



AFGHANISTAN'S CLIMATE CRISIS: A CALL FOR DECENTRALISED AND INCLUSIVE FINANCE

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Cover image: Tent housing camps near the Kandahar—Ghazni highway, Afghanistan, March 2025.
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Abstract

Afghanistan faces escalating economic losses due to climate change—up to USD 3 billion annually in drought years—despite contributing minimally to global emissions. Fragile governance, limited fiscal space, and international non-recognition have restricted access to climate finance, forcing the country to rely on declining humanitarian aid. This policy brief, based on new data and analysis published by the author in the Afghanistan Analysts Network[1], outlines the country's mounting adaptation costs, institutional constraints, and possible financing pathways. It argues that without targeted international action, Afghanistan may become a harbinger of climate injustice and systemic failure in fragile states.

Climate-driven economic collapse in a fragile economy

Afghanistan is among the countries least prepared to withstand climate shocks. With a GDP of only USD 17.23 billion in 2023, Afghanistan is among the world's least-equipped nations to absorb the shocks of climate change. Extreme weather events like floods, droughts, and cold waves now impose average annual losses between USD 550 million and USD 3.1 billion. These losses, especially in drought years, represent over 18% of national GDP – a staggering figure that underscores the severity of the climate threat. In comparison, the country's total annual budget in 2023 was just USD 3.12 billion[2]. This level of vulnerability renders Afghanistan not only fiscally incapacitated but systemically unprepared for current and future climate extremes.

Climate change affects every major sector in Afghanistan, but agriculture is most vulnerable. It accounts for 33.7% of the national GDP and employs a majority of the rural population. Droughts alone cost the economy approximately USD 280 million in typical years and up to USD 3 billion in severe years[3]. Beyond the numbers, these losses manifest in rising food insecurity, forced displacement, and resource conflicts – amplifying Afghanistan's underlying fragility.

Climate-induced economic collapse in Afghanistan doesn't occur in isolation. As resources dwindle and resilience erodes, instability becomes self-reinforcing. Declining harvests lead to migration, increasing stress on urban centres, informal settlements, and neighbouring states. The interdependence of environmental damage, livelihood collapse, and conflict escalation demands a strategic international response rooted in climate security and justice.

[1] Mayar M. A., "The Economic Consequences of Climate Change for Afghanistan: Losses, projections ... and pathways to mitigation", 2025. <https://www.afghanistan-analysts.org/en/themed-reports/economy-development-environment-themed-reports/the-economic-consequences-of-climate-change-for-afghanistan-losses-projections-and-pathways-to-mitigation/>

[2] World Bank, "Afghanistan development update", December 2024. <https://thedocs.worldbank.org/en/doc/126f9684f0c7ff20248c0c7bf45cccd-0310012024/original/Afghanistan-Development-Update-December-2024-Final.pdf>

[3] Ranghieri, Federica; Fallesen, Ditte Marie Gammelgaard; Jongman, Brenden; Balog-Way, Simone Andrea Breunig; Mashahid, Sayed Sharifullah; Siercke, Guillermo A.; Simpson, Alanna Leigh. "Disaster risk profile: Afghanistan (English)". Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/284301491559464423>

Financing gaps and aid withdrawal

The collapse of the Afghan Republic in 2021 led to a sharp decline in international assistance. This included a freeze on over USD 826 million in climate adaptation projects funded by donors such as the Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund, World Bank, UNDP, and bilateral partners[4]. These projects were crucial for water resource management, ecosystem restoration, and disaster early warning systems.

While humanitarian exemptions under UNSC Resolution 2615 and U.S. Treasury General License 20 have allowed some adaptation activities to continue—especially through UN agencies—these efforts are limited in scale and scope. Following these developments, the Global Environment Facility resumed three projects through UNFAO and community-based scheme[5].

The gap between need and financing is stark. Afghanistan's first Nationally Determined Contributions (NDC) submitted under the Paris Agreement requested USD 17.6 billion for adaptation and mitigation between 2021 and 2030. As there has been no progress yet, the revised NDC requires a similar amount but for 2025–2030. Therefore, its annual amount exceeds the country's entire government budget (USD 3.12 billion in 2023). Without access to external climate funds, there is no viable path to reduce vulnerability or support a green recovery[6].

This financial impasse reflects broader flaws in the international climate finance architecture, which often conditions support on governance standards that fragile states cannot meet. In effect, countries most in need are those least likely to qualify for help.

Small-scale solutions, limited reach

In the face of stalled international funding, small-scale and community-driven initiatives, being piloted through humanitarian mechanisms, have provided a glimmer of hope. These include: rainwater harvesting through trenching and check dams[7], drought-tolerant agriculture, especially jujube and safflower, urban greenbelts to counter extreme heat, and distributed solar energy[8], particularly in off-grid regions.

Such interventions are low-cost, replicable, and locally accepted. They can reduce vulnerability, create employment, and improve food and water security. However, scaling them beyond pilot projects requires technical training, sustained finance, and coordination – none of which are possible at scale under current restrictions.

Local NGOs and development actors have shown significant capacity to implement such programs, but their funding remains precarious, especially with the closure of USAID. Without predictable financing, even modest gains risk being lost. Donor hesitancy, though understandable in light of political uncertainty, undermines the principle of “no one left behind” at the core of the Sustainable Development Goals.

[4] According to NEPA, 32 projects for adaptation and mitigation of climate change were suspended with the Taliban's takeover. <https://x.com/GMICafghanistan/status/1783029700870238682>

[5] For further details about implementation period and total funding, please refer to the ‘Trust Fund’ section on the Afghanistan profile in FAO website.

[6] Left Behind: Why Afghanistan Cannot Tackle Climate Change Alone by Assem Mayar, Global Outlook.

[7] The Food and Agriculture Organization of the United Nations built 7000 small check dams in Afghanistan. <https://x.com/FAOAsiaPacific/status/1768540786486825150>

[8] Following the 2021 transition, GCF suspended a distributed solar energy project worth USD 21.4 million. <https://www.greenclimate.fund/project/fp129#documents>

Policy incoherence and missed opportunities

The climate finance architecture—including the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund—has been unable to adjust to the political realities of fragile states. Afghanistan’s exclusion from COP28 and only symbolic observer participation at COP29 illustrate the persistent gap between global ambition and operational equity[9]. The country’s technical institutions—particularly the National Environmental Protection Agency (NEPA), which is the focal point for climate funding—remain operational, but without formal recognition or clear pathways for engagement, it is unable to represent Afghan interests or access relevant forums.

This exclusion has cascading effects. Afghanistan’s NDC align with international frameworks, but its submission to UNFCCC is blocked by political constraints. The absence of formal UNFCCC channels leaves the country adrift. The result is a widening gap between local capacity and international support mechanisms. This not only undermines the Paris Agreement but challenges the credibility of SDG 13 (Climate Action), SDG 6 (Clean Water), and SDG 2 (Zero Hunger).

Moreover, the rigid division between humanitarian aid and climate finance exacerbates coordination problems. Many climate adaptation needs in Afghanistan are framed as “emergency response,” yet without integrated development planning, there is no pathway to long-term resilience.

Decentralised climate finance: A viable pathway

Given the current state of engagement between the de facto authorities and the international community, full recognition remains less likely in the near term. Yet, delaying climate finance until recognition is achieved would be both impractical and unjust. To bypass political bottlenecks and respond to Afghanistan’s urgent needs, new modalities such as a decentralised climate finance model are essential. This would involve:

- Channelling funds via accredited intermediaries such as UN agencies, the World Bank, and INGOs. These institutions are eligible to submit proposals on behalf of Afghanistan and implement projects independently, without direct engagement with the de facto authorities.
- Accrediting capable national NGOs to manage smaller grants aligned with NDC targets, especially for disaster risk reduction, water conservation, and climate-resilient agriculture purposes. In October 2024, NEPA nominated two national NGOs for accreditation to the Adaptation Fund; however, the fund has neither initiated the evaluation process nor made a decision on the nominees.
- Mobilising South-South cooperation, especially from emerging contributors to climate funds such as Qatar, the UAE, China, Saudi Arabia and India, to directly finance community-based adaptation projects without relying solely on multilateral institutions.
- Regional climate monitoring initiatives should include Afghanistan to ensure early warnings, cross-border cooperation, and shared adaptation strategies.

[9] Participation of the de facto administration in COP29 is discussed [here](#) in detail.

Climate injustice and global responsibility

Afghanistan is emblematic of the paradox facing fragile states: being among the least responsible for emissions yet among the most affected. Yet global systems are failing to protect those most at risk. Denying access to adaptation funds due to political considerations directly undermines the principles of the Paris Agreement and the commitments of COP29, which pledged increased support for developing nations through 2035.

Climate justice requires equity, not equality. Treating all countries as if they have the same access to governance, stability, and resources ignores the realities on the ground. If fragile and least-developed countries like Afghanistan are excluded from global finance mechanisms, it jeopardises the credibility of international climate cooperation. A failure to act now may lead to higher future costs, unmanageable displacement crises, and systemic security risks in the broader region.

Policy recommendations

1. Reform access rules of international climate funds to prioritize fragile states through decentralised, actor-based funding channels. Although the frameworks of the Global Environment Facility (GEF) and the Adaptation Fund allow non-governmental organisations to be accredited as national or regional implementing entities, this option has not yet been utilised in Afghanistan's case—despite being particularly well-suited to its current political and institutional context. Climate funds should facilitate mechanisms that enable local and international actors to implement adaptation projects in Afghanistan and diversify their financing approaches to better accommodate fragile contexts.
2. Increase adaptation funding for non-state climate actors operating in Afghanistan, ensuring alignment with national climate plans. Afghanistan has been one of the least-funded countries in terms of climate finance, even during the period of the former Republic. Since the political transition in 2021, climate funding has declined further, despite the country's growing vulnerability. According to its Nationally Determined Contributions (NDC), Afghanistan requires substantial adaptation support, and as a signatory to the Paris Agreement, it is entitled to receive adequate and equitable funding. International climate finance mechanisms should recognise this right and increase support to credible non-state actors that can deliver on national climate priorities.
3. Integrate Afghanistan into regional initiatives, early warning and climate data-sharing systems to enhance resilience across South and Central Asia. Afghanistan was previously a participant in key regional initiatives such as the [Green Central Asia](#) platform and the World Bank-funded Central Asian Flood Early Warning System ([CAFEWS](#)). However, following the political transition in 2021, its membership in these initiatives was suspended. This exclusion is counterproductive, as Afghanistan is an upstream country in several major transboundary river basins and significantly influences downstream water availability and flood risks in neighbouring countries. In addition, the author contributed Afghanistan's historical hydrological data to the [Google Flood Forecasting Initiative](#). Yet, Afghanistan remains excluded from Google's coverage, even as neighbouring countries such as Pakistan and Tajikistan are included—largely due to political considerations. To minimise climate-related losses and promote regional stability, it is essential that Afghanistan's participation in these regional and global systems be reinstated. Technical cooperation should not be hindered by political barriers, especially when early warning and data-sharing directly impact the safety and livelihoods of millions across borders.

4. Commit long-term support for small-scale adaptation solutions, including disaster risk reduction and groundwater recharge measures, drought-resistant crops, and distributed solar energy. Large-scale infrastructure projects often require regional consensus, legal agreements, and extended timelines, which are challenging to achieve in fragile contexts like Afghanistan. In contrast, nature-based solutions (NBS), large- and small-scale, offer a more immediate and context-appropriate approach to reducing climate hazards. For these efforts to produce meaningful impact, however, they must be implemented at a sufficient scale. Urban areas, in particular, present opportunities to deploy small-scale NBS through cash-for-work programs that both build climate resilience and generate local employment. Sustained funding and technical support are needed to expand such interventions across vulnerable regions of the country.
5. Expand bilateral and South-South financing mechanisms from countries engaging with the De Facto Administration and are emerging contributor to climate funds to directly support vulnerable communities. Emerging economies—many of them in the Global South—are increasingly contributing to international climate finance. These countries, including Qatar, China, India, and the UAE, could channel resources directly to fragile states like Afghanistan through bilateral arrangements, bypassing the constraints of multilateral climate funds that are often hindered by sanctions or political conditions. Such direct financing mechanisms would allow urgently needed adaptation measures to proceed even in contexts where formal engagement through U.S.- or UN-sanctioned channels is limited. This approach not only supports climate resilience in Afghanistan but could also serve as a replicable model for climate adaptation in other fragile and politically complex environments in the future.
6. The De Facto Administration should also appoint impartial, technically qualified leadership to national environmental protection agency (NEPA), enabling the agency to participate in global climate dialogues and facilitate coordination without political recognition and barriers. Several former NEPA officials and other technically qualified individuals remain in Afghanistan. Appointing such professionals to leadership roles within NEPA would strengthen the agency's institutional capacity and credibility. This step would serve a dual purpose: it would enhance NEPA's ability to effectively engage in global climate platforms—such as the UNFCCC and COP conferences—and it would demonstrate the De Facto Administration's commitment to technical governance and environmental responsibility. Moreover, such appointments would support inclusiveness and professional representation of Afghanistan in international climate discussions, and could contribute to greater institutional coherence and legitimacy within the administration itself.
7. Acknowledge the legitimacy of NEPA's technical role and facilitate its engagement in UNFCCC-related functions to uphold Afghan participation in climate governance. NEPA, in particular, should be permitted to represent Afghanistan at COP30 in Brazil and to submit the country's second NDC to the UNFCCC, which is due this year. Notably, several regional countries have already submitted their third NDCs. This would enable Afghanistan to officially inform the UNFCCC and its member parties about challenges and developments, and to engage in discussions on feasible financial mechanisms, including with emerging contributors to climate funds.

Conclusion

Afghanistan stands at the crossroads of environmental crisis and political exclusion. While the international community debates emissions targets and finance pledges, millions of Afghans endure worsening climate-induced losses – conditions that intensify with each passing year.

Reimagining climate finance for fragile contexts like Afghanistan requires political courage, institutional innovation, and a genuine commitment to equity. It is not merely a technical challenge, but a test of the global community's dedication to resilience, justice, and peace. A decentralised, actor-based finance model—guided by national priorities and implemented by trusted intermediaries—offers a viable path forward. Strengthening NEPA's technical leadership, expanding South–South cooperation, and reintegrating Afghanistan into regional climate platforms are all realistic and necessary steps.

Ultimately, the question is not whether Afghanistan can adapt to climate change alone – it cannot. The question is whether the international community is prepared to uphold its promises, for the sake of Afghanistan's future and the integrity of the global climate regime.





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