

UAI Press Release

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Afghanistan's Frozen Funds must be released: URGENT Action Required

Geneva, 8 March 2022

“Immediate action must be taken to avoid further harm and intensification of the disaster in Afghanistan where poverty has reached unprecedented levels since the country’s national reserves were frozen in US and European banks last August” said the advocacy group *United Against Inhumanity*. It posted an [Open Letter](#) today, signed by more than 50 widely known individuals long associated with Afghanistan. The letter was sent to President Biden of the United States, Chancellor Olaf Scholz of Germany, and Prime Ministers Draghi and Johnson of Italy and the UK; the bulk of the frozen assets are held in these four countries.

“There is a dramatic need to reverse policies that have plunged Afghanistan into a catastrophic downward spiral that has crushed the economy, pauperized huge segments of the population, pushed a quarter of the population to the brink of famine and put in question the survival of millions” UAI said.

UAI has launched a petition so that all citizens outraged by the callous decision to freeze billions of dollars of Afghan financial assets in US and European banks can show their indignation. The [petition is open to all and can be found here](#).

A key driver of the crisis in Afghanistan is the freezing of US\$9.1 billion of the country’s national reserves, now blocked in US and European banks, as well as the abrupt termination of external funding. The latter accounted for 40 percent of the country’s GDP and bankrolled 75 percent of government services such as health care, education, and sanitation until August last year.

The freezing of these assets that ultimately belong to the people of Afghanistan means that the Da Afghanistan Bank (DAB) – the central bank – is not able to undertake currency auctions, a task that is fundamental to stabilizing the local currency, to limit inflationary forces, and ensure liquidity. Spiralling inflation has already made staples such as food, fuel, and shelter unaffordable to millions of Afghans.

UAI and many supporting organizations are deeply concerned that this utterly avoidable man-made disaster is set to destroy the lives of millions. American and European politicians must take the ethical and life-saving decision to stop punishing Afghan citizens who should not be punished for the arrival of the Taliban in Kabul in August 2021.

UAI demands that President Biden, Chancellor Olaf Scholz, and Prime Ministers Draghi and Johnson unblock the US\$9.1 billion in frozen funds that are essential for the re-generation of a functioning economy. The use of released funds can be monitored by international auditors, with the option to terminate further releases in the event of improper use by the Taliban who are now the *de facto* authorities in Afghanistan.

UAI also demands the release of US\$8.5 million of *Afghanis* – the local currency – that were printed in Poland and were ready for shipment just before the Taliban seized power in mid-August 2021. This paper currency has not yet been shipped to Afghanistan given fears of falling foul of international sanctions.

For further information please see [UAI's Statement on Afghan Frozen Assets](#).

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