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The EU's role in promoting 'Peace Dividends' in Afghanistan

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and

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The Finnish Ministry of Foreign Affairs and the European Institute of Peace were inspired to prepare this paper by the "Policy Paper on Afghanistan: creating a conducive environment for a lasting peace agreement", which was commissioned by the Norwegian Ministry of Foreign Affairs.

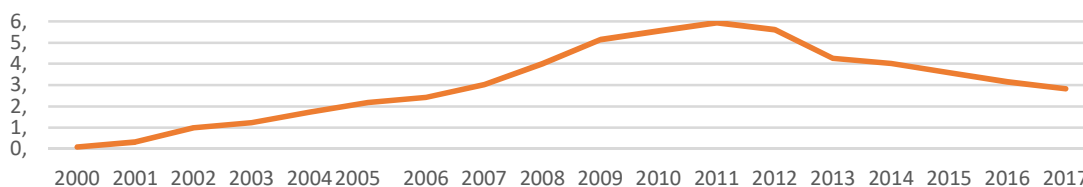
The phrase 'peace dividends' relates both to the political and economic opportunities that can be unlocked after conflicts are resolved, and also the package of measures delivered in the wake of a conflict to bolster support for a new political settlement. Both will be key to Afghanistan's future.

If a breakthrough in bilateral US-Taliban talks is achieved it will likely lead to rapid changes in the Afghan political landscape. Yet there is uncertainty regarding next steps including whether talks will restart and in what format; and calls for Afghan government involvement at all stages are becoming stronger. After almost two decades of stalled or non-existent talks, the imminent prospect of intra-Afghan talks, potentially leading to a comprehensive peace deal with the Taliban, is now forcing Afghanistan's partners to confront basic questions regarding their own role in that process. These include how best they can apply their leverage and assistance to support the achievement and implementation of a sustainable, just and inclusive peace deal, and under what conditions (esp. guarantees on human rights, rights/inclusion of women and minorities; progress on rule of law, corruption etc). The breathing space provided by the freezing of bilateral US-Taliban talks and, at the time of writing, still inconclusive presidential elections, provides some room for donors to prepare for next steps, but does not diminish the urgency of formulating a clear strategy. While the US has played a leading role in formal negotiations with the Taliban to date, the next chapter of the peace process will almost certainly include more European involvement and leadership, indicating the need for strong EU consensus, unity, and visibility. A US troop drawdown/withdrawal could also have implications for Afghanistan's stability and security, and humanitarian and development aid delivery.

The challenges facing the peace process are twofold: Building consensus around a credible peace process; and enhancing its sustainability over the mid- to long-term. The EU's added value lies in being, collectively, the largest donor to Afghanistan and a respected values-based global actor. Its role will therefore be key to the success or failure of any future agreement. Crucially, discussions on how to make a peace deal more sustainable, including consideration of the nature, terms and conditions of the support that the EU and other partners are willing to provide, should *feed into* negotiations, rather than come afterwards. This now requires EU strategic discussions and reflection (eventually including both political and development actors).

Economically, Afghanistan is facing a difficult and highly aid dependent future. With economic growth at 2%, compared to population growth of 4%, GDP per capita is falling and poverty rising. Development aid has halved since 2011, yet still represents 75% of government expenditure:

ODA to Afghanistan per year (billion USD); source OECD



In the Council Conclusions of 8 April 2019, the EU made a five-point offer regarding assistance it could offer to the process, and the conditions necessary for its future support. Also significantly, as part of the 2018 Geneva conference, donors committed to urgently develop and implement an action plan for broad-based economic initiatives to bolster a future peace deal.

Aid pledges to Afghanistan expire next year and a new donor pledging conference is expected in 2020. There is therefore a risk of misalignment between political and development timelines, with donors committing to a multi-year aid process *before* an intra-Afghan peace deal has been agreed. On the other hand, this could be an opportunity for donors to present a conditional offer to all parties regarding the support they could provide if a future deal meets certain conditions.

How to promote a sustainable peace?

To foster discussion on peace dividends and the sustainability of a future peace process, EIP hosted a high-level roundtable on 5-6 September in Brussels. Key findings included the below:

- Intra-Afghan negotiations will be complex and difficult, requiring sustained focus and pressure. The Taliban have shown little willingness to compromise to date (indeed their leadership's ability to do so is untested) and they believe momentum is on their side. While they ostensibly wish to avoid the development failures of the 1990s, economic incentives/conditionality may have limited impact in inducing them to moderate their positions. Nevertheless, to avoid miscalculations it is important that the Taliban have a good understanding of donor positions and Afghanistan's reliance on external assistance so they are aware of the trade-offs that come with certain policy positions.
- The Afghan government meanwhile is still unprepared for negotiations. Presidential elections are dominating politics, the fledgling State Ministry for Peace is finding its feet, and the government has struggled to appoint a negotiating team. Political fissures may undermine a united approach, particularly if presidential election results are contested.
- Any future deal is more likely to succeed if it is underpinned by a strong economic and development vision that facilitates investment and regional integration yet is realistic about challenges and expected results. Experience of the past two decades indicates there are no 'quick fixes' and that impact will be at best incremental. Progress on the rule of law and combating corruption is needed to ensure support from both donors and the Afghan public alike, while the ability to deliver and monitor aid will continue to depend on security conditions. If development assistance declines, economic collapse is a real threat.
- The importance of Afghanistan's neighbours to its long-term future cannot be overstated. Regional integration is essential to unlocking Afghanistan's development potential. Regional consensus on both the peace process, and future development assistance (including agreement on conditionality/rules of engagement) is therefore needed. Despite deep and growing divisions in other areas, all key actors in the region and beyond have an interest in a stable Afghanistan, which represents a common interest to build upon.
- Broad-based societal buy-in to a future settlement will also be critical to its success. If key groups feel their interests are endangered by the agreement they will seek to undermine it, or retreat into ethnic enclaves. Past experience elsewhere shows the importance of fostering a general belief in the potential of a peace deal to reduce violence and promote development. The Afghan government and partners should unite around a national narrative supporting this objective.