

Fund for the Afghan People

route de Frontenex 86, 1208 Geneva, Switzerland

STATEMENT

The Board of Trustees of the Fund for the Afghan People (Afghan Fund) convened for the fifth time on January 29, 2024, in Washington, DC, USA.

The Board welcomed the signing of the Seat Agreement between the Afghan Fund and the Government of Switzerland granting the Fund and its Board of Trustees important privileges and immunities pursuant to the Host State Act of the Swiss Confederation. The agreement entered into force on February 1, 2024.

During the meeting, chaired jointly by Dr. Anwar ul-Haq Ahady and Dr. Shah Mohammed Mehrabi, the Board took pivotal steps to finalize the operationalization of the Fund and put in place robust safeguards to prevent Afghan Fund disbursements from being used for illicit activity. The Board conducted a comprehensive review of the Fund's administrative processes, approved a travel policy to guide the reimbursement of expenses related to travel on behalf of the Fund, and discussed options for IT upgrades to ensure the protection of the Fund from cybersecurity threats.

The Board reviewed the financial performance of the Fund's inaugural fiscal year of operations, ending in December 2023. These figures will be reflected in the audited financial statements and included in the first Annual Report, to be published in the second half of 2024. The Board acknowledged the robust growth of the Fund's assets, which reached US\$3.74 billion at the end of December 2023. The Board committed to continuous monitoring of the portfolio based on market opportunities and reiterated its commitment to preserving the value of its assets on behalf of Afghans by prioritizing safety and liquidity when considering investments. Finally, the Board reviewed a draft operational budget for 2024 and agreed to continue to allocate less than half a percent of the yearly returns on assets to cover the operating costs necessary to ensure good management of the Fund unless and until external funds are secured.

The Board reviewed the list of candidates who expressed interest in participating on the International Advisory Committee (IAC) and agreed on the next steps of the selection process.

The Board was briefed on the status of the development of a framework to ensure that the Fund has in place appropriate due diligence and control procedures related to any potential disbursements. Upon approval of these policies and procedures, the Board agreed that the Fund will make a first disbursement to the Asian Development Bank, intended to address Afghanistan's outstanding arrears to that institution. It is anticipated that these funds will unlock additional resources that will be dedicated to enhance the welfare of the Afghan people.

Finally, the Board decided to initiate a public competition aimed at selecting a logo and visual identity for the Fund, which will soon be launched on the Fund's website.

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The United States, through the Department of the Treasury and the Department of State, together with Switzerland and Afghan economic experts, announced the establishment of the Fund on September 14, 2022, to support the people of Afghanistan amid ongoing economic and humanitarian crises. The Board of the Fund held its first meeting on November 21, 2022, and three subsequent meetings in February, June, and October of 2023. The Afghan Fund will protect, preserve, and make targeted disbursements of its US\$3.74 billion in assets to help provide greater financial stability to the Afghan economy for the benefit of the people of Afghanistan.

2 February 2024