

Fund for the Afghan People

route de Frontenex 86, 1208 Geneva, Switzerland

MINUTES OF BOARD OF TRUSTEES MEETING, GENEVA, OCTOBER 2, 2023, 2–5:30 PM (CET)

Attending:

- Anwar Ul Haq Ahady (Co-Chair)
- Shah Mohammad Mehrabi (Co-Chair)
- Alexandra Baumann (Member)
- Jay Shambaugh (Member)
- Andrea Dall’Olio (Executive Secretary)

Guests:

- Evangelia Bouziss
- Mirjam Egli
- Maha Hussain
- Alexander Jeffers
- David Koehn
- Sébastien Monnet

The Board appointed Dr. Andrea Dall’Olio as Secretary of the Afghan Fund (Fund).

The Chair noted that the meeting was validly convened and that quorum was reached.

1. OPERATIONAL COSTS AND PAYMENT MECHANISM

The Board of Trustees was updated on operational expenses and payment modalities, and made note that the Fund’s expenses remain well under 1 percent of the Fund’s yearly investment earnings.

The Board took note on the need for the Fund to continue settling its invoices via a transitional arrangement until privileges and immunities have been obtained. In parallel, pursuant to the Board’s earlier decision to open a bank account for operational expenses, the Board signed the supporting documentation to open a commercial bank account in Switzerland.

2. TRAVEL POLICY

The Board discussed the draft travel policy aimed at regulating official travel on behalf of the Fund. The Board unanimously agreed that, once the travel policy is enacted, it will be published on the Fund’s website.

3. ACCOUNTING, FINANCIAL MANAGEMENT, AND AUDIT

Following the signature of the engagement letter with the Fund’s accounting firm, the Board asked the Executive Secretary to work with the accounting firm to ensure regular bookkeeping and to elaborate the Fund’s financial statements.

The Board unanimously agreed to sign a letter of engagement with an auditor to complete a limited statutory audit of its financial statements. The audit will be concluded in May 2024 for the time period between September 2, 2022, and December 31, 2023. This audit will be based upon the financial reporting produced by the accounting firm and will include an initial verification of the Fund’s processes, internal controls, and information technology (IT) infrastructure to ensure that they comply with best practices and are capable of withstanding a full audit.

4. IT INFRASTRUCTURE

The Board acknowledged the need to ensure that the IT infrastructure of the Fund adheres to minimum standards of data security and privacy. The Board unanimously agreed to secure a bid(s) of limited value from an IT provider to ensure that the Fund can avail itself of appropriate IT infrastructure, including data storage, cybersecurity, and other basic requirements.

The Board will be presented with options for IT upgrading, including costs, for decision.

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5. EXTERNAL FUNDING

The Board unanimously agreed to continue fundraising efforts, with the support of the Executive Secretary.

6. INTERNATIONAL ADVISORY COMMITTEE

Following the decision taken at the last Board meeting to form a single International Advisory Committee made up of Afghan individuals, government representatives, and international experts, the Board unanimously agreed to approve the Terms of Reference (TORs) for the Committee.

Board members discussed a timeline to establish the Committee, but noted that it would need to be flexible depending on the number of applicants.

7. HOST STATE AGREEMENT

The Board was updated about the status of its application for privileges and immunities under the Swiss Host State Act and asked to be kept informed of the Federal Council's approval process.

8. INVESTMENTS AND ASSET DISCLOSURE

The Board reviewed the Fund's investment outcomes and observed that the portfolio had accrued revenues of US\$155 million from November 2022 to October 2023, bringing the Fund's total assets to US\$3.69 billion.

In discussing asset allocation, the Board reiterated the primacy of safety, followed by liquidity, when considering investment options. In keeping with this posture, the Board unanimously agreed to extend the maturity of the portfolio, while retaining a portion of its assets in the most liquid posture to be immediately available for potential disbursements.

The Board unanimously agreed to disclose the Fund's assets, nominal investment returns, and disbursements on the Fund's website on a quarterly basis.

9. COMMUNICATION AND BRANDING

The Board discussed broad parameters for a communications policy that will guide Board members and the Executive Secretary in providing consistent information to the press and other stakeholders.

The Board unanimously agreed to launch a public competition among artists and graphic designers to create a logo and visual identity for the Afghan Fund.

10. COMPLIANCE SERVICE PROVIDER

The Board unanimously agreed to approve the letter of engagement for a U.S. law firm to begin work on drafting the Fund's compliance framework. The Board noted that, once the framework is complete, the compliance verification processes for individual disbursement transactions can be contracted to a different provider, should the Board decide to do so.

11. INTERNATIONAL PAYMENTS

The Board discussed the breakdown of payment channels amid sanctions and critical anti-money laundering/combating the financing of terrorism (AML/CFT) deficiencies. The Board intends to seek a briefing from external experts on this issue for a subsequent Board meeting.

12. MULTILATERAL DEVELOPMENT BANKS AND AFGHANISTAN

The Board unanimously agreed, in principle, to pay Afghanistan's outstanding arrears to the World Bank and Asian Development Bank as soon as the Fund is ready to make disbursements and if the Taliban has not already cleared these arrears. The Board noted that any eventual payment of outstanding arrears should not constitute a commitment on behalf of the Fund to cover future arrears.

13. SWIFT FEE

The Board discussed the possibility of paying the Afghanistan central bank's (Da Afghanistan Bank, or DAB) Society for Worldwide Interbank Communication (SWIFT) outstanding membership fees. The Board intends to gather more information before discussing such a disbursement.

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14. EXECUTIVE SECRETARY JOB DESCRIPTION AND ADMINISTRATIVE BUDGET

The Board discussed the tasks of the Executive Secretary and the need to detail the duties and responsibilities that pertain to this position. A detailed job description will be presented for the Board's consideration and approval at the next Board meeting.

15. ADMINISTRATIVE

The Board of Trustees discussed options for the date and time of the next Board meeting.

The meeting adjourned at 5:30 pm.

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Place and date / Date et lieu:

Anwar Ul Haq Ahady

Co-Presiding over the meeting / co-présidant la réunion

Place and date / Date et lieu:

Place and date / Date et lieu:

Andrea Dall'Olio

Secretary of the meeting / secrétaire de la réunion

Shah Mohammad Mehrabi

Co-Presiding over the meeting / co-présidant la réunion
