

The White House's decision to divert billions of dollars away from suffering Afghans is unjust. Here's how the Biden Administration can address Afghanistan's humanitarian and economic crises.

On February 11<sup>th</sup>, the Biden Administration moved to divert \$3.5 billion in frozen Afghan foreign currency to families of victims of the September 2011 attacks. The decision is illogical and unjust. It must be reversed.

Amnesty International has <u>long called</u> for the compensation of the families of the victims and the survivors of the September 11<sup>th</sup>, 2001 attacks in the United States. The attacks constitute a crime against humanity. The survivors and families of the victims deserve justice, and compensation. The perpetrators must face accountability. Afghanistan's frozen foreign currency assets, however, do not belong to the *de facto* Taliban authorities or to the perpetrators of these attacks. These funds, which were sourced over 20 years, are the property of the Afghan people and the full sum must be made available to resuscitate the Afghan economy during a time of desperate need.

Afghans have suffered from extreme disadvantage long before the Taliban's takeover of the country. Today, Afghanistan has 5.5 million internally displaced people (IDPs) mainly due to decades of protracted conflict, a number greater than to the population of Los Angeles. Severe drought, which has hit more than 80% of the country, has augmented the suffering. Despite the dire situation, the forced return of Afghans from other countries in the region, Iran, and Pakistan in particular, has continued.

Amnesty International has <u>long documented</u> the staggering toll poverty has taken on Afghans' ability to access employment, food, shelter, and healthcare. In a 2016 report titled "<u>My Children Will Die This Winter</u>," Amnesty chronicled how the country's IDPs languish in appalling conditions, cut off from their support networks, braving the elements under tarpaulin cloth, and surviving off of spoiled vegetables.

Since the fall of Kabul to the Taliban, the situation has gotten worse. The <u>UN has warned</u> that Afghanistan may suffer from ubiquitous privation by the middle of 2022, with 97% of the population at risk of falling below the international extreme poverty line of \$1.90/day.

Last month, <u>UN Secretary General Antonio Guterres described</u> the horror: "babies being sold to feed their siblings. Freezing health facilities overflowing with malnourished children. People burning their possessions to keep warm". <u>UNICEF has estimated</u> that one out of every two children under five years old in Afghanistan will be acutely malnourished in 2022 and that eight out of ten Afghans drink contaminated water.

Much of the blame for Afghans' current suffering falls on the Taliban. Since their takeover, Taliban officials have staffed vital government offices with supporters who lack the technical competencies to fulfil their duties. Apart from those working in the healthcare sector and a few other exemptions, women across Afghanistan have been <u>barred from returning to work</u>. In addition to violating women's human rights, this unconscionable policy robs the country of desperately needed intellectual capital as it teeters on the brink of universal poverty. There are growing concerns and complaints about discrimination in aid delivery in Afghanistan, both by the UN and the Taliban authorities.



Policies set forth by the Biden Administration have also contributed to the dire situation. Since the fall of Kabul, the White House has frozen billions of the Afghan Government's foreign currency reserves and has halted development assistance. The U.S. government's approach has functionally locked Afghanistan out of the global financial system and has helped precipitate a liquidity crisis that has made it nearly impossible for Afghans to purchase food. Concurrently, Afghanistan has experienced an inflation crisis in which the price of food items has significantly increased.

Valuable first steps have already been taken. To respond to the dire humanitarian situation – including that facing Afghan refugees in neighboring countries, the UN has made a \$5 billion funding appeal for 2022 alone. In January, The Asia Development Bank approved \$405 million in grants for food security, education and health in Afghanistan – to be disbursed through the UN agencies present in Afghanistan. Earlier in September 2021, at a UN meeting in Geneva, donors pledged \$1.2 billion in aid to Afghanistan. The U.S. Treasury Department's decision to issue additional licenses in support of humanitarian activities and commitment of \$308 million in humanitarian aid are likewise welcome developments.

Still, as Afghans face an economic collapse of historic proportions, more must be done to alleviate the suffering. The steps outlined herein are practical and urgent. Many have already been articulated by <a href="Members of Congress">Members of Congress</a> and <a href="humanitarian leaders">humanitarian leaders</a>. If the U.S. government is to help avert the wholesale starvation of a country of 39 million people, it must act with haste. Policy leaders cannot pretend they have no options but to watch as Afghanistan succumbs to famine, exposure, and disease.

### The U.S. Government as a whole should:

Prioritize saving lives over other policy goals in Afghanistan: As Afghanistan heads towards an
unprecedented economic collapse, the U.S. must prioritize preventing avoidable deaths over
other foreign policy goals. If the U.S. is to forestall pervasive starvation, suffering, and death in
Afghanistan, the Afghan people need more money, and they need it soon. The United States'
Afghanistan policy must, above all else, ensure they are able to get it.

### The Biden Administration should:

Reverse immediately its decision to partition Afghanistan's frozen foreign currency reserves and ensure the full sum remain available to the Afghan people: Nearly \$7 billion dollars of Afghanistan's foreign assets remain frozen by the U.S. Department of Treasury in the New York Federal Reserve. On February 11, the Biden Administration moved to partition the funds into two portions, setting aside one portion of \$3.5 billion dollars for legal claims from survivors and families of victims of the September 2001 attacks. Amnesty International has long called for 9/11 survivors and their families to gain access to justice, reparation, and accountability for the heinous attacks. The frozen assets in question, however, belong to the people of Afghanistan and not to the perpetrators of these attacks. The Biden administration's own rationale for withholding the funds is inconsistent. The Treasury Department initially defended its decision to freeze the funds as a measure to deny them to the Taliban. Yet the President's February 11<sup>th</sup> executive order paves the way for releasing \$3.5 billion in frozen reserves for humanitarian assistance, demonstrating that the money can be released without empowering Afghanistan's



de facto authorities. The White House must therefore submit a statement of interest to the court that takes the position that the assets cannot be used to satisfy the plaintiffs' claims. Subsequently, the Treasury Department must issue an Office of Foreign Assets Control (OFAC) license that permits the transfer of the full sum of Afghanistan's frozen assets to be used to resuscitate the Afghanistan's economy. Where necessary, the State Department should provide policy guidance to OFAC to facilitate the issuance of the license.

- Immediately initiate a staged release of a portion of the \$7 billion in frozen reserves to address the humanitarian crisis and to resuscitate Afghanistan's economy: Releasing a portion of Afghanistan's currency reserves would provide a desperately needed lifeline to millions of Afghans on the brink of starvation. Furthermore, it would incentivize financial service providers to process a larger number of Afghanistan-related transactions. As Afghanistan reels from an enormous macroeconomic collapse that includes a liquidity crisis, rising food prices, and a tumbling currency, it is clear that humanitarian assistance is necessary but insufficient. The release of funds should begin immediately. The Biden Administration should seek to release substantial portions of these funds in a manner that would help rebuild Afghanistan's economy, such as by facilitating dollar auctions at Afghanistan's central bank, or through other appropriate mechanisms. Furthermore, the release must be done in a staggered manner and be tied to comprehensive auditing and controlling mechanisms derived in consultation with UN and other humanitarian organizations. The disbursements of subsequent tranches of funds should be made contingent upon the thorough assessment of their usage in order to ensure the funds are not diverted to human rights abusers or for purposes other than supporting Afghan livelihoods.
- Lead an international effort to rebuild Afghanistan's financial capacity: Afghanistan cannot escape financial catastrophe so long as its fundamental institutions are in ruin. The Biden Administration must instruct its representatives at the UN to advocate for the creation of a UN-led committee of experts. The committee would designate and oversee an intermediary third party to provide Afghans with the technical capacity necessary to receive and process transactions, institute financial controls, and prevent diversion of funding to rights abusers.
- Communicate effectively with banks and financial service providers on what Afghanistanrelated financial transactions are permitted: To avoid running afoul of U.S. sanctions law and
  taking on additional compliance risk, many financial service providers around the world are
  currently refusing to process most transactions with Afghanistan, including those allowable
  under Treasury Department regulations. This practice, known as "de-risking," hampers Afghans'
  ability to access items necessary for their survival. The Biden Administration must launch a
  senior-level effort to clarify what transactions are permitted under the law and encourage banks
  and other financial service providers to facilitate humanitarian efforts.
- Press international financial institutions to engage with humanitarian organizations: The Biden
  Administration should use its considerable leverage to press international financial institutions
  including the International Monetary Fund and the World Bank to create liaison offices that
  would coordinate with humanitarian implementers and other relevant NGOs and allow them to
  transfer funds as required. Humanitarian organizations play a pivotal role in saving lives and
  must have greater understanding of international funders' decision-making.



Ensure Afghan NGOs are supported alongside major international humanitarian actors: Local
organizations have the technical skills, cultural competency, and motivation to provide effective
humanitarian relief to their communities. These organizations serve as a vital bridge between
Afghans in rural areas and international donors. To be effective, efforts to provide humanitarian
assistance to Afghanistan must include them.

### The U.S. Congress should:

- Hold urgent public hearings on the impact of U.S. economic sanctions and other financial restrictions on the humanitarian crisis in Afghanistan: Congressional hearings are needed to focus explicitly on the impact of U.S. policy on Afghanistan's ongoing liquidity crisis and economic collapse. The hearings should provide an opportunity for Afghans currently in the U.S. to directly share their perspectives and should highlight the substantial impact of the ongoing crisis on Afghan women and girls.
- Hold confirmation votes for key Biden Administration nominees: To date, Congress has failed
  to vote on Biden administration nominees who would staff key positions responsible for
  addressing Afghanistan's human rights crisis. At the State Department level, this includes the
  positions of the Assistant Secretary for Democracy, Human Rights, and Labor, the Assistant
  Secretary for Population, Refugees, and Migration, Representative to the United Nations Human
  Rights Council at the United Nations, the Ambassador-at-Large for Global Women's Issues, and
  others.