

Beyond Short-Term Aid: Financing Durable Solutions for Displaced Afghans

Key findings and recommendations from an NRC study on financing approaches for durable solutions

NRC briefing note

After six years in Pakistan, Jar Khan, 53, returned to Afghanistan. He needs a daily job to provide for his seven-member family. Photo: Maisam Shafiey/NRC



About this briefing note

The Norwegian Refugee Council (NRC) recently commissioned a study examining which financing approaches can better support durable solutions for displacement-affected populations in Afghanistan.

The study assessed whether the current aid architecture, funding mechanisms and donor practices are enabling progress towards durable solutions in Afghanistan, in a context marked by large-scale returns from neighbouring countries, declining international assistance, widespread poverty and significant political constraints.

This briefing note summarises the key findings and recommendations from the final report [Beyond Short-Term Aid: Financing Durable Solutions for Displaced Afghans](#).

The report argues that durable solutions in Afghanistan will not be achieved through stand-alone returnee projects or short-term funding mechanisms. Instead, donors should support multi-year, area-based approaches that combine humanitarian assistance, basic human needs, livelihoods and recovery support, while strengthening community ownership.

Afghanistan's current financing model is not designed to support durable solutions

Afghanistan faces a major reintegration challenge following the return of more than six million Afghans from Iran and Pakistan since 2023. These returns are taking place in communities already affected by poverty, weak access to services, limited livelihood opportunities and reduced international assistance.

Since the Taliban takeover in 2021, pooled funds have taken on a significant role in the aid landscape in Afghanistan. Afghanistan currently has three pooled funding mechanisms, with the Special Trust Fund for Afghanistan (STFA) financing durable solutions programming, though solely for UN agencies. Each of the funds suffered falling donor support in 2025. Within the existing pooled funds (with the exception of the AHF), funding flows almost entirely to UN agencies, which contract NGOs and private sector actors for delivery.

At the same time, existing aid financing remains largely short-term, fragmented and organised around individual sectors and projects. At present, even donors traditionally supporting longer-term funding, such as the World Bank and STFA, have comparatively short-term funding. This limits the ability of aid actors to address the interconnected needs of returnees, internally displaced people (IDPs) and host communities over the longer term.

The study finds that existing durable solutions strategies are not guiding donors' funding decisions. Key response actors and international donors noted that further clarity on prioritisation, operational specificity and clear guidance on where investments should focus is necessary.

The report finds that aid actors should support integrated, area-based approaches that target entire displacement-affected communities and enable sustainable reintegration. Financing approaches must facilitate this shift, adapting to Afghanistan's political, operational and economic realities.

What the study found

1. Current funding approaches are limiting progress towards durable solutions in Afghanistan's 'politically estranged' context. Alternative approaches are required

Durable solutions are achieved when displaced people no longer have displacement-related assistance and protection needs and can exercise their rights without discrimination on the basis of displacement.

However, traditional durable solutions approaches rely heavily on government leadership, development partnerships and longer-term state-supported processes. In Afghanistan's current political environment, these conditions are constrained.

As a result, durable solutions have often been treated as an extension of humanitarian or basic human needs programmes rather than as a longer-term process requiring integrated investment.

While political constraints limit some traditional approaches, addressing the drivers of displacement and supporting sustainable reintegration still requires development-oriented and fragility-sensitive investments alongside humanitarian assistance.

What it means in practice

Donors need financing approaches that support durable solutions outcomes without relying on traditional development models that are currently difficult to apply in Afghanistan.

2. Community-led, area-based approaches provide a practical pathway for durable solutions

The study finds that area-based approaches offer the most realistic framework for supporting durable solutions in Afghanistan.

Rather than focusing only on individual categories of people, such as returnees or IDPs, area-based approaches focus on communities and geographic areas affected by displacement. They enable partners to address shared needs while responding to specific vulnerabilities linked to displacement.

This approach can bring together:

- basic services;
- livelihoods and economic opportunities;
- housing and infrastructure;
- protection;
- social cohesion;
- community participation.

Area-based approaches are also better suited to Afghanistan's political context because they support communities as a whole, facilitating the integration of displaced communities into national systems, rather than creating separate, politically sensitive return-focused programmes.

Bringing together multiple partners around a geographic area and shared reintegration outcomes, consortia can provide an effective mechanism for implementing area-based approaches and advancing durable solutions.

What it means in practice

Donors should make multi-year, area-based financing the default approach for supporting durable solutions in Afghanistan.

Funding decisions should be based on shared geographic priorities rather than isolated project proposals. To facilitate the development of these shared priorities, donors should finance coordination, joint analysis, monitoring and learning as essential programme investments.

3. Current funding approaches limit longer-term outcomes

The study finds that existing financing arrangements are not aligned with the realities of reintegration.

Funding remains predominantly:

- short-term;
- project-based;
- sector-specific;
- dependent on multiple layers of contracting and implementation.

While humanitarian and pooled funding mechanisms are a preferred mechanism for donors in Afghanistan, there are shortfalls with this approach. Short funding cycles and fragmented allocations make it difficult to invest in livelihoods, services, social cohesion and community recovery.

Long transaction chains, with funds passing through multiple actors before reaching communities, increase administrative costs and can reduce flexibility for organisations delivering assistance on the ground.

What it means in practice

Donors should scrutinise the value-for-money of multi-layered transaction chains and support more direct funding mechanisms, such as NGO consortia, that allow programmes to adapt to changing community priorities.

4. Local actors and Afghan NGOs must play a greater role in financing and decision-making

Local actors, including Afghan NGOs have long-standing relationships with communities and are central to delivering assistance across the country. However, they remain marginalised within current funding approaches and aid structures, with little or no say in the design of programmes they are contracted to implement.

Most international financing continues to flow through UN agencies and international organisations before reaching implementing partners. This limits direct access to resources and reduces opportunities for Afghan organisations to influence programme design and priorities.

Reduced international funding since 2021 has further weakened Afghan NGOs' capacity, while compliance and due diligence requirements remain significant.

While Afghanistan's aid architecture contains multiple coordination forums, it largely excludes local actors and Afghan NGOs and is not effective in supporting long-term assistance. The creation of Regional Teams leading on both humanitarian and basic human needs is expected to facilitate a holistic response and implementation of area-based approaches.

What it means in practice

Donors should increase direct funding opportunities for local actors and Afghan NGOs and support locally led consortia where Afghan organisations participate as equal partners.

Strengthening Afghan leadership is essential for sustainable, accountable and contextually appropriate responses.

5. Durable solutions require regional financing approaches

Afghanistan's displacement crisis is regional. Conditions in Iran and Pakistan directly influence return and reintegration outcomes.

Support provided before return, including documentation assistance, protection, livelihoods support and preparedness activities, can significantly affect prospects for successful reintegration.

However, donor funding remains largely organised through separate country-based mechanisms and annual cycles, limiting the ability to support people throughout displacement, return and reintegration pathways.

What it means in practice

Donors should establish regional financing approaches linking Afghanistan, Iran and Pakistan to better reflect the realities of displacement and return.

Recommendations for donors

Based on the study findings, NRC recommends that donors:

Recommendation 1: Shift towards multi-year, area-based financing.

Make area-based, multi-year financing the default approach for Afghanistan, with flexible funding across humanitarian assistance, basic human needs, livelihoods and recovery.

Within area-based programming, reduce bureaucratic requirements to allow funding to move across sectors and adapt to community priorities.

Why it works: Enables longer-term flexible investment in reintegration adapted to community needs and priorities, and reduces repeated cycles of short-term emergency response.

Recommendation 2: Use shared area plans to guide funding decisions.

Support Regional Teams and partners to develop shared area plans identifying needs, existing investments, gaps and priorities.

Why it works: Improves coherence, reduces duplication and ensures funding responds to collectively identified priorities.

Recommendation 3: Integrate displacement into broader programmes.

Ensure the systematic integration of the needs of returnees, IDPs and other displacement-affected populations within wider area-based, whole-of-community programmes.

Why it works: Prevents unsustainable parallel responses and supports social cohesion between displaced and host communities.

Recommendation 4: Increase support to local actors, and Afghan NGOs.

Expand funding opportunities for local actors, including Afghan NGOs, including support for NGO consortia with Afghan organisations as equal partners in programme design and governance.

Why it works: Strengthens local ownership, improves sustainability and reduces inefficient delivery chains.

Recommendation 5: Finance coordination, analysis and learning.

Provide resources for joint assessments, shared data systems, programme coordination and outcome measurement.

Why it works: Enables better prioritisation, adaptive programmes and stronger accountability for results.

Recommendation 6: Ensure flexible funding is available for multi-country programming.

Provide multi-year, regional and cross-border funding envelopes connecting programming in Afghanistan, Iran and Pakistan.

Why it works: Allows assistance to follow displacement and return pathways rather than being restricted by country-based funding cycles.

Conclusion

Afghanistan's current funding model is not sufficient to support durable solutions. Large-scale returns are occurring in a context of declining aid, limited economic opportunities and communities already facing significant pressure.

The study concludes that durable solutions will not be achieved through stand-alone projects. Progress requires a different financing approach: one that supports communities over time,

combines humanitarian and longer-term assistance, strengthens Afghan ownership and enables flexible responses to changing needs.

For donors, the priority is not to create a separate durable solutions funding architecture, but to adapt existing financing approaches so that they can deliver sustainable outcomes for displacement-affected communities.



Photo: Maisam Shafiey/NRC



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