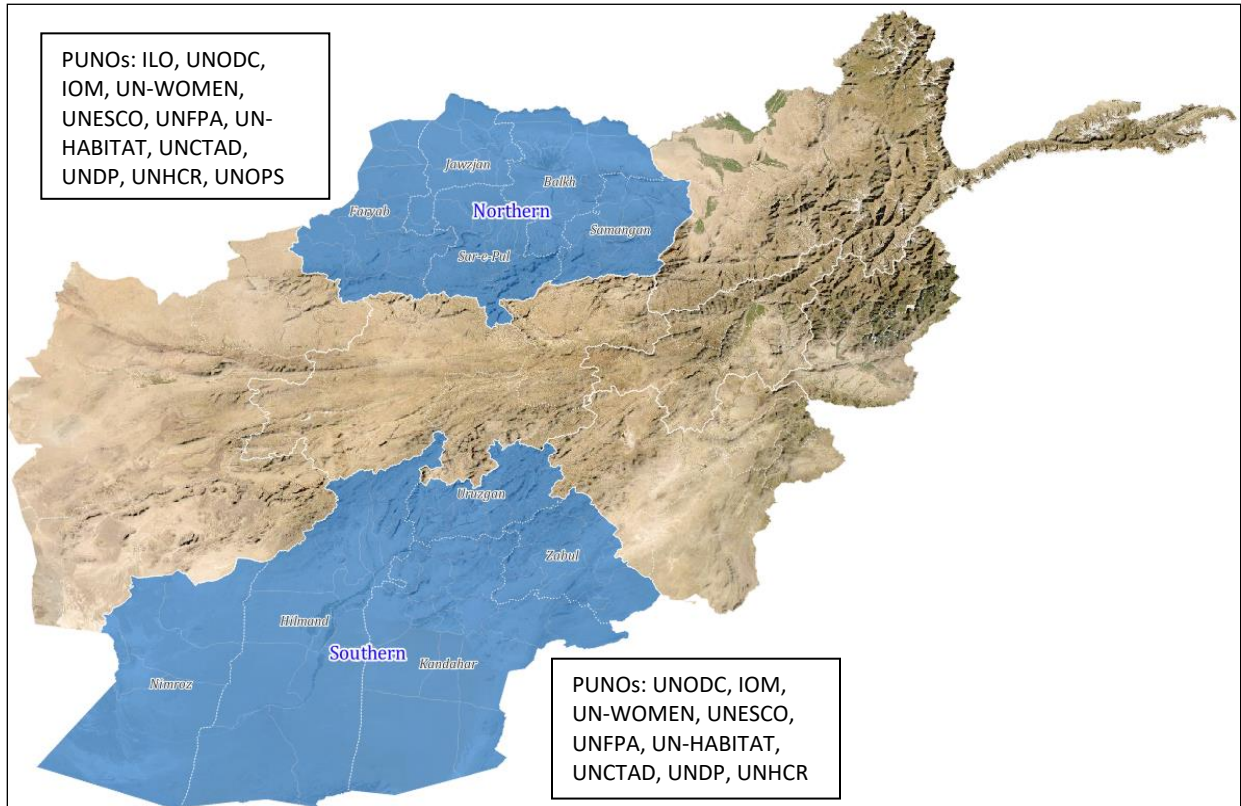


Figure 1: Map of the Northern and Southern Regions where the Joint Programme Initiation Plan is to be implemented

The Steering Committee approved implementation of the Joint Programme Initiation Plan for the Area based Approach to Development Emergency Initiatives (ABADEI) in Northern and Southern Regions from 1 January 2022 at the second meeting held on 16 December 2021.

STEERING COMMITTEE

In 2021, STFA held two Steering Committee meetings in November and December where important decisions were made.

At the meeting of 10 November 2021, the Steering Committee approved two decisions as summarized below:

- Decision 1: Approval of the STFA Terms of Reference (TOR)
- Decision 2: Approval of the ABADEI Strategy

At the meeting of 16 December 2021, the Steering Committee approved four decisions as summarized below:

- Decision 1: Approval of Revised STFA TOR
- Decision 2: Approval of Revised ABADEI Strategy
- Decision 3: Approval of Joint PIP for ABADEI in Northern and Southern Regions
- Decision 4: Approval of STFA Allocation Strategy for Northern and Southern Regions (Q1/Q2, 2022)
- Decision 5: Approval of the First Allocation (70% of available resources) for Q1/Q2 2022

HIGH LEVEL ADVISORY BOARD

In addition, the High Level Advisory Board, chaired by the Deputy Special Representative of the Secretary General/UN Resident Coordinator/Humanitarian Coordinator held its inaugural meeting on 19 November 2021. The meeting, attended by 30 participants including representation from the contributing donors and PUNOs endorsed the STFA Terms of Reference, discussed the TOR of the Board, STFA functioning under UN Transitional Engagement Framework (TEF) and gave strategic guidance on the STFA Resource Allocation Strategy. The STFA contributes to Outcomes 2 and 3 of the UN Transitional Engagement Framework highlighted below:

- Outcome 2: By the end of 2022, essential services are sustained that address basic human needs for the people in Afghanistan.
- Outcome 3: By the end of 2022, Afghanistan will preserve social investments and community-level systems essential to meeting basic human needs, protect gains to the SDGs, and develop scenarios for future engagement.