

HPG Research Briefing

Diversity in donorship: the changing landscape of official humanitarian aid

Researched, written and published by the Humanitarian Policy Group at ODI

Adele Harmer and Lin Cotterrell, HPG

More and more governments are becoming involved in the response to complex crises and natural disasters. This growth in the number and diversity of official aid donors challenges perceptions that the rich industrialised countries are the only providers of assistance to crisis-affected states. It also presents important challenges to the way in which the international humanitarian system is financed, managed and coordinated.

In terms of the total volume of official aid, a small number of primarily Western governments provide the lion's share of international humanitarian assistance. These countries are represented on the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development. However, DAC donors have never enjoyed a monopoly on humanitarian action, and a diverse range of other countries has been engaged in international humanitarian response for many years. States from the Gulf, parts of Asia and Central Europe have been particularly active; South Africa and some countries in Latin America have also provided aid. The research reported on here refers to these governments as *non-DAC* donors, albeit with the proviso that they do not constitute a homogenous group.

Given the long history of aid engagement among many non-DAC donors, why should they be seen as particularly important today? First, the visibility of a number of non-DAC donors has

increased over the past few years. In some protracted crises, such as the occupied Palestinian territories (OPT), North Korea, Iraq and Afghanistan, non-DAC donors exert both financial and policy influence. The growth in contributions from non-DAC donors has caused some operational agencies, including UN agencies, to revise their fundraising and partnership strategies.

Second, it is generally acknowledged that there is a need to broaden the dialogue about international humanitarian assistance, and to make it more geographically, politically and culturally representative. Organisations concerned with humanitarian action, such as the UN, the DAC and the European Union (EU), are beginning to recognise the contribution of a wider range of donors. Regional groups like the League of Arab States, the Association of South-East Asian Nations (ASEAN) and the African Union have begun to act as fora where aid policy and related issues can be discussed.

About HPG

The Humanitarian Policy Group at the Overseas Development Institute is dedicated to improving humanitarian policy and practice. It conducts independent research, provides specialist advice and promotes informed debate.



Britain's leading independent
think-tank on international development
and humanitarian issues

Overseas Development Institute
111 Westminster Bridge Road
London SE1 7JD
United Kingdom

Tel. +44 (0) 20 7922 0300
Fax. +44 (0) 20 7922 0399

E-mail: hpg@odi.org.uk
Websites: www.odi.org.uk/hpg
and www.odihpn.org

The third issue concerns the way in which geopolitical and security concerns shape the nature of humanitarian response. Since 9/11, the counter-terror and security agenda has influenced international aid debates, particularly in correlating security and aid interests. This has had a particular influence in the Gulf States, given their focus on the Middle East and North Africa. These governments have attempted to raise the profile of their aid programmes, while at the same time increasing their regulatory control over private charitable activities, which have received negative publicity in the aftermath of 9/11. This has adversely affected humanitarian operational capacity in the region, and may have increased perceptions of significant divisions between Western and Islamic traditions of giving.

Drivers for aid-giving

As is the case with DAC donors, a range of political, economic, strategic and religious factors underpin aid-giving among the non-DAC countries. For many, aid donorship reflects wider political and ideological interests or concerns. For states like China, India and the former Yugoslavia, the political origins of their aid programmes can be traced back to the formation of the Non-Aligned Movement (NAM) in the 1950s, and the principles of the NAM – in particular respect for sovereignty and territorial integrity – shaped the way many non-DAC donors conceived of their international support. These principles remain important today. For example, they inform criticism of Western governments' adoption of 'humanitarian intervention' as a way of furthering broader political ambitions. For other states, such as Saudi Arabia and the countries of the former Soviet Union, international aid was driven by the ideological imperatives of alignment and the Cold War. Aid was designed, in part, either to spread or to contain communism.

For most countries, economic growth has been a key determinant of aid. Volumes of lending and grant assistance from the Gulf States are closely linked to oil revenue,¹ and the extension of aid programmes from China, India and South Korea over the past two decades reflects high levels of economic growth in these countries. Aid relationships have also been seen as a means of strengthening domestic economic growth by reinforcing trade and export ties. The relationship of aid to security concerns has become a factor in all donor decision-making in recent years; for South Korea and China, security factors related to North Korea have always loomed large, and concerns for Balkan stability were important in stimulating aid programmes from Central European states such as Slovenia in the 1990s. More recently, donorship in Central Europe has been motivated by a desire to be regarded as part of the regional economic and security union of European states. A sense of solidarity and kinship is also important; for the Gulf States in particular, the charitable obligations of Islam have been a strong driver of assistance, and Islamic solidarity has been an important factor in aid allocations.²

¹ Eric Neumayer, 'Arab-Related Bilateral and Multilateral Sources of Development Finance: Issues, Trends and the Way Forward', *World Economy*, vol. 27, no. 2, 2004.

² Leo Barasi, 'Saudi Arabia's Humanitarian Aid: A Political Takeover?', *Humanitarian Exchange*, no. 29, 2005.

Trends in aid policy and financing

Very few non-DAC states have developed official policy frameworks for international aid. Like the DAC donors, most international assistance is closely related to foreign policy and security objectives, and humanitarian aid has often been allocated in accordance with these goals. This is not to suggest that the relief of suffering is not a core objective for non-DAC donors. However, the scope and nature of the activities that these states call 'humanitarian' often seem to reflect a wider and more complex interpretation of the term. In the Gulf, for instance, humanitarian aid is often understood to include those things which are needed to fulfill a person's religious obligations and sustain their spiritual life.

There is a substantial challenge involved in measuring and monitoring financing flows from non-DAC donors. This is primarily because 'official aid' is not consistently defined or differentiated, and budgets and management responsibilities tend to be spread across many different government departments. As a result, there are no comprehensive data sources. This analysis is based primarily on data from OCHA's Financial Tracking System (FTS). It covers the period 1999–2004, and focuses on some 20 donors.³

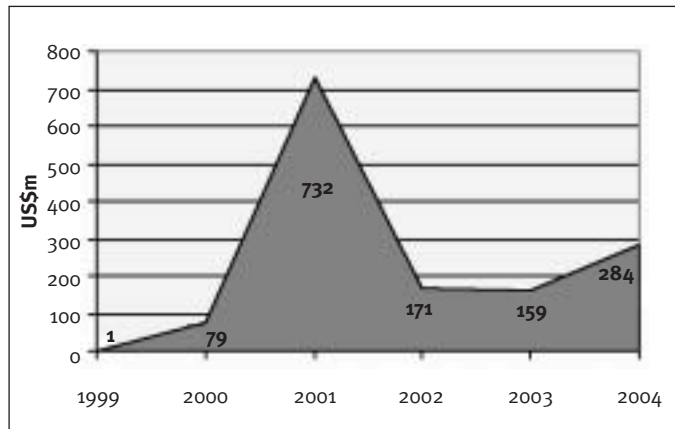
The analysis shows that non-DAC contributions have constituted between 1% and 12% of total global humanitarian assistance reported on the FTS over the five years between 1999 and 2004. As Figure 1 shows, contributions peaked in 2001 at \$732 million. This is largely explained by a large grant from Saudi Arabia to the OPT; overall, aid has been significantly more modest. As a proportion of their national income, Kuwait and Saudi Arabia provided the largest volumes of humanitarian assistance amongst non-DAC donors in 2003, at 0.062% and 0.027% respectively. Some non-DAC donors provide more humanitarian aid than some of their DAC counterparts: Saudi Arabia, for example, gives more than Austria, Ireland and New Zealand, all of whom are members of the DAC.

Non-DAC donors have provided humanitarian assistance to a large number of countries both within their own regions and more widely. However, there is a significant concentration of assistance on one or two major crises in any given year. In 2001, this was the OPT. In 2002, it was North Korea and Afghanistan. Iraq received the bulk of humanitarian assistance in 2003 (the pattern was similar for the DAC donors, although the concentration of non-DAC aid – at 72% – was much higher). North Korea and the OPT were the largest recipients in 2004. Figure 2 shows this pattern. This concentration of assistance means that, while the combined total assistance from non-DAC donors is relatively small compared to the DAC, certain non-DAC donors can play a critical role in certain environments.

Natural disasters account for a minority of non-DAC assistance: 19% of total non-DAC contributions in 2004, for example. This is still nonetheless against the general trend. Between 1999 and 2004, natural disasters accounted for only 8% of overall humanitarian aid shown on FTS. This may reflect the fact that many non-DAC donors have substantial domestic relief programmes for natural disasters.

³ This data and analysis is based on collaboration with the Global Humanitarian Assistance programme of Development Initiatives.

Figure 1: Total contributions from non-DAC donors, 1999–2004



Non-DAC donors often provide humanitarian assistance to countries with which they have a history of development cooperation, as an expression of solidarity. One consequence of this has been a continuing emphasis on bilateral assistance, with the majority of non-DAC humanitarian aid being channelled directly as government-to-government assistance, or through national Red Cross or Red Crescent societies. Non-DAC donors tend to defend this on the grounds that it forms part of a deeper, mutually-beneficial aid relationship, and adds to the visibility, speed and timeliness of response. These are all factors considered lacking in multilateral responses.

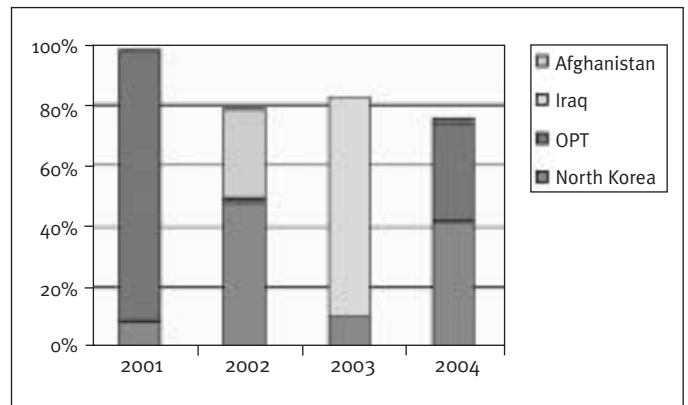
The share of non-DAC donor assistance channelled through UN multilateral mechanisms is relatively low, compared with bilateral channels. This is a clear challenge for the UN. There are, however, tentative signs that support for international organisations from the non-DAC donors may be increasing as a way of promoting the *international* visibility of their contributions. There is also a growing appreciation among the non-DAC donors of the strengths that the UN and partner agencies can bring to a response, including gaining access to populations in conflict-affected areas. The World Food Programme has received by far the largest share of non-DAC aid channelled through multilateral or international organisations, with contributions of around \$60m in 2002 and 2003.

Non-DAC donors have tended to provide a significant portion of their assistance in the form of gifts-in-kind, rather than cash. This includes food aid and other commodities, transport, logistics and technical support. Between 2002 and 2004, gifts-in-kind constituted approximately 60% of the total non-DAC donor contribution. According to FTS, the share of total humanitarian assistance allocated to food aid is similar for DAC and non-DAC donors.

Increased diversity in donorship: implications

The increased number of donors engaging in responses, the preference of non-DAC donors for bilateral aid, and the broader definitions of humanitarianism used among them suggest that the nature and shape of international responses to humanitarian crises is becoming much more complex. This has implications for the way in which the international humanitarian system functions as a whole. The challenges are made more difficult by the fact that non-DAC donors are

Figure 2: Recipients of non-DAC aid, 2001–2004



under-represented in the international fora in which aid policy is discussed and decisions are made. There are signs, however, that some of these challenges are beginning to be addressed, primarily in three areas: the development of aid partnerships; mechanisms to reflect the universality of response; and South–South and regional cooperation.

Aid partnerships

UN agencies and some international NGOs first attempted to engage with non-DAC donors by asking them for financial support for core programming needs or for emergency appeals. This approach was problematic: non-DAC donors have never suffered from a shortage of channels, and the benefits of multilateral giving were not convincingly argued from a non-DAC perspective.

These difficulties led to a more policy-based approach to engaging with these donors. OCHA, the UN High Commissioner for Refugees and WFP are developing ‘new partnership’ strategies in order to strengthen, diversify and expand relations. WFP is perhaps the most advanced humanitarian agency in this respect. Strategies include encouraging twinning arrangements, matching donors with a specific appeal or development project and promoting debt swaps. Many UN agencies have also encouraged non-DAC donors that are also aid recipients to contribute to covering the needs of their own programmes, as well as helping with operations beyond their borders.

DAC donors too have sought to strengthen their links with non-DAC states. In 2005, the DAC and the UN Development Programme (UNDP) hosted a ‘forum on partnerships for more effective development cooperation’, with a view to bringing non-DAC donors into discussions of issues of policy and practice. This is a significant step towards greater inclusivity. However, the criteria for joining the DAC remain strict, and depend on OECD membership. It is therefore unlikely that the DAC could ever be truly representative of the global pool of donor governments. UNDP – with its strong networks and established aid dialogue with non-DAC countries as *recipients* – may be an important actor in enhancing aid dialogue and cooperation in the future.

Some DAC donors have supported greater dialogue and partnership efforts bilaterally. Japan, for example, has financed technical cooperation provided by Asian countries

to Africa. Other DAC countries have begun to pursue dialogue through donor support groups, through capacity-building programmes, and through the promotion of lesson-learning and peer review.

The universality of humanitarian assistance

The importance of upholding humanitarian action as a universal pursuit has also provided impetus for increasing international dialogue and cooperation with non-DAC donors. The UN's political fora have obvious importance in ensuring that the dialogue on humanitarian action remains as inclusive as possible. In the General Assembly and the Economic and Social Council (ECOSOC), non-DAC countries are primarily represented by the G-77, the largest single coalition of developing countries. Since 1998, ECOSOC has included a dedicated high-level humanitarian segment. This is an important forum for a wider range of donors to discuss issues in the humanitarian sector, such as the relationship between international humanitarian action and sovereignty and territorial integrity, the issue of internally displaced persons, and funding for natural disaster preparedness. Non-DAC states like India and Brazil are also keenly interested in broader UN reform, including membership of the Security Council, and highlight their growing aid and peacekeeping efforts to support their claims.

Red Cross and Red Crescent national societies and the international movement are important mechanisms for reflecting the universality of humanitarian action. In the Gulf in particular, there have been concerted efforts to enhance coordination between the national societies and the broader international movement. In Asia, ways of improving regional coordination between national societies have been identified in relation to the unprecedented response to the Indian Ocean tsunami in early 2005.

South–South and regional approaches

South–South cooperation has been a key leitmotif of the non-DAC aid agenda, and is likely to remain important. In addition, the growing emphasis on regionalism in economic cooperation and security policy will mean that the capacity of regional groupings to function as a mechanism for aid coordination and discussion is likely to expand. In the Gulf States, regional cooperation in aid policy has increased through the Gulf Cooperation Council, the League of Arab States and the Arab Group at the UN. In Asia, the establishment of 'ASEAN+3' in 1997 may lead to greater discussion on aid-related issues between ASEAN and China, Japan and South Korea. In July 2005, ASEAN's ten members finalised an Agreement on Disaster Management and Emergency Response. In Europe, the EU's Humanitarian Assistance Committee (HAC) has been a vehicle for mentoring and capacity-building exercises for the new member states.

Conclusions

A wider and more diverse range of official donors than ever before are involved in providing humanitarian aid outside their borders. This growing diversity has been weakly documented, and remains under-appreciated in debates on humanitarian action, as well as in broader developmental agendas.

This increasing diversity has a number of important implications. First, it reinforces the argument that humanitarianism is, and has always been, a universal pursuit, neither entirely dominated by Western states, nor biased exclusively towards Western interests. Second, while these aid programmes are no more immune from foreign policy and security influences than those of the DAC donors, the nature and roots of these interests are often quite different. The humanitarian community needs to understand these distinctions better. This is not to imply that aid efforts should be dominated by politics, but an increased awareness of the political drivers and incentives involved would allow for more effective management of the tensions that may arise. Third, the factors that underlie these differences shape the debates in UN and regional fora on issues of sovereignty and the politics of 'humanitarian intervention'. As non-DAC donors become more closely involved in collective efforts to respond to crises, particularly via multilateral mechanisms, these debates and policy approaches may change. A greater appreciation among *all* donor governments of the issues raised by their engagement in crisis states might encourage constructive dialogue on some of the high politics of humanitarian response, as well as on its core objectives.

The international humanitarian enterprise is at an important juncture. It has always been difficult to gauge the impact of donor decision-making and resource allocation on humanitarian outcomes. This will become a more significant question as more and more donors become involved. Increased transparency in aid allocations and financial reporting will be vital if we are to obtain a clearer picture of trends in aid flows, and assess whether financing is being allocated according to need across humanitarian crises. This will also help in understanding the relative importance donors are giving to different crises, and to different delivery channels and sectors.

Whilst non-DAC donors currently account for only a small share of official international humanitarian assistance, that share is likely to grow considerably, especially if aid-giving from countries such as China and India remains linked to economic growth. In any case, the political and cultural significance of this aid is far more important than its absolute value, particularly given the challenges to the idea that humanitarianism is based on universal values. It is crucial that these governments are encouraged to engage in greater humanitarian dialogue with other donors, and to participate more fully in international debates. Equally, there will need to be a corresponding investment in understanding the various traditions, values and visions of humanitarianism itself.

This HPG Research Briefing is drawn from Adele Harmer and Lin Cotterrell, *Diversity in Donorship: The Changing Landscape of Official Humanitarian Aid*, HPG Report 20, September 2005.

The full report, together with background papers on specific case-study countries, is available from the ODI website at www.odi.org.uk/hpg/ndd.html.

© Overseas Development Institute, 2005.

Download this paper at www.odi.org.uk/papers/hpgbrief20.pdf.