EU announces EUR 1,400,000,000 support for the development of Afghanistan!

The funds will focus on vital sectors for growth and social stability, such as rural development and agriculture, health, and strengthening democracy in the country.

Kabul, 12 October 2014

On Friday, the European Union announced a EUR 1.4 billion (USD 1.77 billion) additional development funding to Afghanistan for the period 2014-2020.

The agreement was signed between the European Commissioner for Development, Andris Piebalgs and the National Economic Adviser to President Ghani, Hazrat Omar Zakhilwal in Washington.

"This agreement is an evidence of EU's continued long-term commitment to Afghanistan. Our support is based on lessons learnt through our cooperation with the country and draws on the priorities signalled out by the Afghan authorities. In short, the money will go where it is most needed and could be most effective. We expect these funds to create the conditions necessary to improve Afghan citizens' livelihoods, by creating jobs, further strengthening Afghanistan's institutions, and better enabling the population to have their say", said Commissioner Piebalgs.

"We welcome the formation of the Government of National Unity, which is an important step in securing the future of all Afghans. The EU looks forward to hearing the Government set out its reform programme at the London Conference next month. In line with other donors, the EU will set aside 20% of its funding to incentivise those reforms", Commissioner Piebalgs added.

This exceptional level of support aims to respond to the huge challenges on the ground: Afghanistan remains one of the poorest countries in the world. About 80% of the population depends on agriculture and associated livelihoods. Seasonal and chronic unemployment are common and increasing.

The majority of EU funding will be channelled through the major trust funds, particularly the Afghanistan Reconstruction Trust Fund (ARTF) administered by the World Bank, and the Law and Order Trust Fund (LOTFA) administered by United Nations Development Programme.

How the European Union will focus its support to Afghanistan in the next seven years on:

- The development of a vital economic and employment sector: Agriculture and rural development (€337 million)
- A social sector with a track record of achieving results and critical for human development: Health (€274 million)
The provision of physical and legal security for citizens through the increased professionalization of the Afghan National Police and application of the rule of law (€319 million)

Enhancing the accountability of the state to its citizens through greater democratisation, for instance trough improved parliamentary, media and civil society scrutiny (€163 million)

An €300 million incentive component; to be paid based on the Governments achievement of certain results and progress agreed upon – in line with the 2012 Tokyo Mutual Accountability Framework (TMAF).

Caption:

(From left) The European Commissioner for Development, Andris Piebalgs and the National Economic Adviser to President Ghani, Hazrat Omar Zakhilwal in Washington.

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