

**Ministry of Foreign Affairs** – Department for Humanitarian Action & Civil Society (HUMCIV)

**Meeting in the Council for Development Policy on 10 October 2024**

Agenda Item No. 8

- 1. Overall purpose:** *For discussion and recommendation to the Minister*
- 2. Title:** Afghanistan Region of Origin (ROI) Programme, Phase V, 2024-2027
- 3. Amount:** DKK 200 million, 2024-2027
- 4. Presentation for Programme Committee:** 13 May 2024
- 5. Previous Danish support presented to UPR:** N/A

## Cover Note: Afghanistan Region of Origin Programme, 2024-2027

<p><b>Key results:</b>  <i>Outcome 1: Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, is able to better access to their rights and thereby enjoy improved safety. Outcome 2: Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, have increased access to sustainable and dignified livelihood options</i></p> <p><b>Justification for support:</b> Decades of conflict and political, economic and social turbulence led to one of the World's worst protracted crises and massive displacement, which was considerably worsened by the Taliban take-over in August 2021. Iran and Pakistan are estimated to house over 8.2 million Afghan refugees while a further 6.3 million people are internally displaced within Afghanistan itself. By strengthening the protection of these vulnerable groups and helping facilitate their access to sustainable livelihoods in the three countries, the programme will contribute to lessening the humanitarian caseload, reducing incentives for potentially dangerous onward migration, and strengthen cohesion amongst the population groups concerned. The programme builds upon previous ROI support that has mainly focused on Afghanistan and Iran. It extends this now to Pakistan due to the increasingly adverse situation there (that also continues in Iran and Afghanistan itself).</p> <p><b>Major risks and challenges:</b> Key risks include changes in the political and economic landscape in Afghanistan, Iran and Pakistan that negatively affect the programme's operating environment. There is a high risk that Iran and Pakistan will step up their repatriation policies with negative consequences for, especially undocumented refugees but also the host communities in Afghanistan to which people return. This could lead to an increase in negative coping strategies, including possible further movement. There is a further risk that all three governments may try to influence implementation decisions, potentially leading to exclusion of certain vulnerable groups. These risks will be managed through the selection of robust programme partners with proven ability to operate in the complex environments.</p>	<b>File No.</b>	24/40761																						
	<b>Country</b>	Afghanistan, Iran, Pakistan																						
	<b>Responsible Unit</b>	HUMCIV																						
	<b>Sector</b>	Multi-sector																						
	<b>Partners</b>	UNHCR, IOM, NRC, DACAAR																						
		<i>DKK million</i>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>																	
	<b>Commitment</b>		50	80	75	-	205																	
	<b>Projected disbursement</b>		50	80	75	-	205																	
	<b>Duration</b>	36 months (31.12.24 – 31.12.27)																						
	<b>Previous grants</b>	2018-2024 (incl. extensions). DKK 101.8 m																						
	<b>Finance Act code</b>	06.32.02.09																						
	<b>Head of unit</b>	Birgitte Nygaard Markussen																						
	<b>Desk officer</b>	Andreas Ahrenfeldt Kiaby																						
	<b>Reviewed by CFO</b>	YES: Tobias Grønlund Nissen																						
<b>Relevant SDGs</b>																								
<table border="1" style="width: 100%; text-align: center;"> <tr> <td> No Poverty</td> <td> No Hunger</td> <td> Good Health, Wellbeing</td> <td> Quality Education</td> <td> Gender Equality</td> <td> Clean Water, Sanitation</td> </tr> <tr> <td> Affordable Clean Energy</td> <td> Decent Jobs, Econ. Growth</td> <td> Industry, Innovation, Infrastructure</td> <td> Reduced Inequalities</td> <td> Sustainable Cities, Communities</td> <td> Responsible Consumption &amp; Production</td> </tr> <tr> <td> Climate Action</td> <td> Life below Water</td> <td> Life on Land</td> <td> Peace &amp; Justice</td> <td> Partnerships for Goals</td> <td></td> </tr> </table>							 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation	 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production	 Climate Action	 Life below Water	 Life on Land	 Peace & Justice	 Partnerships for Goals	
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### Strategic objectives

*Enhanced resilience and self-reliance of displaced Afghans, particularly women and girls, and their host communities in Afghanistan and the neighbouring countries of Iran and Pakistan enabling them to better access their rights and meet their basic needs*

### Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
<b>Indicate 0, 50% or 100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total green budget (DKK)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Budget (engagement as defined in FMI):

Projects (engagements as defined in FMI):	Partner	Total thematic budget: [million]
Project 1	DACAAR	60
Project 2	NRC	28,35
Project 3	UNHCR Iran	20
Project 4	UNHCR Pakistan	45
Project 5	IOM Pakistan	30
Unallocated		18,78
Review, M&E		2,87
<b>Total</b>		<b>205</b>

**Afghanistan Region of Origin Programme 2024-2027**  
**Programme Document**

## Abbreviations

ACC	Afghan Citizen Card
ACCSAP	National Adaptation Programme of Action for Climate Change
ACG	Framework for International Partner Support in Afghanistan
AMG	Aid Management Guidelines
ARTF	Afghanistan Resilience Trust Fund
ATP	Afghanistan Transition Programme
AWP	Annual Work Plan
BAFIA	(Iran) Bureau for Aliens and Foreign Immigrants Affairs
CBE	Community-based education
CCAR	(Pakistan) Chief Commissionerate for Afghan Refugees
CEDAW	Convention on the Elimination of Violence Against Women
DAC	(OECD) Development Assistance Committee
DACAAR	Danish Committee for Aid to Afghan Refugees
DFA	De Facto Authorities (Afghanistan)
EU	European Union
GBV	Gender based violence
GDP	Gross Domestic Product
GOP	Government of Pakistan
HUMCIV	Humanitarian Action, Civil Society and Engagement
HDI	Human Development Index
HNRP	Humanitarian Needs and Response Plan
HRBA	Human Rights Based Approach
KP	Khyber Pakhtunkhwa
ICLA	Information, Counselling and Legal Assistance
ICMPD	International Centre for Migration Policy Development
IDP	Internally Displaced Person
IFRP	Illegal Foreigners Repatriation Plan
INGO	International Non-Governmental Organisation
IO	International Organisation
IOM	International Organisation for Migration
ISCG	(Iran) Inter-Sector Coordination Group
ISIS	Islamic State of Iraq and Syria
LGBTQ	Lesbian, Gay, Bisexual, Transgender, Queer, +
MENA	Middle East & North Africa
MPI	Multidimensional Poverty Index
NAP	National Action Plan
NAPA	National Adaptation Programme of Action for Climate Change
NATO	North Atlantic Treaty Organisation
NGO	Non-Governmental Organisation
NOM	(Iran) National Organisation for Migration
NRC	Norwegian Refugee Council
NRF	National Resistance Front
OHCHR	Office of the United Nations High Commissioner for Human Rights
POR	Proof of Registration (Pakistan)
PRCF	Pakistan Refugee Consultative Forum
ROI	Region of Origin

RRG	(Iran) Refugee Response Group
RRRP	Regional Refugee Response Plan
SAFRON	(Pakistan) Ministry of States and Frontier Regions
SDG	Sustainable Development Goals
SSAR	Solutions Strategy for Afghan Refugees
SSG	Salaam Support Group
STFA	Special Trust Fund for Afghanistan
TTP	Tehreek-e-Taliban Pakistan
TOC	Theory of Change
UNAMA	United Nations Assistance Mission in Afghanistan
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNSCR	United Nations Security Council Resolution
UNSF	United Nations Strategic Framework
UPR	Universal Periodic Review
VAWG	Violence against women and girls
WASH	Water, Sanitation, and Hygiene
WFP	World Food Programme
WLO	Women-led Organization
WPS	Women, Peace, and Security

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## 1 Introduction

The present programme document outlines the background, rationale and justification, objectives and management arrangements for Denmark's continued efforts to promote resilience and self-reliance amongst Afghan refugees, returnees, and host communities in Afghanistan, Iran and Pakistan.

Between 2024-2027, the **Afghanistan Region of Origin Programme** will provide DKK 205 million to Afghan refugees, returnees, and host communities in Afghanistan, Pakistan, and Iran within an overall Humanitarian-Development-Peace (HDP) nexus approach. The support will be channelled through the Danish Committee for Aid to Afghan Refugees (DACAAR) in Afghanistan, to the United Nations High Commission for Refugees (UNHCR) and the Norwegian Refugee Council (NRC) in Iran, and through UNHCR and the International Organisation for Migration (IOM) in Pakistan.

This programme has been prepared to take into account the complex and fragile context in the three countries, the international humanitarian and development assistance framework, the capacity of available partners, and relevant Danish policies, strategies and practice papers.<sup>1</sup> The programme documentation reflects the conclusions of the Danida Programme Committee (PC) meeting on 13 May 2024 and the recommendations from the MFA's appraisal carried out in August 2024.

The difficult context, which exhibits a deteriorating economic climate and political stresses that negatively affect the lives of both refugees/displaced people and the local host communities, clearly points to the relevance of enhancing protection and livelihoods using an integrated approach that explicit targets the need of vulnerable groups, such as Afghan women and girls.

The programme builds upon previous versions of ROI support in the period 2022-2023 from Denmark to Afghanistan and Iran. To these, Pakistan has now been included in view of the worsening situation facing the large number of Afghan refugees living in the country.

The programme will complement Denmark's humanitarian aid to the region and Denmark's other development assistance being provided through the Afghanistan Transition Programme (ATP), 2024-2025; the Peace and Stabilisation Fund (PSF) Salaam Support Group project; and the Capacity Building Programme for Reintegration and Social Protection in Afghanistan (PARSA) that supports returning Afghans with special needs. The programme support will also be closely harmonised with assistance being provided from other countries and through the inter-agency mechanisms such as the Regional Refugee Response Programme (RRRP) and the Support Platform for the Solutions Strategy for Afghan Refugees (SSAR).

## 2 Context, strategic considerations, rationale and justification

### 2.1 Overall rationale and justification

The overall rationale for the Afghanistan Region of Origin Programme is to strengthen the resilience and self-reliance of Afghan refugees, returnees and their host communities in the light of the protracted Afghanistan crisis. Iran and Pakistan are estimated to house over 8.2 million Afghan refugees while a further 6.3 million people are internally displaced within Afghanistan itself. By strengthening the protection of these vulnerable groups and helping facilitate their access to sustainable livelihoods in the three countries, the programme will contribute to lessening the humanitarian caseload, reducing incentives for potentially dangerous onward migration, and strengthen cohesion amongst the population groups concerned. Through adopting a localisation approach, the programme will involve communities in the solutions affecting them.

The programme's justification centres on the deteriorating socio-economic situation and the stresses facing the very high number of refugees and displaced in Afghanistan and its neighbours. Recent data indicates that voluntary return to Afghanistan is an unrealistic option for most refugees in the short term

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<sup>1</sup> How to Notes: Nr 1 - Fighting poverty and inequality, Nr. 3 – Climate Adaptation, Nr. 4 – Migration, Nr 5 – Peacebuilding and stabilization, Nr 7 – Human rights and democracy, Nr 9 – Humanitarian, Nr 11 – HDP nexus. The guidance notes on adaptive management and Women, Peace and Security have also been consulted.

to medium term and UNHCR therefore retains its non-return advisory.<sup>2</sup> Despite improvements to security, Afghanistan continues to be a protection emergency with high levels of displacement, safety threats from unexploded ordnance, restrictions on freedom of movement, gender-based violence (GBV), child labour, early marriage and increased levels of mental and psychosocial needs. These come on top of basic needs relating to rights (especially women's rights), food, health, water, education, and livelihoods. As a result, an estimated 23.7 million people are expected to require humanitarian assistance in Afghanistan during 2024.<sup>3</sup> There is a general consensus among donors as well as humanitarian and development actors that humanitarian aid alone will not solve the systemic crises in Afghanistan, thus, creating a need for sustainable solutions with longer term perspectives.

Amongst Afghanistan's neighbours, in large part due to their deteriorating economic situation, both Pakistan and Iran have recently stepped up efforts to repatriate refugees lacking required documentation; it is estimated that 524,799 returns from Pakistan and 691,000 from Iran occurred during 2023<sup>4</sup> and it is estimated that a further 1.46 million Afghans will return from these two countries during 2024, thereby increasing further the pressures on already highly vulnerable local communities in Afghanistan itself.<sup>5</sup>

While addressing this situation requires acute emergency action that is beyond the scope of the programme described here, there are nonetheless important complementary actions that can be taken to prevent vulnerable individuals from sliding into ever deeper negative coping strategies, including further and potentially dangerous onwards migration. Some of these steps relate to protection, where access to correct documentation through improved information, counselling and legal assistance (ICLA) amongst other steps is part of a critical gateway to increased access to services and safe livelihood options. A similar logic applies to vulnerable members of host communities who are often equally in need of assistance to achieve safe livelihoods. Improvements here will contribute to preventing the growth of inequalities and grievances that fuel social tensions between groups.

The package of support described here is fully aligned with the international consensus on refugees and burden-sharing (including the Global Compact and the Regional Refugee Response Plan). It also takes into account the lessons learnt from previous Danish support; particularly that development gains can be achieved despite the restrictive environment and that there is a need to extend support to refugees in Iran and Pakistan given the hardening of attitudes towards refugees in these countries. The programme is also coherent with the recently approved Afghanistan Transition Programme, 2024-2026, and with Denmark's existing humanitarian aid.

## **2.2 Context, risks and dilemmas**

The following section provides a brief snapshot of the key contextual features facing Afghan refugees and host communities in Pakistan and Iran and returnees in Afghanistan. It describes a situation that includes multi-faceted stress lines, thereby underlining the logic that a holistic nexus approach is required. A comprehensive context analysis is included in Annex 1.

### **2.2.1 Afghanistan**

Aside from its massive governance, human rights, poverty and service delivery challenges, Afghanistan continues to experience very high levels of displacement and a significant number of returnees, especially from Pakistan, which is set to increase further in 2024. This is placing the humanitarian caseload under extreme pressure alongside similar strains on basic needs provided through development funding, such as Denmark's Afghanistan Transition Programme.

The drivers of displacement in Afghanistan lie in the country's multiple political, safety, social and economic challenges, many of which were exacerbated by the Taliban takeover in August 2021. It is estimated that more than 1.7 million Afghans left for Iran and Pakistan in the period up to and following

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<sup>2</sup> UNHCR. External update: Afghanistan situation #29. November 2023. While voluntary returns do occur, many have been incentivized through mechanisms such as the Illegal Foreigners Repatriation Plan (IFRP) in Pakistan and it is therefore questionable how truly voluntary they are.

<sup>3</sup> UNHCR, Humanitarian Needs Response Plan, Afghanistan, 2024

<sup>4</sup> Figures from UNHCR for repatriated refugees. There are additional refugees that return voluntarily.

<sup>5</sup> UNHCR. Afghanistan Humanitarian Needs Response Plan, December 2023

the Taliban take-over in August 2021.<sup>6</sup> Once out of Afghanistan, people do not wish to return voluntarily and often have limited financial means to do so safely.<sup>7</sup>

The Taliban's seizure of power in August 2021 completely changed the political, security, social and economic situation in Afghanistan and prompted a massive increase in the number of Afghans seeking refuge out of the country. The country continues to face multiple crises: a grave humanitarian situation; deterioration in human rights, especially rights of women and girls; massive economic constraints caused by Afghanistan's isolation from global markets and sources of finance; and a deep and widespread deterioration in public services. There remains a high degree of uncertainty surrounding the country's legal framework, although it is in most cases now based on Sharia law.

The overall humanitarian situation has worsened considerably since 2021 and economic shocks, climate induced disaster, such as drought and floods, as well as other natural disasters, such as earthquakes have overtaken conflict as the primary drivers of humanitarian need. According to UNICEF, 64% of households report being unable to meet their basic needs.<sup>8</sup> In 2024, 95% of Afghans were living in highly vulnerable conditions and 63% in extreme poverty.<sup>9</sup> The expanding poverty has manifested in heightened levels of food insecurity and the number of people suffering from hunger doubled from 2021 to 2022 with nearly 20 million people, equivalent to half of the country's population, suffering from hunger.<sup>10</sup> As a consequence, more than 23.7 million people are projected to rely on humanitarian aid in 2024.<sup>11</sup>

The capacity of the DFA to support basic needs is low. While the health system has narrowly avoided collapse, 13.3 million people have no access to health care, largely due to the lack of infrastructure, coupled with high costs.<sup>12</sup> In 2023, UNICEF reported that around 8.7 million children required educational support, 7.2 million individuals needed nutrition assistance, and 7.5 million children and caregivers were in need of protection services.<sup>13</sup> Additionally, as a result of the continuous drought and water crisis, 60% of families in 2022 reported difficulties in accessing water, an increase from 48% in 2021.<sup>14</sup> Furthermore, the ban on secondary school education for girls has increased the vulnerability of this target group and currently only 3% of girls receive a secondary education.<sup>15</sup>

Contributing to the low service provision is an out-of-touch bureaucracy and significant economic deterioration since 2021. World Bank data shows that government expenditure on key sectors (including education and health) has declined by over 90% and that recurrent expenditure on infrastructure has almost ceased.<sup>16</sup> In 2023, 54% of households reported to have gone through an economic shock<sup>17</sup> and the majority of households (64%) are unable to meet their basic needs. The economic crisis is exacerbated by the substantial loss of workforce and brain-drain of educated individuals.<sup>18</sup> Climatic factors also play a role in this fragile situation, with Afghanistan subject to both droughts and flooding.

A further significant disincentive to voluntary return is the further deterioration in Afghanistan's human rights situation. The de-facto authorities have consistently reversed progress achieved in the last twenty years, especially concerning rights for women and girls and minority groups. In particular, the decrees during 2022 and subsequently suspending the right for girls' education beyond sixth grade, women's access to universities, and Afghan women's right to work for NGOs and the UN (although it should be noted that women continue to have the right to work in the private sector).

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<sup>6</sup> OCHA (2023). Global Humanitarian Overview 2024: Afghanistan RRP (Refugee Response Plan), December 8, 2023. <https://humanitarianaction.info/document/global-humanitarian-overview-2024/article/afghanistan-rrp-0#footnote-paragraph-2757-1>

<sup>7</sup> Allcock and Higham, 2024

<sup>8</sup> Afghanistan: Humanitarian Action for Children. UNICEF. 2023.

<sup>9</sup> World Poverty Clock, Afghanistan. World Data Lab. 2024.

<sup>10</sup> Afghanistan: Nearly 20 million going hungry. UN News. 2022.

<sup>11</sup> Afghanistan: HNRP, 2024.

<sup>12</sup> UNICEF. 2023.

<sup>13</sup> *ibid*

<sup>14</sup> Afghanistan Humanitarian Needs Overview 2023 (January 2023). OCHA. 2023.

<sup>15</sup> Afghanistan: HNRP, 2024.

<sup>16</sup> ARTF SG meeting slides, September 2023

<sup>17</sup> OCHA. 2023.

<sup>18</sup> Afghanistan Humanitarian Crisis. UNHCR. 2023

These challenges have also had a major impact on the civic space, which has progressively shrunk, especially among actors working on governance, human rights, and media. Many civil society actors have fled the country and those that remain (including INGOs) have a focus on service delivery. Despite these restrictions, actors on the ground find that it is possible to negotiate exceptions that permit them to work at the local level. Afghanistan is one of the countries where minority groups, particularly those of religious backgrounds, face significant risks due to repressive policies, persecution, conflict, and intolerance.

While the above factors represent strong disincentives for refugees to return, UNHCR notes that there are substantial numbers of forced and “voluntary” returns occurring from Iran and Pakistan. In 2023, at least 350,000 Afghans were repatriated from Iran and over 500,000 Afghans returned from Pakistan in the wake of the newly introduced Illegal Foreigners Repatriation Plan.<sup>19</sup>

Returning refugees and the large number of internally displaced add to the pre-existing stresses of local communities in Afghanistan which increases the vulnerability of all groups.<sup>20</sup> Most returnees come back to their provinces of origin and are accepted by their communities, but their presence creates additional demand for basic services (including psychosocial support, livelihood support, and food security) that are no longer available. Amongst host communities, 61% of respondents consider that their own livelihood opportunities have declined since August 2021, a finding that was largely mirrored by the returnees themselves (46% saying that no opportunities were available).<sup>21</sup> Self-identified priority needs include livelihoods, advice and counselling, medical treatment, and access to education. Three out of four returnee households face shelter issues. There may be acute issues due to a lack of financial resources, which may be perpetuated as money is borrowed to finance livelihoods. Addressing livelihood options is crucial (as it is one of the principal drivers of migration) and there should be strong links between protection and livelihoods programming.<sup>22</sup> These livelihood options need to reflect local markets and, in rural areas, agricultural practices that are adaptive to climate change.

The large number of returnees in major urban areas, such as Kabul, Kandahar, and Nangarhar, also stretches the humanitarian capacity to respond. The Afghanistan humanitarian response plan (2024) notes that a durable solutions perspective will require longer-term assistance and service provision to both returnees and communities, with priorities being the rehabilitation of basic infrastructure, transitional and permanent shelter, de-mining, and local livelihood opportunities.<sup>23</sup> There may also be serious protection issues, especially for those who left after August 2021 and who are now being forced to return. A further point is that many returnees have never lived in Afghanistan before, face a cultural shock when they return, lack documentation, and do not have access to economic resources.

### 2.2.2 Pakistan

Pakistan is included in the programme in view of the large number of Afghan refugees living in the country and the worsening situation concerning their protection, livelihoods and access to services, as described below.

As of October 2023, there were 3.7 million Afghans in Pakistan, out of which 1.5 million<sup>24</sup> were considered refugees or in refugee-like situations.<sup>25</sup> According to the Pakistani authorities, around 700,000 Afghans fled to Pakistan after the Taliban takeover in August 2021.<sup>26</sup> Pakistan has traditionally had an open-door policy for Afghans, many of whom share common Pashtu cultural and linguistic roots and have been there for several generations. In October 2023 – in the lead up to the national elections,

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<sup>19</sup> UNHCR data, 2024

<sup>20</sup> Afghanistan HNRP, 2024

<sup>21</sup> Afghanistan HNRP, 2024

<sup>22</sup> DRC, 2023

<sup>23</sup> *ibid*

<sup>24</sup> UNHCR (2023a). Regional Refugee Response Plan for Afghanistan, 2023. [https://reporting.unhcr.org/afghanistan-situation-regional-refugee-response-plan-summary#\\_ga=2.88117723.1195476686.1684367227-614228198.1683288107](https://reporting.unhcr.org/afghanistan-situation-regional-refugee-response-plan-summary#_ga=2.88117723.1195476686.1684367227-614228198.1683288107)

<sup>25</sup> People in refugee-like situation refers to a category which is descriptive in nature and includes groups of people who are outside their country or territory of origin and who face protection risks similar to those of refugees, but for whom refugee status has, for practical or other reasons, not been ascertained (UNHCR).

<sup>26</sup> Gul, Ayaz (2023). *Pakistan Pledges 'Phased, Orderly' Eviction of Unlawful Afghan Migrants*, VOA News – South and Central Asia, October 6, 2023. <https://www.voanews.com/a/pakistan-pledges-phased-orderly-eviction-of-unlawful-afghan-migrants/7300378.html>

however, the government introduced its Illegal Foreigners Repatriation Plan (IFRP) which was intended to incentivise voluntary return and deport undocumented refugees,<sup>27</sup> with the result that over 527,981 Afghans have returned to Afghanistan since then (including 30,000 who were deported and 27,000 assisted by UNHCR). According to UNHCR, most of the returnees were undocumented Afghans (88%), followed by Proof of Registration (PoR) holders (10%) and Afghan Citizen Cards (ACC) holders (2%).<sup>28</sup> While return numbers have dropped in 2024, the impact of the IFRP is reported to have created a climate of fear amongst refugees, disincentivising school attendance and curtailing employment.<sup>29</sup>

Refugee status is therefore regarded as a key determinant of the degree to which refugees in Pakistan can access protection and social services. PoR provides holders with the legal right to remain in Pakistan and to access various services, such as opening bank accounts, renting property etc. Refugees holding ACC or who are completely undocumented have less access to services. They are generally considered more vulnerable as their formal rights are less extensive, although, recent monitoring data from UNHCR and IOM suggests that both groups of refugees remain vulnerable to arrest and detention.<sup>30</sup> In 2022, the government and UNHCR identified almost 1.3 million refugees with updated PoR cards and a similar exercise was undertaken with IOM for approximately 831,000 Afghans holding an ACC, leaving an estimated one million people entirely undocumented.<sup>31</sup>

Documentation is regarded as a key protection tool in Pakistan and, while PoR status enables higher degrees of access to health and education services, their access to other benefits is uncertain. UNHCR notes, for example, that there are currently no legal or administrative mechanisms addressing housing, land and property rights for refugees and that arrangements in these areas are therefore often informal. ACC holders and undocumented refugees are more vulnerable than PoR holders to a range of protection and livelihood issues. For example, the eligibility for free health care depends upon registration status, with only registered refugees being included in government health programmes.<sup>32</sup> Undocumented refugees have also been the primary target of the IFRP.

Afghan refugees generally live alongside their Pakistani host communities and in provinces bordering Afghanistan. While this hospitality is positive, it also means that refugees are generally affected by similar socio-economic and livelihood issues as vulnerable parts of the Pakistani population and it is widely acknowledged that these conditions have become increasingly stressed over the past few years. This is due to the combined impact of the COVID-19 pandemic, record-high food and energy prices, the effects of the 2022 floods, and declining economic activity and real incomes. Reduced labour incomes and food inflation (at around 38%) have contributed to worsening poverty and vulnerability to poverty for the population as a whole. The national poverty rate is around 39.4% (a marked increase from 2022 when it was 34.2%); however, due to population growth, there are now 12.5 million more people living below the poverty line. One consequence of the increasing poverty levels is that around 40% of children are stunted.<sup>33</sup>

Living side by side with host communities also means that the Afghan refugees share many prevailing cultural norms. In terms of women's rights, for example, gender disparities persist amongst refugee and host communities alike and contribute to lower education for girls, under-reporting of GBV a lack of redress mechanisms, and under-participation in decision-making mechanisms.<sup>34</sup>

In the current political and economic context, the large numbers of refugees and their prolonged stay add load to an already overburdened system, which is prompting changes in the official and public attitudes towards them. Surveys indicate that over 98% of those voluntarily leaving Pakistan for

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<sup>27</sup> Undocumented Afghans those individuals of Afghan origin residing in Pakistan, who a) do not have a document to stay in Pakistan, b) only have a Tazkira (Afghan national identity card), c) only have an Afghan passport and/or a visa that is expired.

<sup>28</sup> UNHCR/IOM Flash Update #16, 7 March 2024

<sup>29</sup> UNHCR, project proposal, March 2024

<sup>30</sup> UNHCR/IOM Flash Update #16, 7 March 2024

<sup>31</sup> UNHCR (2023d). Operational Data Portal: Afghanistan Situation, last updated November 2023. <https://data.unhcr.org/en/situations/afghanistan>

<sup>32</sup> ACAPS. Briefing note: Forced return of Afghans from Pakistan. December 2023.

<sup>33</sup> World Bank, Pakistan Poverty and Equity Brief, October 2023

<sup>34</sup> RRRP, 2023

Afghanistan are doing so because of concerns relating to deportation (sparked by the Repatriation Plan) and the risk of xenophobia.<sup>35</sup> There are reports of police abuse, detentions, seized livestock and destroyed identification documents.<sup>36</sup>

The above factors contribute to a range of medium to longer-term needs. These include strengthening the protection environment to ensure that refugees and host communities can realise their rights through access to documentation and legal support, healthcare, education, prevention and mitigation of GBV, and livelihoods and employment. There are particular needs relating to marginalised groups, including children, women, older persons, persons with disabilities etc.<sup>37</sup> For refugees facing repatriation, there are heightened protection risks, especially for women and girls.<sup>38</sup>

The main government departments with responsibility for refugee issues in Pakistan are the Ministry of States and Frontier Regions (SAFRON) and its Chief Commissionerate for Afghan Refugees (CCAR). SAFRON/CCAR work closely with the Ministries of Interior and Foreign Affairs on refugee policy matters, notably the 2017 Repatriation and Management Policy for Afghan Refugees. Since early 2022, the Ministry of Interior has had responsibility for asylum-related matters.

### 2.2.3 Iran

Iran is included in the programme in view of the large number of Afghan refugees living in the country and the deteriorating situation concerning their rights/protection and livelihoods opportunities coupled with increased risk of involuntary repatriation, as described below.

Iran is now the world's largest refugee host nation. Estimates vary considerably but UNHCR estimates that Iran hosts 3,8 million Afghan refugees, 90% of them live in urban or peri-urban areas.<sup>39</sup> The refugees are hosted by a country that is struggling with severe economic challenges and sanctions. While hosting a very high number of refugees, the government seeks international burden-sharing while also exercising very restrictive controls over the activities of UN agencies and international (and national) NGOs as well as donor countries, including in relation to access and monitoring of international support.<sup>40</sup>

The most recent World Bank poverty diagnostic shows that Iran's GDP contracted progressively between 2011 and 2020, with revenue heavily reliant upon oil exports (55% of exports) which are themselves affected by the effects of sanctions. The lack of growth has been compounded by inflation (officially 45% in November 2023), eroding purchasing power (food prices have risen more than 50%), an ageing and urbanising population, and relatively high rates of youth unemployment (22%). Labour force participation was 41% in 2020 but shows considerable disparities according to gender (69%/14% men/women). Between 2011 and 2020, the share of Iranians living beneath the international poverty line for upper-middle-income countries increased from 20% to 28%. Estimates suggest that half of the population is vulnerable to falling into poverty, with female-headed households being particularly susceptible. In this situation, Iran's social protection systems provide an important buffer but they are also stretched and shortfalls can result in harmful coping mechanisms.<sup>41</sup>

Like Pakistan, Iran has traditionally accommodated refugees and seasonal migrants (mostly young men) from Afghanistan with which there are also linguistic and cultural linkages. Free healthcare and schooling are available for all children and, as a result, around 700.000 Afghan children were enrolled in Iranian schools in 2022-23. As very few Afghan refugees live in camps (approximately 1%), the vast majority live in urban areas side-by-side with Iranian citizens. Nonetheless, the deteriorating Iranian economy and its effects on social services are stressing this relationship and observers note a change in the official and

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<sup>35</sup> Return tracer report, 2023. Save the Children International.

<sup>36</sup> HRW (2023b). *Pakistan: Widespread Abuses Force Afghans to Leave*, November 28, 2023. <https://www.hrw.org/news/2023/11/28/pakistan-widespread-abuses-force-afghans-leave#:~:text=Police%20and%20other%20officials%20have,Afghanistan%2C%20deporting%2020%2C000%20of%20them>

<sup>37</sup> RRRP, 2023

<sup>38</sup> ACAPS. Briefing note: Forced return of Afghans from Pakistan. December 2023.

<sup>39</sup> UNHCR. Afghanistan refugee response in Iran. August 2022

<sup>40</sup> Interviews during identification process

<sup>41</sup> World Bank. Iran poverty diagnostic. November 2023

public attitude towards the Afghan community.<sup>42</sup> An indicator of this change is the high number of repatriations of undocumented Afghans by the Iranian authorities – which, according to UNHCR, amounted to over 691.000 in 2023, a 45% increase from the previous year.<sup>43</sup> The main reasons for forced returns are linked to: lack of legal stay (regular entry, irregular stay), court orders as a result of committing crimes (including attempt irregular exit towards Turkey, alleged drug trafficking), and apprehension in no go areas. Thus, while Iran’s refugee policies have been relatively inclusive compared to other hosting countries, Afghans are still likely to be particularly exposed to policy change caused by negative socio-economic dynamics.

As in Pakistan, a central concern is that lack of correct documentation restricts access to services, such as education and health, as well as decent jobs. Lack of documentation also raises the risk of involuntary return and movement restrictions.<sup>44</sup> Although refugees are theoretically able to access key services, there are significant differences in this access depending upon the individual’s registration status and the type of identification documents held. Those who hold an “Amayesh” card have access to education, health, and the labour market. Non-Amayesh card holders have much lower access to services. Meanwhile, undocumented Afghan refugees are at risk of repatriation and cannot apply for temporary work permits, which decreases their employment possibilities and increases their vulnerability to exploitation. The sort of work that tends to be available is informal and within the areas of construction, garbage collection, and agriculture.<sup>45</sup>

Access to registration and thereby services for refugees is bound by complex bureaucratic regulations and can incur costs that are beyond the reach of refugees.<sup>46</sup> Reduced household income results in many being unable to afford the renewal of Amayesh cards and health insurance premiums. Female-headed households are likely to be particularly adversely affected and harmful coping strategies may emerge, such as child labour and children dropping out of school. It also raises other protection concerns, including GBV and psychosocial damage.<sup>47</sup> UNHCR notes that the limited livelihood opportunities increase the risks of poverty and - exacerbated by the combined impact of high inflation and economic sanctions - continue to drive needs for Afghan refugees and the host communities alike.<sup>48</sup>

The main government institution with responsibility for refugees in Iran is the National Organisation for Migration (NOM), operating under the Ministry of Interior, although its actual legal status is disputed, having not yet been approved by Parliament. The NOM appears to have replaced the previous Bureau for Aliens and Foreign Immigrants Affairs (BAFIA) at the national level while BAFIA is still operating on the regional level. The Refugee Response Group (RRG) is the main platform for strategic-level Inter-Agency coordination. It is chaired by UNHCR and includes the main UN Agencies and international NGOs. Below this, an Inter-Sector Coordination Group (ISCG) seeks to enhance cross-sector linkages.

## 2.3 Strategic framework

### 2.3.1 International policies

The international policy framework for responding to the needs of Afghan refugees is founded at the global level in the *Global Compact on Refugees, 2018*, which seeks to provide a basis for predictable and equitable burden and responsibility-sharing for refugees and affected host countries through easing pressures on host countries; enhancing refugee self-reliance; expanding access to third country solutions; and supporting conditions in countries of origin for return in safety and dignity. Other international policy instruments include the *Grand Bargain 2.0* and *New Ways of Working*, which, inter alia, prioritise increased effectiveness through working with local partners and localisation.

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<sup>42</sup> European Union Agency for Asylum. Iran – situation of Afghan refugees. December 2022

<sup>43</sup> Formulation team correspondence with UNHCR Iran, 25 April 2024

<sup>44</sup> ACAPS, 2024

<sup>45</sup> European Union Agency for Asylum. Iran – situation of Afghan refugees. December 2022

<sup>46</sup> NRC (2023). NON-PUBLIC BRIEF: *Potential Impact of Pakistan’s “Illegal Foreigners Repatriation Plan” for Afghan Refugees in Iran*, November 2023

<sup>47</sup> RRRP 2023

<sup>48</sup> UNHCR (2023a). Regional Refugee Response Plan for Afghanistan, 2023. [https://reporting.unhcr.org/afghanistan-situation-regional-refugee-response-plan-summary#\\_ga=2.88117723.1195476686.1684367227-614228198.1683288107](https://reporting.unhcr.org/afghanistan-situation-regional-refugee-response-plan-summary#_ga=2.88117723.1195476686.1684367227-614228198.1683288107)

Also relevant are a range of *Sustainable Development Goals* (SDGs), in particular: No poverty (SDG 1); Zero hunger (SDG 2); Good health and well-being (SDG 3); gender equality (SDG 5); Decent work and economic growth (SDG 8); Reduced inequalities (SDG 10); and Peace, justice and strong institutions (SDG 16). The SDGs include a commitment to Leave No-One Behind (LNOB), requiring that the most vulnerable, including those affected by crises and forced displacement, are included.

At the regional level, the inter-agency *Regional Refugee Response Plan (RRRP)* for 2024-2025 is a key guiding document and complements UNHCR's guidance note on the international protection needs of people fleeing Afghanistan (February 2022), including its *non-return advisory*, that remains in force. The RRRP aims to support Afghan refugees and host communities in Afghanistan, Iran and Pakistan, amongst others. During 2024-2025, it will evolve into a two-year plan in order to facilitate more predictable funding and longer-term solutions. The RRRP operates on an inter-agency basis and includes 14 UN agencies, 21 INGOs, and 30 local NGOs as partners. The funding requirements for 2024 and 2025 amount to USD 620.4 million and USD 624.5 million respectively. Denmark has previously contributed to the RRRP via its core contributions to the UN agencies involved.

Of particular relevance to the Afghanistan ROI programme is RRRP Strategic Objective 2 which aims to build resilient communities, including through reinforcing the capacities of host countries in relation to national education and healthcare infrastructure and supporting livelihoods for Afghans and host communities. It also incorporates mechanisms, such as the Support Platform for the Solutions Strategy for Afghan Refugees (SSAR). Established in 2012, the SSAR aims to create conditions conducive to voluntary repatriation through community-based investments in areas of high return; building Afghan refugee capital based on livelihood opportunities in Afghanistan in order to facilitate return; and preserve protection space in host countries, including enhanced support for refugee-hosting communities, alternative temporary stay arrangements for the residual caseload, and resettlement in third countries.<sup>49</sup> Denmark is a member of the SSAR core group of donors, alongside the European Union, Germany, Italy, Japan, the Republic of Korea, the Netherlands, Qatar, Switzerland, Türkiye, the United Kingdom, the United States of America, as well as the Asian Development Bank, the World Bank, and UNDP.

In Pakistan, the RRRP supplements the Refugee Affected and Hosting Areas (RAHA) Programme, which was initiated by UNHCR and a consortium of other UN agencies together with the Pakistan Government in 2009. RAHA aims at enhancing social cohesion and building empowerment, resilience and productive capacities of both refugees and their host communities through targeted investments into national public service delivery systems (health, education, social protection etc.), infrastructure, and support to livelihoods and local economies.

In Iran, the scope for direct support to the government is much more limited and the RRRP therefore underscores the need to support *access* to national systems and the provision of basic services. RRRP priorities are to strengthen self-reliance through livelihoods, inclusive national health, education and specialised protection services. There is a particular need to promote women's and girl's protection.

In Afghanistan, there are no systematic policies or programmes from the DFA against which to align and the programme will therefore use the 2024 Afghanistan Humanitarian Needs and Response Plan (HNRP) as a foundation. While the HNRP has its primary focus on humanitarian needs, it reflects the understanding that there has to be a stronger distinction in Afghanistan between short-term, acute (humanitarian) needs and basic needs with longer-term, more sustainable (development) programming based on linkages between the two. In terms of the latter, it highlights the relevance of protection of vulnerable groups, especially women, girls, boys and those living with disabilities, remains paramount, involving safe spaces, legal support, psychosocial services, and long-term resilience initiatives. Likewise, it notes that the deterioration of civilian infrastructure, including hospitals, water and sanitation systems, roads, bridges and dams, has a compounding impact on humanitarian needs, necessitating investments in sustainable livelihoods and infrastructure to build resilience.

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<sup>49</sup> Ibid

The priorities are also recognised in the *UN Strategic Framework (UNSF)* that has the aim of strengthening the resilience of Afghan women and girls, men and boys, including returnees and other displaced people, to shocks while also sustaining livelihoods, protecting human rights and fundamental freedoms, and supporting durable solutions to displacement caused by conflict, climate change, and natural disasters. The UNSF is complemented by the *Framework for International Partner Support in Afghanistan* which has three mutually reinforcing joint priorities against which partners will align their support: a) Sustained Essential Services; b) Economic Opportunities and Resilient Livelihoods; and c) Social Cohesion, Inclusion, Gender Equality, Human Rights, and Rule of Law. These medium to longer-term objectives are in turn being pursued through the Special Trust Fund for Afghanistan (STFA) and the Afghanistan Resilience Trust Fund (ARTF), both of which are supported by Denmark through the Afghanistan Transition Programme (ATP), 2024-2025.

### **2.3.2 Danish policies and strategies**

The Afghanistan ROI programme will contribute to various Danish policies and strategies, including the Danish Foreign and Security Policy Strategy (2023), the current Danish development strategy, *The World We Share* (2021), and the Government's Priorities for Danish Development Cooperation (2023-2026).

A common theme running through these is the need for holistic, long-term approaches to the prevention and stabilisation of crises and other global challenges, including climate change, poverty and inequality, fragility, displacement and irregular migration. Human rights, the rule of law and democracy represent cross-cutting foundations and are reflected in a particular focus on the rights of women and girls and the most vulnerable groups.

Continued support for the people of Afghanistan is mentioned as one of the priorities in the Government's development cooperation for 2023-2026. The development support complements the Danish humanitarian assistance also being provided by helping to reduce the humanitarian caseload. This should also enable humanitarian assistance to reach those most in need. In doing so, the implementing partners will also ensure that climate adaptation is in focus, for example, through adaptive approaches to agriculture and irrigation. Localisation priorities will equally be prioritised through the active involvement of national NGOs with access to communities and ensuring that these communities are involved in decision-making; for example, through the involvement of local shuras. These aspects are described in further detail in the sections that follow.

The programme formulation process has drawn from the How To Notes and Approach Papers; in particular: How To Notes: Nr 1 - Fighting poverty and inequality, Nr. 3 – Climate Adaptation, Nr. 4 – Migration, Nr 5 – Peacebuilding and stabilization, Nr 7 – Human rights and democracy, Nr 9 – Denmark as a humanitarian actor, and Nr 11 – HDP nexus. The guidance note on adaptive management has also been consulted. These guidelines will be used to help inform HUMCIV's dialogue with the implementing partners and its monitoring of progress.

### **2.4 Past results and lessons learned**

The most recent period of Danish support to returnees, displaced and host communities through the 2022-2023 Regions of Origin (ROI) programme was channelled to Afghanistan and Iran through three NGO partners: Save the Children (supporting livelihoods through small income generation activities, multipurpose cash assistance, and cash for work); DACAAR (water and sanitation, agricultural natural resource management, small-scale enterprise development, and women's empowerment), and the Norwegian Refugee Council (NRC) (shelter, socio-economic reintegration, and information and legal assistance). Save the Children and DACAAR both had a geographical focus on Afghanistan while NRC's activities covered both Afghanistan and Iran. In addition, there has been various iterations of a regional displacement program in Afghanistan since 2005, and this programme builds on these experiences.

Reporting from the partners shows positive effects: Save the Children's income generation activities, for example, led to a 36% increase in profitability and included useful findings relating to the sort of activities to prioritise; these including various market-orientated activities, such as shopkeeping (gas, fruit and vegetable, mobile tools), vehicle repair, and solar panel repair. Repairs to local infrastructure had

employment and wider benefits, such as increased access to services and reduced soil erosion. Lessons learned include the relevance of providing soft skills (such as business plans) and ensuring the participation of village committees in the selection of the most vulnerable households for cash programming, including cash for work.<sup>50</sup>

DACAAR found that home-based businesses were viable solutions given the restrictions on women's participation and served to increase household income and promote social cohesion. Enrolling jobless youths, particularly males, in vocational training equipped them with skills, leading to increased incomes. With regards to agricultural livelihoods, the establishment of high-value and market-oriented crops enhances the beneficiaries' sustainable earning capacity and creates long-term impact. The value added by processing fruits, vegetables, and dairy enables farmers to generate high revenues and manage low prices during the harvest season. Agriculture, as well as DACAAR's focus on water resources (WASH), provide opportunities to integrate climate adaptive approaches into the support.

NRC's activities in Afghanistan and Iran achieved mixed results – generally achieving targets where NRC was able to exercise control over activities (e.g. information and legal assistance) but an important learning was that where there were dependencies on local approvals and procurement (e.g. in construction of shelters and multidisciplinary centres), delays and to some extent also interference on from government authorities can result in delays. NRC's reporting indicates the likelihood of positive and sustainable effects resulting from information, counselling and legal assistance (ICLA) and from WASH activities (that have reduced hygiene risks). Key learning from these activities has been the relevance of ensuring participatory programming processes so that initiatives are firmly anchored in local communities as well as undertaking market assessments prior to undertaking livelihoods training. A further finding is that multi-year funding allows a greater focus on sustainability. There are also benefits to be had from close interaction with UN agencies.<sup>51</sup>

Recent research relating to livelihoods support notes that links between Technical and Vocational Education and Training (TVET) and markets have often been overlooked and that TVET activities need to be part of a holistic approach that includes socio-economic inclusion and available social capital. The research supports the approach being taken by this ROI programme that investing in marketable skills needs to take place in the host country/ies. There is also a need to ensure strong coordination amongst TVET suppliers, government, and academic institutions to avoid duplication or market mismatches. A further lesson is to involve the private sector and to ensure that TVET is informed by data on the private sector, including the informal sector, through Labour Market Assessments (LMAs). These understandings underpin the livelihoods outcomes by partners in the new ROI programme. In UNHCR's case, the Approach to Inclusive Market Systems (AIMS) takes into account the functioning of the markets: from the business relationships and financial networks, to the supporting functions, rules and norms that govern markets and value chains.<sup>52</sup> UNHCR Pakistan used a Tracer Study and found that 46% of skill trainees and 56% of graduation programme participants successfully secured employment following the training and 90% of the women artisans supported utilized their skills to produce crafts for high-end markets, enabling them to earn a monthly income and achieve a level of self-reliance.<sup>53</sup> In Iran, results do not appear as high (40%). In general, the challenges in assessing and incorporating market analysis and designing livelihoods interventions and monitoring suggest the need for greater attention and sharing of lessons from implementing agencies.

These lessons complement similar experiences from other Danish support since August 2021 through the Afghanistan Transition Programme, 2022-2023. They underline the relevance of involving local communities so that the voices of the more powerful do not obscure those of the more vulnerable, of building sustainability through meeting individual needs in a manner that also strengthens community systems, and taking a coordinated and integrated approach so that multi-dimensional needs are met. It

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<sup>50</sup> Save the Children, Project status report 2022/23.

<sup>51</sup> NRC, Status Report, 31 October 2023.

<sup>52</sup> Unprepared for reintegration: Lessons learned from Afghanistan, Somalia and Syria on Refugee Returns to Urban Areas. DRC, NRC, IRC. 2020

<sup>53</sup> UNHCR Pakistan project proposal, 13.9.2024

has also been found that discrepancies in the interpretation and enforcement of the bans on women's participation meant that local conditions could be conducive to greater engagement, mobility and participation (women and men). Some sectors have, however, been more impacted than others, especially concerning training on human rights and the protection/GBV area.

A further lesson from the support since August 2021 has been to adopt a locally anchored and flexible approach by negotiating directly with local Taliban administrations. The results demonstrate that, while some engagement with the de facto authorities is necessary and that the bans have complicated work and made it more expensive, there remains scope for providing and extending off-budget support to meet basic needs. The experience also shows the relevance of securing community ownership, so that community leaders can advocate with local authorities for waivers. UN agencies have also had positive results from "bundling" together interventions in a non-negotiable package. The experience has shown that community leaders can accommodate a principled approach if they see a risk of losing the benefits of an intervention through adherence to restrictive practices.<sup>54</sup>

In addition to the above, more details can be found in the annex on context analysis and in the individual partner projects.

## **2.5 Conclusions from the Danida Programme Committee**

The programme design takes account of the conclusions from the Programme Committee (PC), which considered a draft of the programme in June 2024.<sup>55</sup> The PC recommended revisiting whether it would be more efficient and effective to join the two Danish Afghanistan programmes (ROI V and ATP II) under one programme managed by one MFA unit. It also considered that the partner selection could, in some cases, be further justified. There was also a need to strengthen the linkages to the HDP nexus, especially the peace component, and the application of HRBA could be further strengthened. The PC requested that further consideration be given to the ROI programme's expansion into Pakistan in view of the management burden this could represent. The management arrangements should be further defined in relation to coordination between HUMCIV and the Embassies in Iran and Pakistan. The modalities for support could also be clarified and justified, alongside further assessment of the new partners' financial management capacity and arrangements for funding transfers. In relation to the budget, the PC recommended reducing the level of effort expected in the third year. Finally, the PC considered some further risk analysis was needed given the differing mix of risks in the three countries.

The PC's conclusions, alongside the recommendations from the desk appraisal in August 2024, are reflected in the current programme document and project documents. With regard to a possible merger of the two Afghanistan programmes, this will be reconsidered towards the end of the new phase. It is, however, noted that the two programmes currently have different timescales while the ROI programme also has a regional character. Concerning the selection of partners, careful consideration was given to the comparative advantages of continuing with previous partners. This is being done in relation to DACAAR and NRC, with the latter having the advantage of operating in both Afghanistan and Iran. The selection has also taken into account that there are a number of NGOs operating in Afghanistan under SPA arrangements, while the choice in Iran and Pakistan is more limited. With regard to the "peace" component of HDP, the programme will target both local communities and refugee/IDPs in order to help reduce tensions between the two groups. While the inclusion of Pakistan indeed represents an expansion compared to the previous ROI programme, this is justified by the large number of Afghans in the country (many without refugee status) and increased protection needs following the introduction of the IFRP. The presence of strong international partners, especially UNHCR and IOM, will also offset the management demands of the new programme. As described further below, annual coordination meetings will be established involving all partners to promote mutual learning. Concerning budget and financial issues, the programme budget presented below reflects an improved disbursement profile and

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<sup>54</sup> Impact on STFA portfolio to date: navigating the challenges and charting a way forward, STFA, July 2023

<sup>55</sup> Summary of conclusions from the Programme Committee meeting on 13 May 2024

financial transfer arrangements (relating to DACAAR and NRC) are described in the project documents. Arrangements are in place with regards to financial transfers to all three countries of operation.

## 2.6 Aid effectiveness

The programme is fully aligned with the Regional Refugee Response Plan (RRRP), which provides an overall framework for refugee responses to the crisis in Afghanistan. The programme will contribute to Strategic Objective 2 of the RRRP, which aims to build resilient communities, including through reinforcing the capacities of host countries in relation to national education and healthcare infrastructure and supporting livelihoods.

This programme has been developed in close consultation with the Asia Department in the MFA to develop maximum synergies with the Afghanistan Transition Programme.

The scope for alignment with national policies in **Afghanistan** is not yet ripe due to the international community's current consensus on avoiding direct support, as set out in the ACG's guiding principles. Instead, the programme will be fully aligned with the UN Strategic Framework and the medium to longer-term aspects of the Afghanistan Humanitarian Needs and Response Plan. These include a priority on facilitating access to basic needs, protection, and livelihoods for returnees, displaced persons, and local communities. The programme will also align with the UN's Special Trust Fund for Afghanistan (STFA) and the Afghanistan Resilience Trust Fund (ARTF), both of which support basic needs from a nexus perspective. In **Pakistan**, the programme will align with the RRRP and with the government's Refugee Affected and Hosting Areas (RAHA) Programme, which is a longstanding government initiative supported by UNHCR amongst others. The programme partners will coordinate closely their actions and jointly advocate for refugee rights with the government. In **Iran**, the programme will not directly support the government but will nonetheless align with the policy priorities for refugees in Iran outlined in the RRRP, which include ensuring access to correct documentation and livelihoods. As in Pakistan, the programme partners will coordinate closely their actions and jointly advocate for refugee rights with the government.

The programme has been designed to build upon **synergies** with other interventions supporting refugees, returnees and local communities. The scope for this varies according to the aid architecture in the three countries. In Afghanistan, there will be close synergy with the transition programme (2024-2025), including through coordination with the UN and World Bank trust funds (the STFA and ARTF) as well as bilateral activities supported through UN agencies and INGOs; for example, UNICEF and UNWOMEN, both of which are supported by multiple donors, including Denmark. Similarly, the programme will coordinate with Danish SPA partners in Afghanistan. In Pakistan, this alignment will work through UNHCR and IOM, both of whom receive project funding from other likeminded donors. The Danish support to UNHCR will be closely harmonised with that from the Netherlands (€20 million, 2023-2026) which has a similar focus. In Iran, the Danish support to NRC will be complementary to that also being provided by other likeminded donors, including the EU, Japan (education and health), France (education, health and vocational training), and UK (humanitarian aid).

In both Pakistan and Iran, the soft-earmarked contributions to the UNHCR operations will supplement the unearmarked Danish contributions provided through the Humanitarian Partnership Framework Agreement (HPFA), 2022-2026 (USD 30 million for 2024 and 2025 for the Afghanistan situation as a whole). UNHCR has taken account of the humanitarian focus of the HPFA contributions so that the ROI programme's contribution is directed towards development orientated support, such as documentation, legal aid, and livelihoods.

The programme will also promote aid effectiveness by ensuring that the **localisation** agenda is integrated into all its projects. For example, the projects will include local partners (generally NGOs) as part of their implementation modality and they will ensure that local stakeholders (municipal authorities, refugees and local communities) are consulted and have an opportunity to influence project design and implementation at the grassroots level. Similarly, the integration of the **HDP nexus** approach will ensure that the programme builds upon shorter-term humanitarian inputs by coordinating with humanitarian

actors and linking programme initiatives to them with a medium to longer-term perspective, thereby strengthening sustainability and resilience. While a core part of the approach will be to ensure that interventions are screened for conflict sensitivity (Do No Harm), they will also support the “peace” element of the nexus through ensuring that host communities are involved where relevant, thereby helping to reduce potential grievances and tensions.

## 2.7 Justification according to the DAC criteria

Criterion	Justification
<b>Relevance</b>	The programme aligns with the objectives of the Regional Refugee Response Plan. The support is needs-based and coordinated at the sectoral level. The programme has a clear poverty alleviation and rights focus, which also integrates gender and other priorities (e.g. relating to marginalised groups and basic human rights) that support longer-term resilience. In Afghanistan, this helps preserve key development and peacebuilding gains from the pre-August 2021 era while also responding to the increased numbers of returnees. In Pakistan and Iran, it will help refugees and host communities to utilise available economic opportunities, thereby mitigating the negative effects of the current economic stresses on refugees, particularly through reducing the need to adopt negative coping strategies. The inclusion of host communities will help reduce social tensions that could arise through perceived preferences to refugees and thereby contribute to HDP objectives. The focus on protection will contribute to reducing the negative effects of policies on persons lacking refugee status.
<b>Impact</b>	The short to medium term results contribute to reducing the burden on humanitarian assistance through strengthening the target groups’ resilience to economic and climate shocks and the reduced effectiveness of the authorities’ ability to make essential services available. The impact on the local population will likewise be strengthened livelihoods facilitating improved access to education and health etc. There will be a positive effect on local leadership through involving communities in decision-making.
<b>Effectiveness</b>	The approach builds on a mixed approach that utilises key UN agencies working on refugee issues in Pakistan and Iran, where there are possibilities (and a need) to work together with government and a limited number of INGOs in Afghanistan and Iran (one in each country) that have a substantial track record on the ground and have proven themselves able to operate in the difficult circumstances. The effectiveness of all partners will be enhanced through their participation in local sector and technical working groups. All partners will utilise existing monitoring and evaluation capacities to ensure informed results and adaptive management. The findings from MEAL activities will be included in partners’ reporting and strategic dialogue. These will in turn inform MFA/HUMCIV decision-making and reporting. The RI programme’s multi-annual financing modality will increase predictability of funding, which should help programme effectiveness by promoting a medium term perspective.
<b>Efficiency</b>	The management of the programme is built on alignment with partner systems and procedures (although not the DFA) and will be hard-earmarked. This means that the selected partners have drawn from their own core competences and strategic planning within the two principal thematic priority areas of protection and livelihoods but that the precise choice of engagement areas reflects Danish priorities derived from the context analysis. This choice has been made from an efficiency and effectiveness perspective to help the Danish contribution carry sufficient weight to utilise economies of scale. Denmark will utilise the partners’ own monitoring and reporting mechanisms and encourage joint programming where feasible.
<b>Coherence</b>	The Danish support will be able to draw from a high level of coherence with other initiatives through its alignment with the RRRP and use of well-known and trusted UN/INGO implementing partners able to attract other sources of funding. It will, for example, complement Denmark’s other support through SPA partners. The use of UN agencies in Pakistan will contribute to overall coherency as UNHCR and IOM operate very closely together. From a HDP nexus perspective, the programme aligns also with the new phase of the Danish Afghanistan Transition Programme, which follows a broadly similar focus on essential needs, albeit from a more population-wide perspective and in Afghanistan only. The programme will also be aligned with other donor support and partnerships.

<b>Sustainability</b>	The programme is intended to promote sustainability of results through its focus on resilience rather than short-term acute humanitarian needs. The programme is not able to channel funding through on-budget mechanisms and the scope for close coordination with government is only really feasible in Pakistan, where the needs are massive. This will have a negative effect on sustainability at the systemic level. However, at grassroots level, the programme seeks to preserve previous results (e.g. in livelihoods), which will contribute positively to sustainability. Through involving refugees, returnees, displaced persons, and host communities through participatory processes, the programme will also generate longer term ownership. In addition, sustainability will be promoted through involving and investing in local partners and alignment with local plans. This will apply in all three ROI countries.
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## 2.8 Alignment with cross-cutting priorities

This programme is closely aligned with Danish cross-cutting priorities, including the Human Rights Based Approach (HRBA), Leaving No-One Behind (LNOB), localisation, Do No Harm principles, gender and youth, climate change and environmental considerations. It also aligns with the Humanitarian-Development-Peace nexus. The specific analysis and approaches of the respective partners are described in the individual project documentation, but generally the below points reflect commonalities between the partners.

The conditions for pursuing HRBA vary across the three programme countries, although it is restricted in all of them. In Afghanistan, access to rights has been severely constrained by the Taliban’s conservative interpretation of Sharia Law and its bans on women’s meaningful participation in society and decision-making. Less drastic, though nonetheless constraining legal and cultural norms are also pervasive in Iran and Pakistan. In order to mitigate the negative consequences of this, the programme’s partners will promote participation and inclusion in various ways; for example, through the roll-out of activities in isolated areas in Afghanistan (difficult to access previously), through the use of local NGOs as implementers on the ground, and interaction with local NGOs/CSOs and communities (refugees, returnees and displaced people as well as host community structures) during planning, implementation and monitoring. The strongest articulation of the programmes approach to HRBA is the focus on protection and legal aid as an actual outcome of the programme.

In relation to inclusion, the programme will reflect the steps being taken by international actors in all three countries to maintain and enhance women’s roles, including by ensuring that interventions for women by women continue and gender equality and women’s empowerment (GEWE) considerations continue to guide interventions. In Afghanistan, the international community, including Denmark, has reacted resolutely to the Taliban’s decrees against women’s inclusion and humanitarian assistance and development support are currently provided in accordance with the *Guiding principles and donor expectations* and *complementary principles* to help prevent normalisation of the bans and further discrimination. Each of the partners have detailed strategies for how to deliver programming for women and with women

The programme is also fully aligned with the principle of Leaving No-One Behind (LNOB) and prioritises the needs and rights of the most vulnerable and marginalised Afghan refugees, displaced and host communities, including women and girls, youth, displaced persons, ethnic and religious minorities, geographically isolated communities, sexual and gender minorities, and persons with disabilities, amongst others. The programme will incorporate Do No Harm principles by ensuring that interventions are designed and implemented so that they do not contribute to further human rights violations and/or discriminatory practices affecting vulnerable and marginalised groups and these aspects will be monitored and reported on. All implementing partners will therefore ensure that gender inequalities are not exacerbated.

The programme will operate within the perspective of the humanitarian-development-peace (HDP) nexus. The delivery of protection and livelihoods-orientated interventions to help meet basic human needs and increase resilience will therefore be in close coordination with humanitarian assistance – this will be assisted through the choice of implementing partners that also operate as humanitarian actors.

The programme operates in the somewhat grey zone between humanitarian aid that helps meet short-term, acute needs and medium to longer-term inputs that help promote self-reliance. In terms of the peace dimension, increased self-reliance amongst refugees and host communities is expected to reduce actual and potential grievances and tensions between them, thereby contributing to a more peaceful dynamic by reducing societal stress points.

The programme will promote the localisation agenda by working wherever possible through local partners and, at the minimum, consulting local authorities, communities, and NGOs at the activity level.

Where relevant, the programme will incorporate initiatives that integrate climate resilience into interventions. This will mostly be in relation to livelihood interventions; for example, through promoting climate-smart agriculture and management techniques, soil erosion control and regenerative agriculture and livestock techniques, drought-resistant seeds, and water resource management. There will be opportunities for this in Afghanistan. This will be managed in a participatory manner so that local knowledge and perspectives are considered when designing projects. The partners in this program are all undertaking initiatives to reduce their own environmental footprints.

### **3 Outline of the ROI Programme**

#### **3.1 Programme Objective**

The objective of the Afghanistan ROI Programme is: *Enhanced resilience and self-reliance of displaced Afghans, particularly women and girls, and their host communities in Afghanistan and the neighbouring countries of Iran and Pakistan enabling them to better access their rights and meet their basic needs.*

Contributing to this overall objective are two outcomes:

1. *Outcome 1: Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, are better able to access their rights and thereby enjoy improved levels of protection.*
2. *Outcome 2: Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, have increased access to sustainable and dignified livelihood options*

The above objectives apply equally across the three ROI programme countries and reflect both the findings of the context analysis and the current policy priority placed on improving resilience through mutually supporting protection and livelihood interventions with a particular focus on the vulnerability of women and girls. The logic for this is further explained in the theory of change below.

#### **3.2 Theory of change and key assumptions**

The programme level theory of change relates to the programme's sphere of influence, which is determined by the level of funding available, its access to people in need, and its value added to other initiatives being taken by the implementing partners. The programme and project results frameworks include expected numbers of direct, and where relevant indirect, beneficiaries (see annex 3).

The ToC is that: IF vulnerable Afghan refugees, especially women and girls and minorities, in the neighbouring countries of Iran and Pakistan benefit from a stronger protective environment, including access to legal aid, relevant documentation relating to their status, and safety; and IF people's skills and access to finance improve in ways that better match market opportunities and provide a basis for decent jobs and reflecting climate resilience where relevant, and IF the local host communities in Iran and Pakistan where the Afghan refugees are living are also included within these opportunities and benefit from them, THEN protection standards for vulnerable Afghans will improve because the increased access to appropriate documentation and legal aid will reduce the risks of being arrested, deported and excluded from services available to registered refugees and asylum seekers. This will also contribute to reducing the risks of resorting to harmful coping strategies because access to safe livelihoods opportunities, including market-driven skills development, will strengthen the ability of people to provide

for their own livelihoods, increasing household income and access to services, including health and education. This will LEAD to enhanced self-reliance and resilience of both refugees and local communities, as well as improved cohesion between them, and improved opportunities should the refugees return to Afghanistan thanks to the improved skills and capacities gained.

Furthermore, IF those displaced persons who have already returned to Afghanistan, including women and girls, have stronger abilities to provide for their livelihoods and thereby meet their basic needs and IF the local communities where the Afghan returnees are now living are also included within these opportunities, THEN returnees will be less dependent upon humanitarian assistance and the socio-economic conditions in the host areas will improve, LEADING to enhanced self-reliance and resilience of both groups and LEADING to reduced incentives for further migration among the Afghan population.

The main assumptions relating to this theory of change are that improved rights and legal status (documentation) of refugees coupled with market-focused and demand-driven skills training will facilitate improved access to employment and reduce reliance upon negative coping strategies; that those seeking work are better able to choose jobs with decent working conditions; that small grants will help generate profit and add further to household incomes, and that the income thereby gained will be used to meet basic needs, especially relating to nutrition, shelter, health, and education.

It is assumed that targeting both refugee and host communities will reduce socio-economic tensions between them because there is less competition over jobs and resources. These improvements will also reduce both communities' dependence on short-term humanitarian aid. This is relevant from a HDP perspective.

From a rights perspective, it is assumed that the approaches to improved livelihood opportunities will include means to promote decent, market-driven jobs, and women's economic empowerment, especially for female-headed households, that are feasible within the socio-economic conditions.

Contextual assumptions include that: Afghan refugee and host communities in Iran and Pakistan can be reached, that support to women and girls in Afghanistan can continue to be delivered despite the restrictions provided that flexible and localised approaches are used, and sufficient engagement with local-level stakeholders can be established to foster ownership of activities, identification of demand-based interventions, and strong support for what is being achieved together.

It is assumed that the ability and willingness of host governments to provide inclusive access to services for refugees will continue to deteriorate as long as the economic downturn persists and that pressures on refugees to return (whether voluntarily or not) will probably increase. It is also assumed that the mounting pressures on aid budgets will not improve and that this will force aid agencies (including UNHCR) to prioritise and cut services.

It is assumed that there are limits to the ability of UN agencies to influence host governments policies in Iran and Pakistan relating to Afghan refugees, asylum seekers, and undocumented Afghans but that political dialogue and capacity development can have a modest but positive effect at the operational level. It is likewise assumed that INGOs in Afghanistan lack the openings to influence DFA policy at all but the very local level but that informal agreements at this level nonetheless offer some degree of protection and opportunity for their activities.

### **3.3 Choice of partners**

The programme acknowledges that the financial window and the need to keep management efforts within reasonable limits are factors recommending the selection of a smaller number of partners with relevant country experience and sector portfolios. For the same reasons, the programme wishes to maximise its impact by operating through relatively large grants rather than distributing smaller grants amongst a larger number of partners, which it is seen will not present sufficient efficiencies.

In the complex context, there is a strong argument for selecting partners with strong demonstrated experience from the specific operating environment as well as the sectors that the programme is prioritising and with whom Denmark has cooperated previously.

The selection also takes account of the advantages that different types of organisations offer. Thus, UN agencies, for example, can be better suited to policy dialogue and advocacy with host governments on sensitive issues such as protection and rights. UNHCR and IOM are well placed to do this through their formal mandates relating to protection for refugees, stateless persons, and migrants. This is particularly relevant in Pakistan where refugee rights are becoming further constrained. The same applies, although to a lesser extent, in Iran. On the other hand, INGOs hold advantages in relation to the localisation agenda and can complement UN agencies and national NGOs; for example, concerning the integrated approaches to protection and livelihoods at the community level being prioritised by the programme.

The selection has taken into account the most recent MOPAN assessments. In relation to UNHCR, it was concluded that the organisation is a strong and principled actor within its mandated areas and with impressive emergency response. However, the organisation (at the overall level) continues to operate within a short-term mindset and its strategic approach is not yet fully reflected in practice. There is also scope to improve its knowledge management systems and its coordination with other UN agencies while it remains an active and engaged member of inter-agency response.<sup>56</sup> In relation to IOM, the assessment notes the organisation's rapid growth but that it remains largely project-funded and this presents certain organisational constraints. Nonetheless, the organisation is considered to be an agile performer in emergency settings, noting that IOM provides quality services and capacity-building support on migration issues, and tailoring its support to national needs and priorities.<sup>57</sup> The Danish MFA's recent strategy assessment for IOM found that IOM's dependency on project funding limits the opportunity to engage in more strategic long-term collaboration with partners and that the area needs attention and joint donor support. Further, while IOM has significantly improved in terms of funding channelled through local partners over the past years, this is still an area for improvement.<sup>58</sup> In relation to UNHCR and IOM's important roles in the present programme, the areas highlighted in the assessments have been taken into account in the dialogue surrounding the formulation and will be closely monitored by the MEAL set-up during implementation. The selection of new partners, namely UNHCR and IOM, has also been informed by several conversations with other key donors and embassies in-country.

The selection of partners has also taken account of the substantial assistance already being channelled through Danish SPA partners, particularly in Afghanistan and Pakistan. This includes CARE Denmark, Danish Refugee Council, Mission Øst, Red Barnet, and Danish Red Cross with a combined focus on acute humanitarian and basic needs, water and sanitation (WASH), health and mental health, as well as inputs relating to women and children. The total humanitarian support to Afghanistan in 2023 amounted to DKK 168 million.

In **Afghanistan**, a precondition is that Danish support must circumvent the DFA in line with the international consensus. The DFA are not in a position to provide a solid partnership due to the absence of coherent strategies and policies as well as institutional capacity. The recent experience of Danish partners is that the DFA seek to control international support but that local agreements can often be reached that allow INGOs and local partners to operate. It is thus essential that the selected partner has a robust capability to operate effectively without a compliant government counterpart. While a UN agency could provide a robust vehicle for Danish support, Denmark is already supporting basic needs through the STFA and ARTF (which themselves utilise INGO/NNGOs as partners). With this logic in mind, it is seen that there will be advantages in continuing the previous ROI support to DACAAR, which has an extensive track record and a strong presence at community level in Afghanistan.

Certain of the above considerations also apply to **Iran**, although the government does not lack the institutional capacity in the same way that its neighbour does. The experience suggests that the Iranian

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<sup>56</sup> UNHCR assessment, MOPAN, February 2024

<sup>57</sup> IOM assessment, MOPAN, October 2023

<sup>58</sup> Strategy for Denmark's engagement with IOM, 2023-2026

authorities take a direct interest in the activities of international actors and that the operating freedom is thus constrained. This means that there are advantages in utilising UNHCR’s position as a government counterpart, especially in relation to protection issues. A further consequence is that there are relatively few INGOs operating in Iran – with one of the main ones being the current ROI partner, the Norwegian Refugee Council (NRC).

In **Pakistan**, international actors have more space to operate and a government counterpart with a strategic policy framework, albeit one that is becoming increasingly restrictive. This suggests the need to partner with one or more international organisations with sufficient weight to interact meaningfully with the Pakistani government. They need to display sufficient political weight and have services that local administrations recognise that they need. Taking these perspectives into account, there will be advantages in engaging UNHCR and IOM as programme partners in Pakistan, these being the two main UN agencies with a focus on POR and ACC/undocumented refugees respectively.

The selection of partners is summarised in Table 1 below and Annex 2.

*Table 1: Selection of implementing partners*

Country	Partner	Key rationale
Afghanistan	DACAAR	DACAAR stands out as a unique partner due to its extensive experience, relevant thematic focus, and deep-rooted presence at the local level in Afghanistan. With over three decades of operation, DACAAR has demonstrated an ability to improve livelihoods, empower women, and enhance community resilience, particularly in relation to displaced people. It’s focus on sustainable development initiatives, particularly in the WASH sector, aligns closely with Danish priorities on climate resilience and adaptation and is highly relevant in Afghanistan. DACAAR's local knowledge, technical expertise, and established networks ensure effective localisation and programme implementation and impactful outcomes. Moreover, DACAAR's emphasis on community engagement and capacity building fosters ownership and long-term sustainability, making them a reliable and trusted partner in a volatile and changing environment. DACAAR is well-integrated within the aid coordination structures in Afghanistan, which is essential to ensure complementarity with other humanitarian actors and the UN and World Bank trust funds.
Iran	NRC	NRC is one of the few INGOs operating in Iran (as well as across the border in Afghanistan) and is a current ROI partner with a good track record. With its local networks and ability to navigate Iran’s bureaucracy, NRC is able to operate throughout the country. Its focus on integrated approaches that blend protection and livelihoods is highly relevant to the ROI objectives. NRC has a good existing cooperation with UNHCR's Tehran office, which is necessary to ensure harmonised approaches to protection and livelihoods.
	UNHCR	UNHCR is a long-standing Danish global partner (also core support). In Iran, it has a central role in relation to refugee advocacy and protection. As a UN mandated agency, it is able to interact at all levels of government, which is seen as a critical attribute in relation to protection. Its special status also allows it to operate throughout the country, including with local implementing partners.
Pakistan	UNHCR	As above, in view of its mandate, UNHCR is able to interact at all levels of government, which is seen as a critical attribute in relation to

		protection. Its special status also allows it to operate throughout the country, including with local implementing partners. UNHCR has a comparative advantage as the mandated UN organisation for refugees in relation to Pakistan government (advocacy, joint activities) and in relation to registered (POR) and asylum seekers.
	IOM	IOM is the main UN agency with global mandate for protection of migrants. It is a long-standing Danish partner (also core support). Together with UNHCR, IOM will lead on advocacy with the Pakistan government on protection of ACC card holders and undocumented Afghans, both of which are critical at the present time.

### 3.4 Summary of the results framework

At programme level, two overall outcomes are presented for monitoring purposes as shown in Table 2 below. A full results framework is included in Annex 3.

Table 2: Programme level results

Programme	Afghanistan Region of Origin, 2024-2027	
Programme Objective	<i>Enhanced resilience and self-reliance of displaced Afghans, particularly women and girls, and their host communities in Afghanistan and the neighbouring countries of Iran and Pakistan enabling them to better access their rights and meet their basic needs.</i>	
Impact Indicator	% improvement in perceptions of resilience of displaced Afghans consulted	
Baseline	Tbd	
Outcome 1	<i>Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, are better able to access their rights and thereby enjoy improved levels of protection</i>	
Outcome indicator	# of individuals benefitting from increased levels of protection through the programme	
Baseline	2024	Tbd
Target	2027	65,251 (cumulative legal support used as a proxy indicator)
Outcome 2	<i>Vulnerable Afghan refugees, returnees, displaced people and their host communities, especially women, girls and minorities, have increased access to sustainable and dignified livelihood options</i>	
Outcome indicator	# of individuals included in livelihoods/ income generation projects/programmes	
Baseline	2024	Tbd
Target	2027	At least 9596 (cumulative total individual livelihoods beneficiaries from all projects)

### 3.5 Short summary of projects

The following sections provide an overview and further details are in the individual project documents and in the partners' own documentation.

#### 3.5.1 DACAAR, Afghanistan

The Programme will provide DKK 60 million to the Danish Committee for Aid to Afghan Refugees (DACAAR) with the objective of *enhanced access to sustainable and dignified livelihood opportunities and access to clean, safe drinking water for vulnerable communities, with a focus on women and girls, ultimately increasing their resilience and self-reliance*. The funding builds the most recent ROI support package (2023-2024) that has sought to improve essential services and community infrastructure (health, agriculture, education and clean drinking water supply) in various provinces where there are also returning refugees and displaced persons.

DACAAR takes an integrated approach to its interventions, working with the local community to link, for example, the provision of safe drinking water with community hygiene. DACAAR has been working in Afghanistan since 1984 and in that time estimates that it has reached over 20 million people across 29 provinces. DACAAR co-leads the WASH cluster and has a strong emphasis on the localisation agenda, with most senior positions being held by Afghan managers and regular interaction with local populations.

The project aligns with Priority 2 of the UN Strategic Framework concerning economic opportunities and resilient livelihoods. It will directly target the root causes of economic instability, unemployment, and social tensions by working to improve access to sustainable livelihood opportunities and increase agricultural productivity and resilience among vulnerable communities that include returnees and other displaced people, especially women. Inter alia, it will do this by strengthening the skills of vulnerable youth, providing means for female-headed households to engage in small businesses, and enhancing agricultural productivity based upon assessments of market potential. It will have a geographic focus on Kunduz, Kabul, Kunar, Nangarhar, Laghman, and Logar provinces with high numbers of returning refugees<sup>59</sup>.

The project has two outcomes:

- a. Displaced persons, returnees, vulnerable youth, women and men from host communities have improved access to sustainable and dignified livelihood opportunities and income-generation activities.
- b. Enhanced access to clean, safe drinking water for vulnerable communities.

Under outcome 1, the project will operate through a number of output areas to: a) providing demand-driven and gender-responsive vocational education and training, job placement opportunities and start-up capital to 120 vulnerable and displacement-affected youth (50% women) to boost individual and household incomes; b) supporting 990 vulnerable female-headed households with means to increase their income through diversified activities such as livestock rearing, agriculture and small-scale business enterprises; c) enhancing agricultural productivity and resilience among farmers through targeted training and infrastructure development, Farmer Field Schools (FFS) will provide training to 156 farmers on climate smart agricultural practices; d) a further 156 farmers will receive training and resources in dairy processing, and fruits, vegetable processing and cultivation of asafetida (which is a high value crop allowing farmers to diversify their income), and e) an additional 630 women entrepreneurs will improve their access to markets and business development services through entrepreneurship training, mentorship, start-up capital, and facilitating market access. The logic here is that by equipping people with the necessary skills and linking them to markets, the project will enhance their economic independence and impact their communities positively. It will ensure that women and girls, who are often disproportionately affected by displacement and vulnerability, receive targeted support to overcome social and economic barriers.

Under outcome 2, the project will install and rehabilitate existing water supply networks to directly address the pressing need for access to clean and safe drinking water among vulnerable and displacement-affected communities. This will directly benefit 1,680 underserved households and communities, providing them with reliable access to safe drinking water. In addition to the direct health benefits, this outcome will contribute to climate adaptation, reduce displacement by mitigating conflicts related to water scarcity and alleviate the burden on women and girls who often bear the responsibility of fetching water.

Based on a participatory needs assessment, vulnerability criteria (such as income level, household composition (e.g., female-headed households, households with persons with disabilities), displacement status (e.g., internally displaced persons, returnees), access to basic services (e.g., clean water, education, healthcare) coupled with principles of inclusivity and non-discrimination will guide the selection of project beneficiaries. It is estimated that at least 12,636 individuals will directly benefit.

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<sup>59</sup> [Afghanistan | ACAPS](#)

DACAAR takes a direct approach to implementation while coordinating closely with local partners, including NGOs, local authorities, communities, and other humanitarian and development organisations. At the community level, the project will be implemented in collaboration with local bodies such as Community Development Councils, Shuras, Farmers Associations, and Water Management Committees and agreements delineate roles to ensure sustainability post-handover and that local social issues are addressed. All activities will be coordinated with other organisations at provincial and regional levels, such as the WASH cluster and Humanitarian Regional Team.

### 3.5.2 UNHCR Iran

The programme will provide DKK 20 million to support UNHCR Iran's protection and livelihoods services relating to Afghan refugees, especially undocumented refugees that are most vulnerable. This has the overall objective of *Enhancing access and quality inclusion of Afghans in public services, social inclusion and providing protection assistance and support*. UNHCR's Iran operation is guided by the Solutions Strategy for Afghan Refugees (SSAR) and the Regional Refugee Response Plan (RRRP). Both of these operate within the overall spirit of the Global Compact, which seeks to share the burden of hosting refugees within an overall solutions perspective.

UNHCR Iran also receives unearmarked support via the Humanitarian Partnership Framework Agreement (HPFA) and the ROI funding outlined here is therefore hard-earmarked to ensure that it complements the HPFA funds while promoting resilience in line with the programme's ToC. This project reflects key aspects of UNHCR's mandate in Iran which provide it with comparative advantages in relation to dialogue with the government and geographic reach on refugee issues. UNHCR has scaled up its operations in Iran following the August 2021 Taliban take-over in Afghanistan that saw increased numbers of refugees being hosted in Iran. The project is also closely coordinated with the support that will be provided through NRC so that they two interventions complement each other by addressing key geographical and thematic gaps in protection and livelihoods support thereby enabling levels of assistance to be maintained and, in the case of livelihoods support, improved.

The project has two outcomes:

- Outcome 1: Access to protection services for vulnerable refugees and displaced persons maintained and where possible enhanced
- Outcome 2: Increased number of refugees and asylum-seekers enjoy expanded and diversified livelihood opportunities

The two outcome areas are closely linked. For example, lack of efficient legal support exposes Afghans to abuse and deprivation of rights, including documentation, health, and education. Thus, providing free legal assistance helps those in need to overcome legal challenges, contributing to the protection and access to rights for Afghans. Access to legal rights and correct documentation will also have a significant impact on refugees' livelihoods, facilitating access to employment and support in case of exploitation, discrimination, contractual disputes and violation of refugees' rights. UNHCR's experience is that livelihoods support must include opportunities to also enhance market-related skills, including for women, as a very high proportion of refugees (90%) undertaking training lack appropriate skills and are thus relegated to the low skilled work in the informal sector.

Under Outcome 1 (protection), UNHCR will provide legal assistance to Afghan refugees through 18 UNHCR Hired Lawyers (UHLs) and 16 Dispute Settlement Committees (DSCs). The lawyers will provide free legal counselling and assistance to Afghan refugees, including to those without an *Amayesh* card. The DSCs will provide Afghan refugees with a forum for easily accessible and effective resolution of primarily civil claims through mediation and arbitration. DSCs are implemented as part of a partnership between UNHCR and the (Iranian Government's) National Organization for Migration (NOM). UNHCR will continue to advocate with the government to ensure that the costs of obtaining/renewing documentation are not a barrier to retaining refugee status. In addition, UNHCR will support the identification of survivors of violence and other persons in need of psychosocial support

and facilitate their access to and awareness of the available support services. UNHCR will also seek to convene key stakeholders, including governmental counterparts, to get their support for the establishment of a strengthened referral system in line with the existing national support systems. Ensuring effective outreach will require proactive information dissemination and advocacy as well as bolstering local GBV prevention mechanisms and ensuring that survivors can access the support and services they require.

Through Outcome 2 (livelihoods), UNHCR will support government-certified and market demand-driven technical and vocational training through the Technical and Vocational Training Organization (TVTO) for refugees and access to wage-earning employment or establishment of home-based enterprises, small businesses and manufacturing workshops. It will also enable NGO partners to provide technical and entrepreneurship training female heads of households, to establish home-based enterprises. This will be closely coordinated with NRC (see below).

While UNHCR Iran has been quite active in this area (providing TVET to 9100 individuals between 2018-2022), the medium-term results are less clear. UNHCR Iran's livelihoods activities will therefore be closely monitored during 2025 to strengthen the reporting on results and, based on this, a decision will be taken during the planned Mid Term Review (MTR) to continue or reallocate the livelihoods support. Key decision criteria will be the degree of progress towards the targets in the UNHCR results framework, the establishment of appropriate tracer mechanisms, the establishment of market-based research, and the sharing of knowledge on TVET etc. with other partners.

### 3.5.3 Norwegian Refugee Council, Iran

The programme will provide DKK 28 million to NRC in Iran with the objective of: *Support Afghan refugees to contribute towards (i) improving access to rights and protection, and (ii) sustainable livelihoods and services for Afghan refugees and host communities with the overall goal of supporting pathways to durable solutions.* This draws from NRC's expertise in five core competencies areas: Information, Counselling and Legal Assistance (ICLA), Livelihoods and Food Security (LFS), Protection from Violence (PfV), Shelter and WASH - and intends to provide an integrated, evidence-driven response to the Afghan displacement crisis in Iran drawing also from NRC's reinforcing activities across the sub-region.

The project is informed by NRC's existing work in Iran in the protection and livelihoods area using integrated approaches. Assessments indicate that legal status and documentation are critical to accessing services, mobility, employment and exercising rights. Moreover, 60% of Afghans are unemployed (with only 3% of those working, in full-time employment) and 99% of Afghans' earnings in Iran fall below the poverty line.<sup>60</sup> The lack of employment opportunities contributes to financial instability, exacerbating existing vulnerabilities.

The project is therefore designed to enhance access to rights and livelihoods while mitigating protection risks. Given the complex operating environment, strong emphasis will be placed on ensuring the response is in line with humanitarian principles. NRC will leverage local NGO partnerships to strengthen the response through activities of integrated ICLA, LFS and Protection and it will draw from its local Community Centres, which promote community drive responses and are designed to be safe spaces where individuals can access information and pathways to services.

The project has two outcomes:

- a. Outcome 1: Afghan refugees in Iran have access to protection and are able to claim and exercise legal rights, facilitating and enabling self-reliance as a path towards durable solutions.
- b. Outcome 2: Enhanced resilience and self-reliance of Afghan refugees in Iran and local host communities through access to sustainable livelihoods and economic empowerment

Under outcome 1, the project will utilise Community Centres as hubs for information, provision of services and referrals. NRC's ICLA response focuses on legal empowerment, particularly for women and

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<sup>60</sup> NRC Vulnerability Assessment tool, which assessed 1,571 Afghan households (8,036 individuals) during 2023

girls, through access to information, services and rights. By expanding integrated information desks within Community Centres, the project will widen existing outreach and scale-up referral services, both within NRC's operations and external actors. Households facing the risk of repatriation or loss of legal status will be supported with legal counselling. Individual legal services also include information and financial support on renewing legal documents and status: civil identity, work permit and legal stay documents, and those in need of support to access essential services. The approach to ICLA will offer individualised Housing, Land, and Property (HLP) services for those facing imminent eviction threats. The project will collaborate with local partners and Afghan outreach volunteers to strengthen community engagement and trust and ensure a locally driven response to needs within the community.

Under outcome 2, the project will strengthen access to livelihood opportunities through technical skills training based on market analysis, accompanied by toolkit provision and set-up grants. NRC will target women-headed households and caregivers facing financial barriers to support access to their children's education and those at risk of child labour. A strong component of the business and skills training includes marketing and linkages with online platforms, particularly to women-headed households, to allow flexibility across income generation. NRC will seek linkages with graduates from Technical and Vocational Trainings who need job market support to address the limited access of Afghans to the labour market due to limited employment networks. Community Centres will be used to facilitate linkages with the employment market. During implementation, NRC will have a particular focus on monitoring the emerging results in terms of enhanced levels of employment following trainings and the effects of this on livelihoods of those concerned.

### 3.5.4 UNHCR Pakistan

The programme will provide DKK 45 million to UNHCR in Pakistan with the objective of: *Refugees and asylum-seekers can realize their rights in line with international protection standards*. This objective relates to UNHCR's multi-year strategy for 2022-2024, which includes the goal that refugees and asylum seekers can exercise their freedoms and rights and make use of access to public services leading to greater levels of gender equality and self-reliance. In particular, UNHCR's work on protection has assumed increased importance following the introduction by the government of the IFRP in 2023.

UNHCR Pakistan is a new partner for the ROI programme and the choice reflects the agency's important role in protecting the rights of refugees and asylum seekers (which is a core part of its global mandate) as a key government counterpart. The Danish support is earmarked to key parts of UNHCR Pakistan's strategy relating to protection and livelihoods within a resilience framework and joins funding being provided by other donors, notably the Netherlands and Switzerland.

It should be noted that UNHCR has a close collaboration with IOM in Pakistan whereby UNHCR takes the lead on protection issues relating to Proof of Registration (POR) cardholders and IOM takes the lead on Afghan Citizen Card (ACC) holders and undocumented refugees. The division of labour reflects the two organisations' respective mandates and the distinctions being taken on different categories of refugees by the Pakistan government. They operate closely together to ensure that protection and livelihoods are supported and provided holistically and inclusively.

The project has two outcomes:

- a. Outcome 1: Refugees and Asylum-seekers can realise their rights in line with international protection standards
- b. Outcome 2: Refugees and Asylum-seekers can exercise their freedoms and rights for greater levels of gender equality and strengthened livelihoods

Under outcome 1, UNHCR will continue to support various protection priorities. These include the Proof of Registration (PoR) Card Modification (PCM) Centres operated jointly with the government to ensure that PoR cardholders have access to registration services. UNHCR will also advocate for the extension of the validity of PoR cards that expire to ensure that Afghan refugees have access to valid documentation. Issuance of birth certificates to the newly registered children as well as those, who have

been registered prior to the resumption of the issuance of birth certificates will also be prioritized. A further focus area will be advocacy with the government, UN Country Team, World Bank and other international financial institutions to ensure that refugees are included in national statistical systems, such as the National Socio-Economic Registry (NSER), and benefit from relevant programming in their hosting areas. In key areas such as access to gainful employment opportunities, UNHCR will engage with key government and other stakeholders to advocate for the regularisation of refugees in the labour market with the view to expand livelihoods. Furthermore, through the network of Advice and Legal Aid Centres (ALACs), legal aid and advice, counselling, legal camps, Shura meetings and helpline support will be provided to forcibly displaced and stateless people. Special attention will be given to women with access to legal assistance and who need recourse to local courts.

Under outcome 2, the project will utilise a graduation approach through vocational and technical skill training, internships and career development counselling, financial literacy and life skills training for POR refugees. Priorities include engaging with national and provincial forums of financial stakeholders, building food security and livelihood support through green sector interventions, and seeking the expansion of private sector engagement and value chains promoting youth entrepreneurship. UNHCR will continue advocacy for the gainful employment of refugees, as well as the right to own property, register businesses, and obtain a driving license.

This project will be implemented through direct implementation by UNHCR and through a range of implementing partners, with a geographic focus on Khyber Pakhtunkhwa (KP), Baluchistan, the Islamabad Capital Territory (ICT), Sindh and Punjab, which are the main areas hosting Afghan refugees.

The project will be closely coordinated with IOM in view of the jointly agreed approach to POR, ACC and undocumented Afghans. IOM and UNHCR have scaled up their operational coordination, through joint weekly workplans and deployment of field teams in each province, monthly coordination meetings to discuss field dynamics, challenges and joint actions, referrals pathways between respective legal protection programmes, common materials for legal protection and GBV services, as well as joint consolidated tools to collect information on the number of arrest, detention and deportation across the country. In addition, IOM and UNHCR closely coordinate their engagement and advocacy efforts towards external stakeholders, by publishing flash updates on a regular basis, conducting donor briefings on key developments related to the protection environment in Pakistan and formulating key asks and advocacy messages to maintain the protection space for all Afghan nationals in Pakistan, regardless of their legal status.

UNHCR Iran also receives unearmarked support via the Humanitarian Partnership Framework Agreement (HPFA) and the ROI funding outlined here is therefore hard-earmarked to ensure that it complements the HPFA funds but is focused on promoting resilience in line with the programme's ToC.

### **3.5.5 IOM Pakistan**

The programme will support IOM's protection activities in Pakistan for ACC holders and undocumented refugees with DKK 30 million and the overall objective of: *Improved protection and livelihoods leading to increased resilience for undocumented Afghan refugees and host communities in Pakistan.* This project will be closely coordinated with, and is complementary to, the support that UNHCR is providing to Afghan refugees with POR status and it will thereby fill an important gap contributing to the Leaving No-One Behind (LNOB) agenda.

Since the Taliban take-over in Afghanistan, IOM has been providing evidence-based protection interventions, emergency health service, livelihoods support, multipurpose cash assistance, and rehabilitation of essential public infrastructure such as health and education facilities for Afghan populations and host community members in Pakistan, as well as movement and operations for resettling Afghans in third countries. IOM draws from its Displacement Tracking Matrix (DTM), which is also shared with other agencies, to gain a better understanding of particular mobility flows and the needs of migrants and host communities. IOM Pakistan supports the Government of Pakistan (GoP) to develop and implement policies and normative frameworks for migration management

The project has two outcomes:

- a. Outcome 1: The protection environment for Afghan populations in Pakistan, particularly ACC card holders and undocumented refugees, is strengthened.
- b. Outcome 2: Targeted Afghan and host community populations demonstrate increased resilience and social cohesion through strengthened livelihoods.

Under outcome 1, IOM will carry out systematic protection monitoring to better understand the protection risks and challenges faced by ACC holders and undocumented Afghan populations, inform the overall protection response and provide the evidence for protection advocacy, while also contributing to building the capacities of national NGOs to conduct protection monitoring and analysis. The protection response will include awareness-raising about protection risks, available protection services, and recent policy developments and support legal interventions for ACC holders and undocumented Afghan individuals and households in Khyber Pakhtunkhwa (KP). The legal assistance will be tailored to at-risk individuals or households and could include information and support on national legal frameworks, regulations and policies, Housing, Land, and Property (HLP) rights, protection risks, rights and obligations of ACC holders and undocumented Afghans in Pakistan, and referrals to specialized services, such as court representation and appointments with authorities. A community-based protection approach will be applied through trained Community Outreach Volunteers (COVs). Furthermore, the project will continue IOM's efforts to build and strengthen the protection and legal capacities of relevant authorities, law enforcement agencies, the judiciary, local bar associations, I/NGOs and other stakeholders. Training sessions will focus on international human rights law and relevant legal and policy frameworks regarding the protection of ACC holders in Pakistan.

Under outcome 2, the project will draw from market and value chain assessments to provide livelihood support through Individual Livelihoods Assistance (ILA) and through the Enterprise Development Fund (EDF). ILA is a medium to long-term job creation strategy in which IOM will provide Business Support Packages (BSP), either cash grants or in-kind material, for existing and new micro-business start-ups to promote entrepreneurship. In addition, to enhance employability skills, the ILA includes Vocational Trainings (VT) and on-the-job training (OJT) through apprenticeships. The selection of economic sector(s) and training topics to focus on will depend on the market assessments as well as jobseekers and recruiters' interests and priorities. The EDF is a long-term job creation strategy in which IOM Pakistan will establish a financing mechanism that provides capital for business expansion and job creation in promising and labour-intensive Small and Medium sized Enterprises (SMEs).<sup>61</sup> The main focus will be to engage businesses registered in Pakistan either owned by Pakistani nationals or Afghan business owners (both men and women) who are authorized to operate in Pakistan. The EDF support will create jobs that will be filled by ACC holders and vulnerable host community members.

The interventions will be implemented directly by IOM and through its network of NGO implementing partners. There will be close coordination with UNHCR – as described in the previous section - and opportunities for joint activities (including advocacy) will be utilised in order to maximise efficiency and effectiveness. At the government level, IOM will interact with the Chief Commissionerate of Afghan Refugees (CCAR) and the Provincial Commissionerate of Afghan Refugees (CAR), amongst others.

## 4 Inputs/budget

An overview of the budget is provided in Table 1 below. This is further detailed in the budget annex and in the individual project documents. Initial commitment and disbursement will be made in late 2024 with the last disbursement planned in end of 2026 and with implementation running into 2027. The budget allocations take into account the overall funding needs of the regional Afghanistan response (which exceed the funding available), funds received through other sources (including core grants provided and grants from other donors), and previous Danish funding levels. The funding is hard earmarked to a limited number of outcome areas within the partners' own strategic plans to ensure alignment with the

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<sup>61</sup> See <https://edf.iom.int/#> for more information. The EDF is an innovative programme that has been piloted in Iraq and Türkiye, with plans to expand to five more countries worldwide.

overall objectives of ROI and given the particular countries involved. The selected areas correspond to the contextual priorities and needs that have been identified (see above), the partners' own priorities, and will complement funding received from other donors. A modest unallocated budget will also enable HUMCIV to channel additional funding to partners that are performing well or experiencing unusually high demand.

*Table 1: Afghanistan ROI Programme budget (DKK million) reflecting projected disbursements for the period 1.12.2024-31.12.2027*

Country	Partner	2024	2025	2026	2027	Total	% of total
Afghanistan	DACAAR	20,00	25,00	15,00		60,00	29
Iran	NRC	8,56	9,37	10,42		28,35	14
	UNHCR	8,00	8,00	4,00		20,00	10
Pakistan	UNHCR	8,64	21,36	15,00		45,00	22
	IOM	4,80	13,40	11,80		30,00	15
Commitments sub-total		50,00	77,13	56,22		183,35	
Unallocated				18,78		18,78	9
MTR etc			2,87			2,87	1
Total		50,00	80,00	75,00		205,00	100

#### **4.1 Arrangements for the use of unallocated funding**

The programme includes DKK 18,78 as an unallocated budget in order to ensure flexibility in the programme and enable adaptation to changes in context. The flexibility will also give an opportunity to enhance funding to engagements in any of the three countries according to need and performance. While this may be used to regulate the flow of funds to existing partners, part of it could also be used to support possible new initiatives

Decisions regarding the use of unallocated funds will be taken by the MFA/HUMCIV, with input where appropriate from the partners concerned and consulting other MFA departments (especially ASILAC) and the Danish embassies in Tehran and Islamabad.

As a guiding principle, opportunities relating to the use of unallocated funds will be considered during meetings with partners and at least annually as part of the Annual Stocktaking process. This process will be initiated in advance of the Mid Term Review in mid-2025. The aim will be to ensure that unattributed funds are utilised before the final 6 months of the programme period so that the risks of leaving unused funding are minimised.

### **5 Institutional and Management arrangement**

The Programme's management arrangements will ensure adequate reporting, dialogue with partners and other stakeholders, learning and timely decisions about possible adaptations to ensure the achievement of agreed outcomes.

#### **5.1 Organisational set-up**

The Danish management of the Programme will be provided by the Department for Humanitarian Action, Civil Society and Engagement (HUMCIV) in the Ministry of Foreign Affairs. The department will take responsibility for regular contact with programme partners and other development partners.

HUMCIV will take responsibility for monitoring programme implementation, reporting on progress within the MFA system, and providing feedback to implementing partners. Based on partners' reporting

and dialogue on general political and refugee-related issues with the Danish embassies in Islamabad and Tehran, and other donors, the needs for possible adaptation (including use of unallocated funds) will be regularly assessed and action taken.

HUMCIV will also be supported by a financial officer from within the Department. It will also maintain close contact with other MFA departments, including the Department for Migration, Stabilization and Fragility (MIGSTAB), and the Department for Green Diplomacy and Climate (KLIMA). Close contact will be maintained with the Department for Asia, Latin America, and Oceania (ASILAC) and the Special Representative to Afghanistan, which has responsibility for the Afghanistan Transition Programme as well as with the Danish Embassies in both Tehran and Islamabad.

At the project level, each partner has its own management set-up and will take responsibility for ensuring implementation arrangements run smoothly. The UN agencies will use a Direct Implementation Modality (DIM) and apply their standard management, compliance and reporting mechanisms. These arrangements often involve NGOs acting locally on behalf of the UN. With regard to the UNHCR and IOM in Pakistan, the joint operational approach to POR, ACC and undocumented refugees will be guided by the arrangements described in section 3.5.4 above. DACAAR and NRC will draw from their own networks of national NGOs in Afghanistan and Iran respectively and will also coordinate with other international actors through the relevant sector working groups.

Each year, HUMCIV will draw from the partners' work plans and reporting coupled with the findings of a Mid Term Review in 2025 to inform decisions about adaptation and future support options.

The programme will not adopt a formalised steering committee modality but will instead use an annual partner meeting at which all of the implementing partners will be present. This will provide a vehicle for sharing overall results, contextual updates and risks, lessons learned, and overall coordination from the MFA's side. The meeting will be held online in June each year.

HUMCIV will also hold start-up meetings with partners in early 2025 as a means to check that implementation is proceeding according to the grant agreements and project documents. The MFA will arrange ad-hoc bilateral meetings with any individual partner if the need arises.

## **5.2 Financial Management, planning and reporting**

Financial management will be undertaken in accordance with the MFA's Financial Management Guidelines. Denmark will strive for full alignment of Danish support to the implementing partner rules and procedures while respecting sound international principles for financial management and reporting. Details relating to the individual partners are set out in the various project documents and will be specified also in the grant agreements. These will include: disbursements; partner procedures pertaining to financial management; procurement; work planning; narrative progress reports and financial reports; accounting and auditing. Attention will be drawn to Denmark's zero tolerance for corruption and counter-terrorism measures.

Disbursements will take place in accordance with the agreed disbursement schedules which are based upon the agreed budgets and taking into account any previous funds disbursed but not spent. Conditions for the transfer of funds are generally:

- Satisfactory use of prior transfers;
- Satisfactory technical and financial reporting;
- There is an approved work plan and budget for the period to be financed;
- Request for disbursement from the partner.

Financial reports from the partner will be provided on an annual basis. Reporting will be provided at output level against the agreed budgets provided prior to the grant agreement signature. HUMCIV will initiate a dialogue to ensure a strong and transparent overview of project budgets and their alignment with financial reporting in order to strengthen financial monitoring.

The grant agreements will specify that the grants to each partner will be audited annually, in accordance with the partner’s own procedures, and will be made available within six months of the end of each year. In addition, Denmark will have the right to a) carry out any audit or inspection considered necessary as regards the use of the Danish funds in question and b) inspect accounts and records of suppliers and contractors relating to the performance of the contract, and to perform a complete audit.

### 5.3 Approach to Adaptive Management

The Programme will operate within a complex environment where progress against the objectives will be conditioned by multiple, sometimes conflicting, demands, interests and capacities, including from the governments in the three countries. This can mean that projects proceed at different speeds and some may be challenged relating to ease of access and inclusion. A further concern is the general decline in donor engagement, which may mean that funding for the partners fails to be replenished at sufficient levels to support their expected allocations and roll-out. An adaptive approach will enable Denmark to turn up Danish support for projects that are progressing well and reallocate funding for ones that are stalling. The programme includes several mechanisms for achieving this, including annual review meetings involving all partners, the use of the unallocated budget and reallocation between budget lines.

Adaptive management requires robust monitoring and decision-making fora. All the partners have well-established systems for decision-making, strategic planning, and management that present opportunities for Denmark bilaterally as well as multilaterally. For this to be fully effective at the project level, there will need to be strong and consistent reporting from partners that allows HUMCIV to draw strategic-level conclusions. The MFA/HUMCIV will utilise meetings with the partners, as well as the formal reporting and inputs from the Danish embassies, to inform its decision-making. Aside from their overall political role and monitoring at this level, the embassies will not have a direct role in the programme implementation.

The findings from these monitoring processes will feed into adaptive management considerations, including the scope for adjustment of results expectations, theory of change (incl. assumptions), updating of risks, use of unallocated funds, reallocations between budget lines etc., leading to several possible actions. These will be undertaken in accordance with the relevant Aid Management Guidelines (AMG) and in accordance with the legal basis provided by the Finance Act. Possible adaptive responses could include those outlined in the table below:

Possible response	
a.	Deployment of technical assistance to alleviate critical temporary capacity gaps.
b.	Use of unallocated funds to: a) Expand existing support to productive areas; b) New projects.
c.	Reallocations between budget lines within projects.
d.	Reallocations between projects.
e.	Pausing of support, no-cost extensions, costed extensions etc.
f.	Commissioning of special studies to identify options.
g.	Audit.

A further adaptive management tool will be a Mid Term Review (MTR) of the programme in the later half of 2025. Given the current state of flux in certain of the funding mechanisms as well as the turbulent context, the MTR will provide an additional layer of analysis to support decision-making.

### 5.4 Monitoring, evaluation, accountability and learning

The Afghanistan ROI Programme will be closely monitored to ensure that relevant information is fed back into the programme management (including the various partner setups) to facilitate reporting and decision-making relating to any adaptation needed. The basis for programme monitoring is provided by

the theories of change (and assumptions), results frameworks and their indicators, and risk assessments for each of the projects being supported.

In practice, there are three levels of monitoring: i) regular assessment of changes in contextual factors that influence the implementation environment for Afghanistan, Iran and Pakistan as a whole and for each of the projects; ii) programme and project implementation monitoring processes, drawing from reporting from implementing partners; and iii) risk monitoring, including of emerging risks. Each of the partners will report against changes in ToC assumptions, expected results and possible risks. This will occur through their annual consolidated progress reports as well as the regular updates provided to HUMCIV. The partners' MEAL systems will ensure close monitoring of changes in the context, including overall political, economic, security, social, and humanitarian contextual changes, as well as progress at the project level, opportunities, and challenges. Monitoring will guide the continuous assessment of assumptions, theory of change and risks and feed into reporting and discussions with the MFA on lessons learned and possible adaptation and use of the unallocated budget (see 5.3 above).

The ROI Programme includes provision for a Mid Term Review (MTR), ideally with field-based data collection, in 2025. The MTR will include an assessment of the following:

- a. The context and continued relevance of the programme;
- b. Performance of the individual projects
- c. Assess progress on livelihoods interventions, with a particular focus on use of market information, emerging results, partner set-ups to monitor results
- d. How partners have operationalised their focus on women's and girls' rights
- e. Review the management of the programme, including amongst the programme partners
- f. Review and update ToC assumptions
- g. Review and update risks and risk management strategies
- h. Results and possible further needs, including possible adaptation
- i. Lessons being learned and strategic pointers for post-2026
- j. Cooperation with other donors, including joint arrangements
- k. Extent of political dialogue with decision-making bodies sought and generated
- l. Consider and make recommendations in relation to changes in the above and possible adaptation
- m. Assess the management of the Danish funds (i.e. assessment of Value for Money and sound financial management of the funds)
- n. Assess possible implementation options relating to the post-2026 period.

## 5.5 Annual timetable

The key dialogue, reporting, audit and review points in the project are summarised in the table below.

Activity	Due Date
Disbursements	November/December 2024, 2025, 2026
Start-up meetings	Early Q1 2025
Annual narrative reports	April 2026, April 2027, April 2028
Annual financial reports	June 2026, June 2027, June 2028
Annual audit	June 2026, June 2027, June 2028
Annual Partner Meeting (all ROI partners)	June 2025, June 2026, June 2027
Annual Stocktaking Reports (HUMCIV)	June each year
Mid Term Review (HUMCIV)	Q3/Q4 2025
Project completion meeting(s)	December 2027

## 5.6 Communication of results.

The Programme will utilise the partners' communications set-ups, which are generally strong and provide regular updates regarding the intervention areas and results being achieved. All partners will provide updates on project progress through their websites. Communication will have to be carefully calibrated to the political context and support delivery of impact.

## 5.7 Risk Management

There are a number of risks common to each of the projects. Key contextual risks include changes in the political and security landscape in Afghanistan, Iran and Pakistan that negatively affect the environment in which the projects are implemented. While the nature of these risks vary from country to country, they are considered high in view of the governance challenges facing the three governments, the economic deterioration and direct security challenges. That said, the authorities also have an interest in the basic needs provision offered by the partners and are therefore expected to continue to allow UN agencies and INGOs to operate. The mitigation strategy will be to monitor developments and maintain consistency in interaction with the authorities to ensure access to all citizens, including women and girls and excluded groups, is maintained. In Afghanistan, the unclear policy environment and continued restrictions on women and girls present a further contextual and programmatic risk that requires close monitoring. In Pakistan, the further implementation of the IFRP and its side effects can be expected to complicate the protection agenda. In Iran, the possible impact of geo-political developments is difficult to predict but may complicate the operations of external actors, particularly Western INGOs.

The context produces a variety of programmatic risks, particularly concerning possible attempts by the de-facto authorities in Afghanistan and the authorities in Iran to influence programme interventions for political reasons, which may lead certain target locations to be marginalized. There may also be pressure from the authorities in all three countries to be included in the programme's decision-making (e.g. concerning the selection of locations and beneficiaries). This is likely in Iran. The policy environment presents a further contextual and programmatic risk that requires close monitoring. Initiatives supporting gender and women's rights may be particularly vulnerable. In Afghanistan, the increased restrictions on women also threaten the commitment to deliver aid "for women by women" and the principled approach. This may also mean that projects are not fully able to deliver aid in the priority locations and to the most vulnerable people.

There are also risks that the projects do not deliver according to expectations because of delays in obtaining approvals and constraints over access (especially in Afghanistan and Iran). There may also be weaknesses in coordination and/or fund allocation amongst the UN agencies and I/NGOs, or because project plans are not yet fully developed. All the partners have strong monitoring and approval arrangements that include donors, which should help mitigate these risks. In Afghanistan, the overall coordination set-up that has improved since the pre-August 2021 period also helps mitigate risks in this area. In Pakistan, coordination structures are not particularly effective, although as both partners are UN agencies, there will be links to the UN Country Team and sector working groups. In Iran, NRC and UNHCR are both part of the Humanitarian Access Group and the Protection Cluster, amongst others.

For all projects, there are institutional risks that donor funds may end up at the hands of sanctioned or debarred individuals and entities that funds may be used fraudulently, and/or that interventions may inadvertently contribute to doing harm. The projects mitigate these risks through the partners' financial and project approval and implementation procedures and monitoring. HUMCIV will monitor the coverage of these issues in the partners' reporting together with other donors. There is a reputation risk (donor dilemma) of being seen to de-facto support the Taliban administration by filling the gap in service delivery. There is also a similar risk in Iran. Here is also a risk of inadvertently doing harm; for instance, through drawing attention to vulnerable individuals or exacerbating grievances over access to resources (all countries).

A detailed risk assessment is included in Annex 4.

## 6 Closure

The Programme is focused on a limited number of partnerships with multilateral organisations and international NGOs with which Denmark has a history of partnership. The organisations receive funding from other donors too and do not individually depend on Danish funding. That said, in a period of declining aid levels, the Danish contributions will have important practical and political value. All interventions address basic human needs – for which there will be a vast continued requirement for the foreseeable future. However, the HDP nexus approach being taken has longer-term sustainability as a goal and the interventions are therefore developed so that they a) increase target groups' resilience, thereby reducing the reliance upon humanitarian aid, b) prioritise capacities (e.g. employment skills) that can be scaled up and act as foundations for development.

In the current dynamic and fluid context, it is expected that the coming period will provide important lessons and learning that will inform possible future Danish programming, including an even more joined-up Transition and ROI programme. The performance of the partners, and the scope for a functioning civil society will also be important indicators for future Danish planning. The MTR and a small budget provision for a preparatory study have been included should it be decided to continue into a further phase.

At the end of the programme, the following steps will be taken:

- Implementing partners' final reports;
- Responsible unit's final results report (FRR);
- Closure of accounts: final audit, return of unspent funds and accrued interest and administrative closure by reversing remaining provision.