

# HPG Research Report

## **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**

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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](mailto:hpg@odi.org.uk)  
Websites: [www.odi.org.uk/hpg](http://www.odi.org.uk/hpg)  
and [www.odihpn.org](http://www.odihpn.org)

## **The authors**

Adele Harmer is a Research Fellow with the Humanitarian Policy Group (HPG) at the Overseas Development Institute (ODI). She is currently based in New York, working in collaboration with the Center on International Cooperation, New York University.

Lin Cotterrell is a Research Officer with HPG.

## **Acknowledgements**

ODI would like to thank the wide range of organisations and individuals that assisted and supported this study. We owe particular thanks to Gareth Price of Chatham House for his background study on India as an emerging donor, Sven Grimm of ODI for his contribution to the study on Central Europe, Leo Barasi for his study on Saudi Arabia, Judith Randel and her team at Development Initiatives for their background research on financial trends among non-DAC donors, and Robert Smith and his team at OCHA's Financial Tracking System. We would also like to thank Zhang Min and colleagues at the Chinese Academy of Social Sciences, without whose valuable support the research on China's aid programme would not have been possible. We would also like to extend our thanks to the many interviewees and organisations in the countries we visited for their time and generosity in providing valuable information and insights on the aid programmes of non-DAC donors (a full list of interviewees is in Annex 1). Thanks also to our peer reviewers and colleagues in HPG for critical comments on drafts of the report, and to our editor, Matthew Foley.

The views expressed in this paper were informed by discussions with our interviewees, but do not necessarily reflect the views of those individuals or their organisations. Responsibility for any errors of fact or interpretation remains the authors'.

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

Tel: +44(0) 20 7922 0300  
Fax: +44(0) 20 7922 0399  
Website: [www.odi.org.uk/hpg](http://www.odi.org.uk/hpg)  
Email: [hpgadmin@odi.org.uk](mailto:hpgadmin@odi.org.uk)

**ISBN: 0-85003-774-3**

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# Acronyms

<b>ADB</b>	Asian Development Bank
<b>AFESD</b>	Arab Fund for Economic and Social Development
<b>AGFUND</b>	Arab Gulf Fund for UN Development and Humanitarian Organisations
<b>ASEAN</b>	Association of South-East Asian Nations
<b>DAC</b>	Development Assistance Committee of the OECD
<b>DFID</b>	Department for International Development, UK
<b>ECOSOC</b>	Economic and Social Council
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organisation
<b>G-77</b>	Group of 77 (est. 1964 by 77 developing countries; now 132 members)
<b>GCC</b>	Gulf Cooperation Council
<b>GDP</b>	Gross domestic product
<b>GNI</b>	Gross national income
<b>ICRC</b>	International Committee of the Red Cross
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies
<b>KFAED</b>	Kuwait Fund for Arab Economic Development
<b>KOICA</b>	Korean International Cooperation Agency
<b>LAS</b>	League of Arab States
<b>MOFCOM</b>	Ministry of Commerce (China)
<b>NAM</b>	Non-Aligned Movement
<b>OCHA</b>	UN Office for the Coordination of Humanitarian Affairs
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OHA</b>	Official Humanitarian Assistance
<b>OPEC</b>	Organisation of Petroleum Exporting Countries
<b>RCS</b>	Red Cross/Red Crescent Society
<b>SFD</b>	Saudi Fund for Development
<b>UN</b>	United Nations
<b>UNDP</b>	UN Development Programme
<b>UNHCR</b>	UN Office of the High Commissioner for Refugees
<b>UNICEF</b>	UN Children's Fund
<b>UNRWA</b>	UN Relief and Works Agency for Palestine Refugees in the Near East
<b>WFP</b>	World Food Programme



# Abstract

More and more governments are becoming involved in the response to complex crises and natural disasters. In the mid-1990s, 16 donor governments officially pledged their support in response to the humanitarian crisis in Bosnia. A decade later, after the Indian Ocean tsunami, an unprecedented 92 countries responded with pledges of support.

This growth in the number of official donors presents the humanitarian community with significant opportunities, not least in challenging perceptions that the countries of the industrialised West are the only providers of assistance to the developing world. These changes signal a growing pluralism in the foundations of official giving.

The engagement of a wider range of donors in humanitarian action also presents significant challenges to the way in which the international humanitarian system is financed, managed and coordinated. Historically, a small number of primarily Western governments have provided the bulk of the funding for humanitarian action and, through membership of the Development Assistance Committee (DAC) of the OECD, have tended to dominate public debates about the direction, purpose, principles and methodology of relief.

Countries with DAC membership do not, however, represent the totality of aid, nor are all the DAC's members necessarily the most significant aid-givers. Important donors, such as China, Saudi Arabia and India, are not members of the DAC, and may not follow the major Western states in their rationales for aid interventions, their policy priorities and their choice of response channel. Although trends in financing, including total volumes of assistance, are hard to determine, this set of donors has accounted for up to 12% of official humanitarian assistance in a given year, and their influence in certain crises, such as Afghanistan, North Korea and the occupied Palestinian territories, is significant.

At a time when the international humanitarian system is faced with a significant reform agenda, there is a vital opportunity to assess the way in which current debates might involve a broader range of donor governments. However, any hopes for sustained dialogue and effective collaboration with these states, or for long-term financial support from these donors to multilateral efforts, will require a deeper investment in understanding their policy objectives for allocating assistance to certain crisis environments. It will also be important not to assume that the policies and processes of the traditional donor 'club' are necessarily the best.

Despite considerable changes in humanitarian donorship, there has been little independent research or analysis on the growing diversity of governmental donors, and how this influences international humanitarian action. This report aims to contribute to filling this gap.





# Executive summary

For many years, there has been a view that it is the rich, industrialised world that provides support to crisis-affected countries. In terms of the total volume of aid, this remains the case. The bulk of humanitarian financing comes from a set of wealthy, industrialised countries, a group best represented by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). However, a much more diverse range of official donors are involved in humanitarian response. States in the Gulf are particularly active, as are countries in Asia, the accession states to the European Union (EU), South Africa and countries in Latin America. These donors have been engaged in humanitarian response for many years, including providing assistance outside their borders, hosting refugees and providing troops to UN peacekeeping missions. These donors are outside the traditional ‘club’ of the DAC and other key fora in which the policy, principles and practices of humanitarian donorship are discussed and debated.

This report explores the role of these donors in international humanitarian action. It details their history of aid-giving, financing trends and institutional and policy frameworks, as well as the implications of their efforts for the international humanitarian system. The report refers to these governments as *non-DAC* donors, albeit with the proviso that they do not constitute a homogenous group.

## Drivers of non-DAC aid

As with the DAC donors, a range of political, economic, strategic and religious factors underpin aid donorship among non-DAC countries. For many, aid-giving reflects wider political and ideological interests or concerns. The political origins of aid programmes in China, India and Yugoslavia, for instance, can be traced back to the formation of the Non-Aligned Movement (NAM) in the 1950s, which formulated a rationale for assistance between developing countries. The principles of the NAM – in particular respect for sovereignty and territorial integrity – remain important today, and inform criticism of Western governments’ adoption of ‘humanitarian intervention’ as a way of furthering broader political ambitions. The roots of the NAM have also informed the wider pursuit of South–South (or East–East) cooperation, which has been (and remains) a key leitmotif of non-DAC aid. For other states, such as Saudi Arabia, international aid was driven, not by a sense of solidarity within a non-aligned world, but 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 also been a key determinant of aid. This is particularly the case for the oil-

rich economies of the Gulf, where lending and grant assistance has been closely linked with oil revenues. The development of aid programmes in China, India and South Korea has gone hand in hand with significant levels of economic growth in these countries over the past two decades. Security factors too are important: for South Korea and China, security concerns 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. The aid and security agenda has become more influential after 9/11, and this has particularly affected the aid programmes of the Gulf States, given their focus on the Middle East and North Africa.

## Trends in aid policy and financing

Legal frameworks relating to official humanitarian assistance are rare among DAC member countries, and this is also the case for non-DAC assistance. Very few non-DAC states articulate the objectives of official humanitarian aid, and most aid is closely related to foreign policy and security objectives. Decision-making and resource allocation tend to be spread across a number of departments, each controlling small amounts of ‘official aid’ expenditure. This makes it difficult to trace and measure aid spending, a difficulty compounded by the fact that ‘official aid’, whether humanitarian, developmental or in the form of broader economic cooperation, is not consistently defined. 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 than is the case within the DAC.

Indicative findings of the research reported on here suggest that non-DAC donors represent up to 12% of official humanitarian financing in any given year. These donors are engaging in a growing number of countries, though they concentrate the bulk of their resources on a few specific crises, particularly in neighbouring countries. There is a strong preference for bilateral aid over multilateral routes, particularly government-to-government, as well as through national operational agencies like the Red Cross/Red Crescent societies. This preference for bilateral routes reflects a view that aid is part of a deeper, mutually-beneficial partnership. It also stems from a desire for visibility, and for aid to be delivered in a timely manner. Non-DAC donors have not seen multilateral contributions as offering these advantages. This constitutes a clear challenge for the UN’s humanitarian agencies.

### Implications for humanitarian action

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, as well the way in which it shapes and develops norms for humanitarian donorship. Non-DAC donors remain under-represented in the international fora in which aid policy is discussed, and decisions are made.

Whilst non-DAC donors currently account for only a small share of official 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 in the light of new security agendas and challenges to the idea that humanitarianism is based on universal values. It is crucial that these governments are encouraged to engage in greater dialogue with other donors, and to participate more fully in international debates.

There is no easy way to bring this diverse range of donors into the key fora in which humanitarian policy is discussed. Groupings like the DAC have restricted membership, and it is unlikely that the DAC could ever be truly representative of the global pool of donor governments. Nor is it clear that

there are incentives for non-DAC donors to join established humanitarian donor 'clubs', especially if the norms, rules and procedures are presented as fixed.

There are signs that some of these challenges are beginning to be addressed, primarily in three areas. First, there is recognition of the need for efforts to develop more sustained aid partnerships among non-DAC donors and other actors in the international humanitarian community. In particular, new partnerships have been established between non-DAC donors and UN humanitarian agencies, and the Red Cross/Red Crescent Movement. DAC donors have sought to strengthen their links with non-DAC states, both through the forum of the DAC and by building bilateral aid relations. Second, the importance of upholding humanitarian action as a universal pursuit has been an effective impetus to increasing international dialogue and cooperation with non-DAC donors. A greater appreciation among all donor governments of the issues raised by their engagement in crisis states might encourage constructive engagement on some of the high politics of humanitarian response, as well as on its core objectives. This will require greater transparency in aid allocations and financial reporting to international mechanisms, as well as a clear articulation and shared understanding of the objectives of humanitarian aid. Finally, ongoing investment in South-South cooperation, as well as utilising regional fora as mechanisms for aid policy coordination and dialogue, have been key leitmotifs of the non-DAC aid agenda, and are likely to remain important.

# Chapter 1

## Introduction and background

### 1.1 The changing landscape of official humanitarian donorship

In 1994, in response to the humanitarian crisis in Bosnia, 16 donor governments officially pledged their support to assist the affected population. Almost a decade later, in responding to the crisis in Iraq, the hosts of the Madrid pledging conference might have been hard-pressed to find enough flag-poles to accommodate the colours of the 73 countries that attended. In 2005, in an unprecedented response, 92 countries pledged support to those affected by the Indian Ocean tsunamis.<sup>1</sup> This is a stark, albeit crude, illustration of the increased importance governments around the world are placing on supporting responses to high-profile humanitarian crises.

The increasing number of donor governments supporting humanitarian action challenges a number of preconceptions. For the most part, there has been a view that it is the industrialised, developed world that provides support to developing countries. In terms of the total volume of financing, a small number of primarily Western governments (as well as private contributions) carry the lion's share of the burden. These countries are largely represented by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). Western donors have always considered the DAC to be the main forum in which to pursue dialogue and consultation on assistance to less-developed countries. Twenty-two countries and the European Commission (plus eight observer states) make up the DAC, including nations from North America, Western Europe and the Asia-Pacific.<sup>2</sup> Although the DAC has expanded from its original nine members in the 1960s, its membership continues to be dominated by influential Western donor states.<sup>3</sup>

Despite appearances, DAC donors have never enjoyed a monopoly on international humanitarian action, and a diverse range of donor governments has been engaged in humanitarian action for many years. This has included providing humanitarian assistance and hosting refugees, as well as contributing troops to UN peacekeeping missions with mandates to protect civilians, create safe havens, protect

aid delivery and ensure access for humanitarian actors. These donors operate in many of the same environments as DAC donors. In certain contexts, such as Afghanistan, North Korea, Iraq and the occupied Palestinian territories (OPT), they account for a significant proportion of the overall assistance given by the international community. States such as Saudi Arabia, Kuwait, South Korea, Qatar, India and South Africa gave more in 2003 than some DAC donors, both in absolute volume and as a share of national wealth. Reported contributions from Saudi Arabia, for example, totalled \$58 million in humanitarian assistance in 2003, more than was spent by five of the DAC donors.<sup>4</sup>

The potential impact of these donors relates not only to the volumes of financing that they allocate to operational responses, but also to their policy objectives and the way in which they shape debates on humanitarian action, either bilaterally or through multilateral fora. Within the UN, dialogue has often been influenced by the Group of 77 (G-77), the largest single coalition of developing nations.<sup>5</sup> These donors often have differing concerns, and different preferences for the way in which humanitarian action should be pursued. Their ambitions reflect their emergence as more significant political and economic actors, and their desire to influence both regional and international political and security issues. Thus, the engagement of these states poses significant challenges to underlying assumptions regarding the nature of humanitarian response and the international humanitarian architecture – how the system is financed, managed and organised, and how policy is developed and coordinated.

The donors reviewed in this report are illustrative of those that remain outside the traditional donor 'club' of the DAC and other key fora in which the policy, principles and practice of humanitarian donorship are discussed and debated. On this basis, the study refers to the group as a whole as *non-DAC*. Whilst it is not ideal to define a group in the negative, this is probably the most appropriate way of identifying an extremely diverse range of donors with differing histories, policies and interests in aid donorship. Referring to these donors as 'new' or 'emerging', as some aid discourse suggests, downplays their significant histories of aid donorship. The Central European states, for example, were aid-givers during the communist period. The Gulf States too have a history of development

1 Eighty-four governments made contributions based on these pledges. See <http://ocha.unog.ch/fts/docs/downloadDoc.aspx?RefID=Doc19>.

2 See Annex 2 for a full list of DAC members. The eight OECD countries that hold observer status with the DAC are the Czech Republic, Hungary, Iceland, South Korea, Mexico, Poland, Slovakia and Turkey.

3 It is unlikely that membership of the DAC will greatly increase from the current 23 due to strict membership criteria, and a concern not to allow it to become too unwieldy.

4 UN Office for the Coordination of Humanitarian Affairs' Financial Tracking System (FTS).

5 The G-77, originally established in 1964, comprises 132 states. The original name was retained because of its historic significance. See <http://www.g77.org/indexswf.htm>.

financing and support to Arab and Muslim populations. Asian countries have for many years been responding to natural disasters within their borders and in the region, and have provided development and economic aid to their neighbours and further afield.

This study analyses a broad cross-section of non-DAC donors from three major regions – Central Europe, Asia and the Gulf. These are, in Europe, the Czech Republic, Poland and Slovenia; in Asia, China, India and South Korea; and, in the Gulf, Kuwait, Saudi Arabia and the United Arab Emirates (UAE). The study identifies both regional trends, and patterns that are more specific to an individual donor country. The study is not intended to be comparative, and findings are meant to be illustrative, rather than comprehensive. The case study regions and the specific countries within them are not necessarily the only influential non-DAC countries in terms of policy or volumes of financing, although Saudi Arabia, Kuwait and South Korea have dominated non-DAC financing over the past five years. In particular, the study does not include detailed analysis of Latin American or African states. This is an important avenue for further research.

### **1.2 The changing humanitarian landscape: why is it important?**

Given the long history of aid engagement of many of these donors, why should they be particularly important today? There are several reasons.

First, the number of non-DAC donors contributing to international humanitarian response, and their visibility within the humanitarian system, has increased over the past five years. In some of the world's more contested and protracted crisis environments, such as the OPT and North Korea, non-DAC donors have exerted financial and policy influence. The growing activity of non-DAC donors has become part of the strategic objectives of the UN Emergency Relief Coordinator, and of many UN agencies:

*If we are to build a truly international base for humanitarian action, we must engage and encourage new 'non traditional donors' in non-traditional ways. The growing economies of Asia, Latin America and Eastern Europe should take responsibilities for providing cash, the in-kind assistance and the personnel for humanitarian solidarity, proportional to their growing share of the global economy. We cannot continue to have in the new millennium a top ten donor list which includes several small countries with a small proportion of the world economy. Other, bigger countries must be added to the list of those providing effective assistance to people in greatest need. As humanitarian agencies, we should be more effective in enlisting new partner countries as contributors of the personnel, or the commodities or the cash we need (Egeland 2003).*

Second, it is generally recognised 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. In turn, several non-DAC donors have begun to adopt more important roles in donor support groups and in the executive committees of humanitarian agencies, as well as in UN fora, including the Economic and Social Council (ECOSOC). Many of these donors are also important actors in broader UN reform debates. China and Russia, for example, have permanent seats on the Security Council, and India is interested in seeing the expansion of the Council's permanent membership. In Europe, the ten accession states to the EU participate in the setting of policy for the Union's humanitarian aid, as well as in related areas, including security policy. Other non-DAC donors are engaged in regional dialogue on aiding crisis-affected states in groupings such as the League of Arab States (LAS), the Association of South-East Asian Nations (ASEAN) and the African Union (AU). These organisations have begun to assume a more important role in formulating common approaches to issues such as conflict resolution, disaster preparedness and regional security.

The third issue concerns the way in which geopolitical and security concerns influence 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 (Macrae and Harmer 2003). This has most particularly affected 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, and to increase their regulatory control over charitable activities, which have received negative publicity in the aftermath of 9/11. This has affected humanitarian operational capacity in the Gulf, and may have increased perceptions of significant divisions between Western and Islamic traditions of giving (McNamara 2003).

The convergence of these three issues – the increasing influence of non-DAC donors in certain environments; the importance of diversifying donor engagement in aid fora; and the need to resolve underlying tensions in how humanitarianism is perceived – makes the issue of non-DAC donors an important area of focus today. Although there is no simple route to sustaining a dialogue with such a diverse range of donors, this is a vitally important goal, particularly at a time when the international humanitarian system is undergoing major change.<sup>6</sup> More specifically, these non-DAC donors remain outside some of the core policy initiatives being advanced by DAC donor governments. This is particularly the

<sup>6</sup> See, for example, UK Secretary of State for International Development Hilary Benn's speech 'Reform of the international humanitarian system', 2003, <http://www.dfid.gov.uk/news/files/Speeches/bennaidssystemreform.asp>.

case in relation to the Good Humanitarian Donorship (GHD) initiative, which seeks to ensure that donors contribute to a more principled and effective humanitarian response system (Harmer, Cotterrell and Stoddard 2004). Enabling these fora to involve a greater diversity of donor governments and their interests will be important.

### 1.3 Study background and methodology

This report stems from a body of work by the Humanitarian Policy Group (HPG) on the changing role of official donors in humanitarian action (Macrae et al. 2002). It also draws on ongoing work on the development and implementation of the GHD initiative. The methodology has involved analysis of primary and secondary literature, including relevant policy documentation from non-DAC donors, complemented by approximately 150 interviews with key officials from donor governments, the UN, international organisations and local and international NGOs and academics. Six background case studies were also undertaken.<sup>7</sup> Three field studies, led by HPG, were conducted in Central Europe (Poland, the Czech Republic and Slovenia) in July 2004; the Gulf States (the UAE and Kuwait and, for a wider regional perspective, Egypt) in December 2004; and Asia (China and South Korea) in April 2005. A separate study was carried out in India in March 2005. In addition, a desk study on Saudi Arabia's official aid was undertaken in the summer of 2004, to support the findings from the Gulf States work.<sup>8</sup> An additional component of the study analysed financial trends among the selected non-DAC donors. This included identifying the volumes, recipient countries, types and purposes of aid, the channels for disbursement and bilateral and multilateral preferences. The background financing study was undertaken in collaboration with Development Initiatives (DI), and its key findings are reported in Chapter 3.<sup>9</sup> While broad in its scope, the study is limited by the fact that much of the basic documentation and financing data is difficult to obtain, and sometimes unavailable. Nonetheless, the quantitative and desk-based analysis was greatly enhanced by findings from the field studies, offering additional insights into policy approaches and the nature of financing from non-DAC donors.

### 1.4 Case study selection

The case study regions – Central Europe, the Gulf and Asia – were selected to enable us to examine a specific set of concerns and themes. They are intended to be illustrative of some of the key facets of the changing shape of international donorship around the world. Other examples are provided as appropriate.

Central Europe was chosen primarily to examine the impact of accession to the EU, and the legal obligations and challenges this process posed. The three Central European countries are a useful way of exploring changing patterns of receivership and donorship over time, particularly whether aid priorities during the communist period have influenced these countries' international aid programmes today. Within this region, Poland and the Czech Republic were selected because they are significant political and economic actors among the accession states, and because their reform processes are relatively advanced. At the time of the study, both countries had nascent development programmes and small but influential NGO communities; some of these NGOs were recognised as official partners of the European Commission's Humanitarian Aid Office (ECHO). Both of these countries are members of the OECD, and have observer status in the DAC (this is also the case for Slovakia and Hungary among the EU accession states). Slovenia was chosen because its tradition of aid donorship (as part of the former Yugoslavia) sets it apart from most Central European countries. These three studies aim to capture the diversity of experience amongst new EU member states.

The Gulf States have a long history of aid donorship, partly thanks to oil wealth and traditions of charitable giving and solidarity with Arab and Muslim populations, and because of their proximity to a number of high-profile crises. Saudi Arabia, Kuwait and the UAE were chosen as case studies because they are three of the largest official donors in the Gulf. The Gulf States also allow us to explore the influence of Islamic approaches to charitable giving on official aid programmes, as well as the impact of the 'Global War on Terror' on the regulatory environment for humanitarian assistance.

The Asia case study explores the official aid programmes of China, India and South Korea. These countries are the largest non-DAC donors in the region in terms of overall volume, as well as per capita expenditure and as a share of national income. The economic development and high growth rates in the region over the last few decades have been the cornerstone of these countries' aid programmes, but the case studies were also designed to explore the historical experiences and motives of aid engagement, including the influence of non-alignment, South-South cooperation and commercial interests. China and India are also significant in that both countries intend to make the transition from net aid recipients to donors, signalling their desire to develop aid programmes that reflect their growing international status.

### 1.5 Structure

This report is structured as follows. Chapter 2 analyses the key historical influences on aid-giving among these states, including political, economic and security factors. Chapter 3

<sup>7</sup> The six case studies are available on the HPG website at <http://www.odi.org.uk/hpg/ndd.html>.

<sup>8</sup> HPG was invited to Saudi Arabia for interviews with officials in January 2005, but budget limitations and timing meant that researchers were unable to go.

<sup>9</sup> Development Initiatives is engaged in an ongoing process of data-gathering on humanitarian aid flows from this group of donors, and further iterations of the financing analysis will be produced for *Global Humanitarian Assistance 2006* and other relevant initiatives, including GHD.

examines policy trends in aid financing, including volumes, recipients, forms and types, as well as channels for disbursement. Chapter 4 analyses contemporary aid policies and institutions in each of the donor countries, together with governance and accountability mechanisms. This is with a view to exploring both differences and

similarities in areas such as the legal basis for aid-giving, aid policy and operational capacity. Chapter 5 looks at the implications of this discussion for the international humanitarian architecture. The report concludes with a set of recommendations for non-DAC and DAC policy-makers, as well as humanitarian agencies.

## Chapter 2

# Historical influences and drivers for aid donorship

Aid donorship has a much longer tradition amongst non-DAC countries than most accounts suggest. For the majority of states reviewed in this report, grant assistance or development financing programmes began in the 1950s or 1960s. In this sense, their aid programmes are as old as those of many DAC donors. This long tradition of assistance is important. It challenges the perception that these donors are new or emerging aid actors, and implies the need for a deeper analysis of the factors that have influenced the evolution of aid-giving from this diverse range of countries. This chapter examines the factors underpinning the development of aid donorship among some of these non-DAC countries. In many respects, the general drivers and incentives for aid donorship are the same as for the DAC donors. At the same time, however, the nature of these interests, and their historical basis, are often quite different.

### 2.1 Political and ideological factors

As is the case for DAC donors, for non-DAC states drivers for aid-giving, and humanitarian assistance in particular, have reflected wider political and ideological interests or concerns. These political origins can be traced back a long way; in particular, the formation of the Non-Aligned Movement (NAM) in the 1950s played a catalytic role in the formulation of a rationale for assistance between developing countries. The principles of the NAM – especially respect for sovereignty and territorial integrity and non-interference in other countries' domestic affairs – have shaped the way many non-DAC donors have conceived of their support. These principles remain important today – for instance, they inform the G-77's criticism of Western governments' adoption of 'humanitarian intervention' as a way of furthering broader political ambitions.

India's aid programme began in the 1950s, with assistance to Nepal. As the architect of NAM, India has since continued to pursue the key principles of NAM in its aid relations and in its commentary on the policies of many Western donors. Price (2005) argues that India has emphasised the importance of unconditional aid, with a focus on technical assistance, and has presented its aid relations as a partnership, rather than as assistance. Aid has been seen as an expression of India's aspirations for leadership within the global community. A clear expression of this is India's contribution to peace and collective security efforts through the provision of UN

peacekeeping troops, and much of India's international assistance is channelled through the country's armed forces.<sup>10</sup>

For China too, the principles of non-alignment formed the basis of its aid policy in the 1960s. The eight principles guiding Chinese foreign aid, outlined in 1964, included an emphasis on equality and mutual benefit, and respect for the recipient's sovereignty. However, in later years the most influential factor in China's foreign aid has probably been its relations with Taiwan. In 1971 China gained international recognition when it replaced Taiwan in the United Nations. Taiwan subsequently attempted to offset China's diplomatic victory by establishing new or firmer relations with developing countries, particularly newly independent states in the Pacific, as well as in Latin America and the Caribbean (Lin 2001). The aid competition that ensued (cash grants, soft loans and technical assistance to recipient countries in return for favourable foreign policy support) marked a specific policy change in China. In place of earlier concerns, Chinese support was extended only to those 'friendly' countries that recognised Beijing's 'One China' policy (Lin 2001). Such 'cheque-book diplomacy', as it has been called, continues to influence China's aid policy today.

Non-alignment was also an important influence on the former Yugoslavia's early aid engagement. A 'Solidarity Fund for Non-Aligned and Other Developing Countries' was established in 1974, and assistance to developing countries was identified as a priority in the Yugoslav constitution (Mrak 2002). The Solidarity Fund had much of what is still considered 'good practice' for aid donorship today: an articulation of principles and goals; a definition of comparative advantage; and clear selection criteria, with the aim of giving at least two-thirds of grants to Sub-Saharan Africa and 20–25% to Asia. As was common in the 1970s and 1980s (and still is for some DAC donors), all grants were tied to 'goods and services of Yugoslav origin'. Humanitarian assistance explicitly included resources for 'liberation movements', and for countries suffering 'foreign aggression' (RCCDC 1983: 52–53).

For other states, international aid was driven, not by a sense of solidarity within a non-aligned world, but by the ideological imperatives of alignment and the Cold War.

<sup>10</sup> As of 31 July 2005, India's contribution to UN peacekeeping operations stood at 209 civilian police, 64 military observers and 5,918 troops. See [www.un.org/Depts/dpko/dpko/contributors/2005/July2005\\_1.pdf](http://www.un.org/Depts/dpko/dpko/contributors/2005/July2005_1.pdf).

During the communist period, the then Czechoslovakia and Poland provided support to ‘socialist brother countries’ or ‘friendly regimes’ throughout the developing world. Recipient countries included Cuba, Vietnam, Mongolia, Angola and South Yemen (Hancilova 2000; Macháček 2004). Aid was controlled by the Communist Party apparatus, and managed according to ideological dictates and Cold War priorities; there was almost no accountability to citizens, and ‘donations’ to aid initiatives were often mandatory (Hancilova 2000). Assistance was also provided by the Eastern bloc (and Yugoslavia) in the form of in-kind aid and scholarships for students from developing countries; Hungary, for example, educated an estimated 6,000 Cuban and 4,000 Vietnamese students during the communist period (Kotz and Stumm 2004). Despite the end of the Cold War and the very different political environment in Central Europe today, relations established during the communist period, including with Cuba, Vietnam and Angola, remain influential in Central European aid allocations.

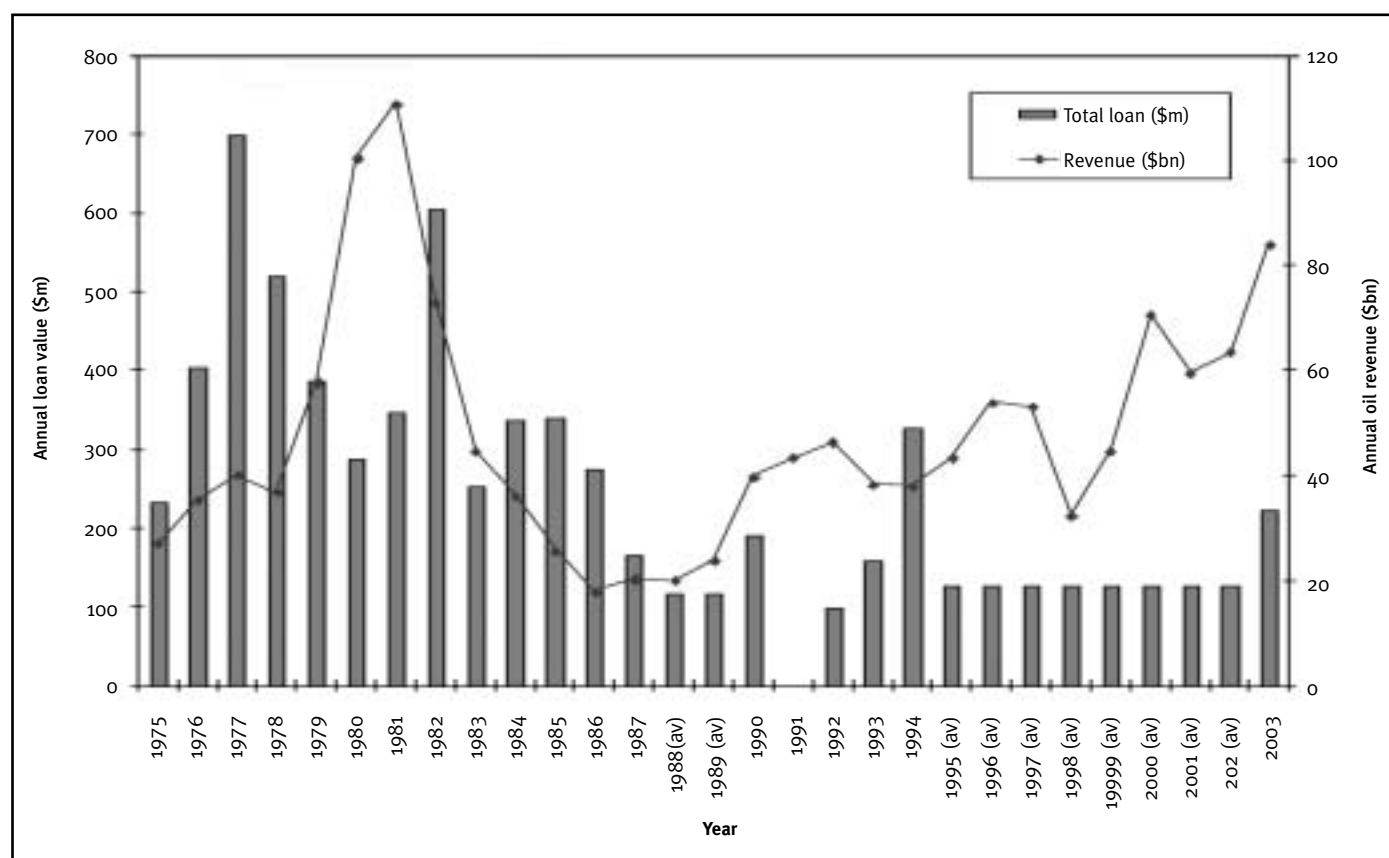
Other non-DAC donors were on the opposite side of the ideological divide. Saudi Arabia’s aid in the 1960s and 1970s, for instance, was designed in part to contain the spread of communism. Saudi Arabia was an important backer of anti-Soviet forces in Afghanistan after the Soviet invasion in 1979, and the country sent significant amounts of aid to Oman and North Yemen in the 1960s and 1970s to forestall the spread

of communism from South Yemen (Quant 1981, cited in Barasi 2004). The Saudi government also gave financial support to anti-Soviet governments and movements in Somalia, Zaire and Angola in the 1970s (ibid).

### 2.2 Economic factors

Very little empirical work has been done to determine the factors that encourage a country to become an aid donor, and the influence these factors have on the corresponding aid effort. In examining DAC donors, Round and Odedokun (2003) find that the higher the real income of the donor, the greater the fraction of real income given as aid (suggesting that aid is a luxury good in the state budget). Likewise, there is a clear connection between oil revenue and the lending patterns of Gulf donors (Neumayer 2004). For instance, the Saudi Fund for Development (SFD) was established in 1974, a peak year for oil exports (Barasi 2005). Development financing from other countries in the Gulf also began around this time: the UAE’s Abu Dhabi Fund for Development was set up in 1971. Figure 2.1 shows how the SFD’s capital increased dramatically in the early 1980s, in line with strong growth in oil revenue; conversely, declines in aid volumes in the early 1990s are likely to be linked to the costs and exogenous shocks of the Gulf War, particularly since no funds were disbursed in 1991 (Neumayer 2004; Barasi 2004).

Figure 2.1: SFD loans and oil revenues (drawn from Barasi, 2005)





China, India and South Korea have all experienced significant levels of economic growth over the past two decades. As a result, their capacity to provide aid financing has increased, and the extension and development of their aid programmes have been linked to their unprecedented economic expansion. Aid relationships have also been seen as a means of strengthening economic growth at home. South Korea's development loans, established in 1976, were linked with promoting exports and widening markets within the government's overall economic cooperation development policy (MOFAT 2005). India's aid to Bhutan, which has included funding for hydroelectric projects, is categorised as economic cooperation rather than aid. Indian assistance to Central Asia, particularly Afghanistan, has been driven by economic and energy interests (Ramachandran 2005), and India's long-standing practice of extending credit to developing countries, such as Bangladesh, Bhutan, Nepal and West African states, is intended in part to promote its exports (Price 2005). Likewise, India's decision in 2003 to repay its own bilateral debt to all but four of its creditors (made possible by soaring foreign-exchange reserves) was coupled with the launch of the India Development Initiative, intended to 'leverage and promote [India's] strategic economic interests abroad' (Price 2005).<sup>11</sup> In 2000, China hosted the first China–Africa Cooperation Forum, and this has served as a framework for a dramatic increase in Chinese trade with Africa (from \$10 billion in 2000 to over \$17 billion in 2003), and in Chinese aid to the continent.

While it is plausible that the development of a country's foreign assistance programme is in some sense linked to the development of its domestic economy, it should be noted that economic success is not a necessary precondition for aid donorship, particularly humanitarian aid. Some of the world's poorest countries offered assistance in the wake of the Indian Ocean tsunami, for example. Nor does the existence of a foreign aid budget imply the absence of human or economic problems at home. India, for example, ranks 127th in the Human Development Report (2005), while China accounts for an estimated one-fifth of the world's poor. Finally, aid-giving does not preclude the continued receipt of assistance. Despite initial rejections of help after the tsunami in 2005, India finally agreed to significant support, including from the UN and the EU.

### 2.3 Security factors

Security interests have also been important in shaping the direction and scope of aid programmes. For both China and South Korea, North Korea is a primary security concern. As a

consequence, it has consistently been one of the largest recipients of Chinese and South Korean aid; it receives the largest share of South Korea's aid budget (\$217 million between 2001 and 2004), and is heavily dependent on China for supplies of oil and food. Security concerns have also played a part in the development of India's aid partnerships, for instance with Afghanistan; India's aid commitment – around \$400 million between 2002 and 2008 – makes it one of the largest contributors to humanitarian and reconstruction efforts in Afghanistan. India relies on its armed forces as a key channel for assistance. This may, however, limit aid opportunities; following flooding in 1988, Bangladesh rejected helicopters sent by India for fear that they would be used for ulterior purposes. (Price 2005).

All of the Gulf donors have provided significant aid to the Palestinian territories, and this assistance has increased since the start of the second Intifada in September 2000. For the Central European states, concerns for Balkan stability have been an important factor in stimulating foreign aid engagement in post-communist Europe. This has been particularly important for Slovenia. The country's close proximity to the war in Croatia and Bosnia resulted in a large-scale population influx in the early 1990s, prompting the country to ratify the Geneva Convention and Protocol on refugees and to accede to other international refugee treaties. UNHCR was established in Slovenia in 1992 at the request of the Slovene government to assist in the response to the massive influx of refugees into the country (Kalin 2004).

### 2.4 The influence of regionalism

In line with the principles established by NAM for assistance between developing countries, South–South (or East–East) cooperation has been a leitmotif of non-DAC aid. With the onset of the Cold War, alliances and organisations such as NAM, the G-77 and the Organisation of Petroleum Exporting Countries (OPEC) represented an attempt both to balance power and to develop security communities not subject to superpower rivalries or interests. Regionalism was thus often seen as a 'Southern' issue, and although the original *raison d'être* of protection against superpower expansion has disappeared with the end of the Cold War, this perspective has to some extent persisted (Ojendal 2004; Fawcett 2004).

In the Gulf States, there have been steady moves over the past few decades towards greater regional cooperation in aid policy through the Gulf Cooperation Council (GCC), the League of Arab States (LAS) and the Arab Group at the UN. Although the League's agenda has been dominated by the Israeli–Palestinian conflict, other high-profile crises have also engaged its interest. As early as 1993, the LAS Council passed a resolution outlining its commitment to providing material and moral assistance to Somalia (Resolution 5279). More recently, in response to crises in

<sup>11</sup> India announced that it would repay bilateral credit owed to 15 countries (the Netherlands, Russia, Canada, Sweden, Italy, Denmark, Belgium, Austria, Kuwait, Spain, Switzerland, Saudi Arabia, Australia, the Czech Republic and Slovakia). This involved the repayment of \$1.6 billion, and followed the prepayment of almost \$3 billion of debt owed to the Asian Development Bank (ADB) and the World Bank. See Ministry of Finance (2003) '2003/04 Union budget speech', [www.indiabudget.nic.in/ub2003-04/bs/speecha.htm](http://www.indiabudget.nic.in/ub2003-04/bs/speecha.htm).

Afghanistan, Iraq and Sudan, the League has begun to take a more active role in humanitarian affairs.

Asia's most important regional grouping, ASEAN, was established in 1967. Whilst none of the member countries of ASEAN are themselves significant humanitarian donors, the establishment of 'ASEAN+3' in 1997, bringing China, Japan and South Korea into ASEAN discussions, signalled the possibility of greater dialogue on aid donorship. Relations have gained momentum since 9/11, with the signing of economic cooperation agreements intended to pave the way for an ASEAN–China Free Trade Area by 2010/15 (Ojendal 2004). In October 2003, China also joined ASEAN's security cooperation treaty (the Treaty on Amity and Cooperation of 1967), which stipulates mutual respect, non-aggression and a commitment to resolving disputes peacefully.

In Europe, policy change in the Central European countries in the field of international assistance has been motivated by an aspiration to be seen as part of the regional economic and security union of Western European states, rather than as members of a fading 'Eastern bloc'. Although international aid was only a minor issue on the EU accession agenda, officials maintain that EU expectations in this area were a motivating factor in the creation of an assistance policy. Additionally, an aspiration to participate in the EU 'aid market' and compete on an equal footing was seen as important (Polish MFA 2003; Czech MFA 2002a). Subsequently, these new accession states have joined the EU's Humanitarian Assistance Committee (HAC), which acts as a forum for policy debate and agenda-setting among the 25 member states.

## 2.5 Solidarity, humanity and the role of religion

A sense of solidarity with human suffering has always been a strong driver of international humanitarian assistance. However, the extent to which it applies to the donors examined in this report is striking. Solidarity with vulnerable populations in Eastern Europe (as well as a moral and Christian obligation to give charitably) was a significant factor in the first post-independence humanitarian responses by the Central European countries. The Balkan wars, particularly the siege of Sarajevo (1992–96), as well as conflicts further afield, such as the first Chechen war (1994–96), saw the establishment of new international assistance NGOs dedicated to supporting populations in the region. (This is the origin of two of the largest and most influential humanitarian NGOs in Central Europe today: Polish Humanitarian Organisation and the Czech People in

Need Foundation.) This sense of solidarity seems to be reflected in the generally healthy levels of public support for humanitarian aid. In South Korea and China, kinship ties are an important factor in assistance to North Korea.

Solidarity and religious obligation are perhaps most evident in the case of the Gulf States. The principle of charitable giving is firmly enshrined in Islam through *zakat*, one of the religion's Five Pillars. This religious imperative has been a powerful motivator for charitable giving in the Gulf (Benthall 2003). In particular, the Gulf Red Crescent societies – established in Saudi Arabia and Kuwait in the 1960s, and in the Emirates in the 1980s – have benefited from Islamic traditions of charitable giving, and have become the most important operational agencies in the Gulf. In 2004, contributions going through the Red Cross/Red Crescent constituted 71% of overall humanitarian aid from the Gulf States reported to OCHA's Financial Tracking System. In recent years, the largest recipient countries of emergency assistance from the UAE Red Crescent have been Palestine, Iraq, Afghanistan, Bosnia and Kosovo, all of which have significant or largely Muslim populations. This focus is also reflected in the early development financing mechanisms in the Gulf States. Assistance to poorer Arab or Islamic countries was the original objective of the Kuwait Fund, the Abu Dhabi Fund, the Islamic Development Bank (IDB) and the Arab Fund for Economic and Social Development (AFESD).

## 2.6 Conclusion

This chapter has highlighted a diverse range of historical drivers for aid-giving among non-DAC states. While shifts in the economic power of these donors will affect the overall size of the public purse available to invest in international assistance, aid allocations, and particularly humanitarian allocations, are not necessarily dependent on a country's domestic wealth, as even the poorest countries have demonstrated a willingness to respond in times of need. As is the case for DAC donors, drivers for aid-giving reflect wider geopolitical interests and concerns, and have evolved over nearly half a century of international aid relations. These historical factors are important in understanding the formation of contemporary policy, decision-making and resource allocation, as well as the broader political ambitions of non-DAC donor governments in crisis environments. In particular, the early principles of the non-aligned movement, forms of solidarity with one's neighbours and concerns for regional security remain important influences. The following chapter explores these questions as they relate to patterns of aid allocation from these states.

## Chapter 3

# Trends in aid financing

Analysing the aid expenditure of non-DAC donors is a difficult business. Whilst it is clear from anecdotal reporting that an increasing number of non-DAC donors are active in international responses and are engaging in an increasing number of countries, there are limited data sources, at the national and international levels, to trace and comprehensively capture these trends. At the national level, few non-DAC donors have centralised reporting mechanisms for international assistance expenditure. This is particularly the case for the Gulf States. For others, such as China, government expenditure in this area is considered a matter of state concern and is rarely reported publicly. For South Korea and the Central European countries, attempts to align with DAC reporting guidelines for Official Development Assistance (ODA) have begun, but past data is partial. Most non-DAC countries do not distinguish between humani-

tarian and other forms of assistance in terms of reporting or budget allocations, and the broad definition of ODA has many differing interpretations (see Annex 3 for definitions of ODA and Official Humanitarian Assistance (OHA)). This makes it difficult to trace individual trends in a donor country or to construct trends over time. International data sources are, of course, limited by the availability and comparability of data at the domestic level.

This chapter is based on collaboration with the Global Humanitarian Assistance programme of Development Initiatives. It examines total volumes of humanitarian assistance, recipients, forms and types, as well as channels for disbursement. The analysis covers the period 1999 to 2004; it excludes most one-off contributors, and focuses on those non-DAC donors which have been reporting fairly

### Box 3.1: Sources and limitations of the data

There are two main data sources for comparing global figures on international humanitarian assistance. One is the FTS, and the other is the DAC's statistical reporting mechanism. Both, however, have limitations, and neither provides a fully accurate picture of non-DAC donor activity in the humanitarian sector.

Within the DAC, ODA, and within this OHA, is governed by a set of directives which encourage standardised monitoring and reporting, and are guided by agreed definitions and criteria for aid. This facilitates the analysis of financial trends since DAC aid contributions are relatively comparable over time and between donors. The DAC also collects data on the ODA of the eight observer countries. However, the ODA of other non-DAC donor governments, and the OHA of all non-DAC donors, is not monitored or reported through DAC statistical processes. For these donors, the only international mechanism for reporting and monitoring of financial trends is the FTS.

There are several further challenges in tracing non-DAC donor activity. First, few non-DAC donors produce consolidated domestic reports on all of their aid activities. Instead, spending is spread across several different ministries and budgets. As a result, reporting to FTS is highly variable, and relying on FTS data alone is likely to result in a potentially significant underestimate of the number and total volume of contributions in any given year. It may also result in overestimates because of self-reported valuations of in-kind contributions, for which there may be no standard measure or objective basis of valuation.

Second, definitions of official aid in general, and of humanitarian assistance in particular, differ substantially among non-DAC donors. Many non-DAC donors do not distinguish between humanitarian and other forms of assistance in terms of reporting

or budget allocations. For some donors, particularly in the Gulf, the distinction between official and voluntary/private contributions is not always clear.

Third, whilst more comprehensive, detailed and accurate data is probably available directly from some donors or operational partners, this is not reported in a standardised format which would allow for easy comparison, nor is it available for all donors or partner organisations. As a result, it has not been possible to provide a comprehensive picture of non-DAC financial flows. Additional case study material has been drawn into the analysis where possible, and it has been used as illustrative of particular cases and policies or of potential trends.

Fourth, there is no facility to adjust for exchange-rate fluctuations. Therefore, for example, euro-denominated contributions now appear to be worth nearly 50% more in dollar terms than they would have been four years ago.

Finally, humanitarian assistance reported by the DAC and by the FTS includes funds which are designated to be spent domestically, within the donor country. In the case of DAC countries, this is limited to expenditure on refugees in the donor country for the first year of their stay. For non-DAC donors, the FTS reports contributions allocated to domestic use for five donors between 2002 and 2004: Angola, Kenya, Eritrea, Madagascar and Uganda. In all five cases, this funding was entirely in the form of food aid, inside the CAP appeal and spent through UN agencies (primarily WFP) within the donor country.<sup>12</sup>

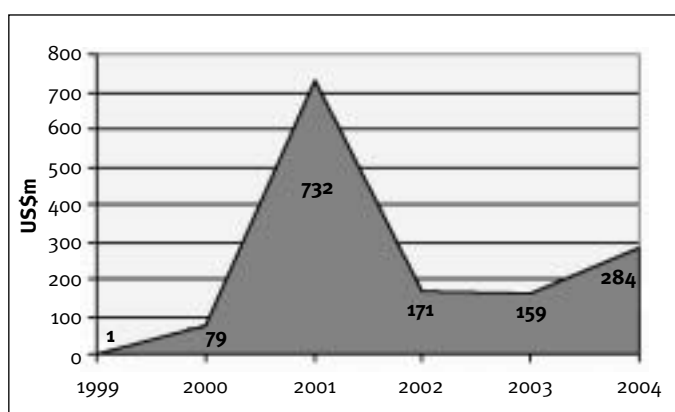
<sup>12</sup>The contributions were: Angola – \$4,310,204 in 2004, of which \$4,013,590 went to WFP and 296,614 to UNHCR; Eritrea – \$108,928 to WFP in 2003 and \$8,575 to WFP in 2004; Kenya – \$16,911,139 to WFP in response to the 2004 Kenya Flash Appeal; Madagascar – \$2 million to WFP in response to the 2004 Madagascar flash appeal; and Uganda – \$536,193.

regularly, and which have been funding humanitarian activities for some years. This includes the nine case study countries.<sup>13</sup> The data is primarily drawn from the OCHA Financial Tracking System (FTS). FTS includes all contributions to the UN's Consolidated Appeals (CAPs) and, where these are reported by the donors themselves, it also includes assistance to countries which are the subject of an appeal, but where aid is channelled outside the CAP. FTS also covers assistance in response to natural disasters.

### 3.1 Total humanitarian aid flows

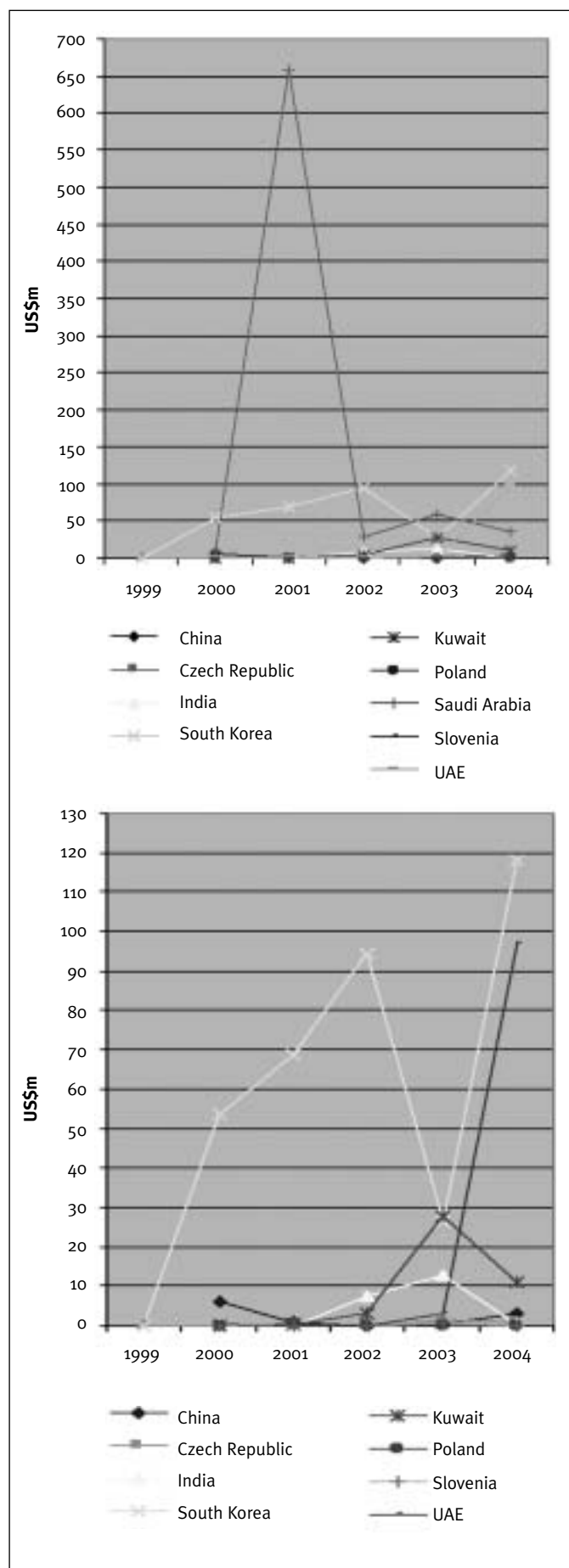
Non-DAC contributions accounted for between 1% and 12% of total official humanitarian assistance reported on the FTS between 1999 and 2004. This means that the DAC donors provided between 88% and 99% of total official humanitarian assistance during this period. The largest recorded non-DAC humanitarian assistance was \$732 million, in 2001. This was largely due to a \$657 million grant from Saudi Arabia to the OPT.<sup>14</sup> By 2003, however, this had dropped to a low of \$159 million. Funds increased again in 2004, to \$284 million, and at the mid-point in 2005 non-DAC official aid was measured at \$350 million (DI 2005), much of this due to the tsunami response. See Figure 3.1.

**Figure 3.1: Total contributions from non-DAC donors, 1999–2004**



Trends in total volumes of assistance reported on the FTS for each of the nine case study countries are shown in Figure 3.2. The first chart illustrates the extent to which a few key donors, Saudi Arabia and South Korea in particular, lead financial contributions. The second chart excludes Saudi Arabia, to show the trends amongst the case study countries at the bottom end of the scale.

**Figure 3.2: Case study countries, including and excluding Saudi Arabia, 2000–2004**



<sup>13</sup> The donors are China, the Czech Republic, Estonia, Hungary, India, Iran, South Korea, Kuwait, Latvia, Lithuania, Malaysia, Poland, Qatar, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Taiwan, Turkey and the United Arab Emirates. Whilst there are some significant omissions, such as Russia, Oman and Thailand, this group of 22 countries plus the OPEC Fund provides the bulk of humanitarian assistance from non-DAC donors.

<sup>14</sup> There is possible double-counting of around \$250 million in the Saudi allocation in 2001. This might account for the significant increase that year.

The second chart shows that only the flows from the new EU member states appear relatively stable, with no large increases in volumes over the period. By contrast, South Korea's reported contributions increased significantly between 1999 and 2002, from \$200,000 to \$94.5 million. Most of this was accounted for by increasing contributions to North Korea. The volatility of South Korea's annual totals is at least partially explained by its challenging political relations with the North, and fluctuating public support for aid.

If the top ten DAC donors are excluded, the total humanitarian aid allocations per year of some non-DAC donors are comparable to their DAC counterparts. Figure 3.3 illustrates that the largest non-DAC donor in 2003 was Saudi Arabia, ranking 18th-largest and contributing more than DAC countries such as Austria, Ireland and New Zealand.

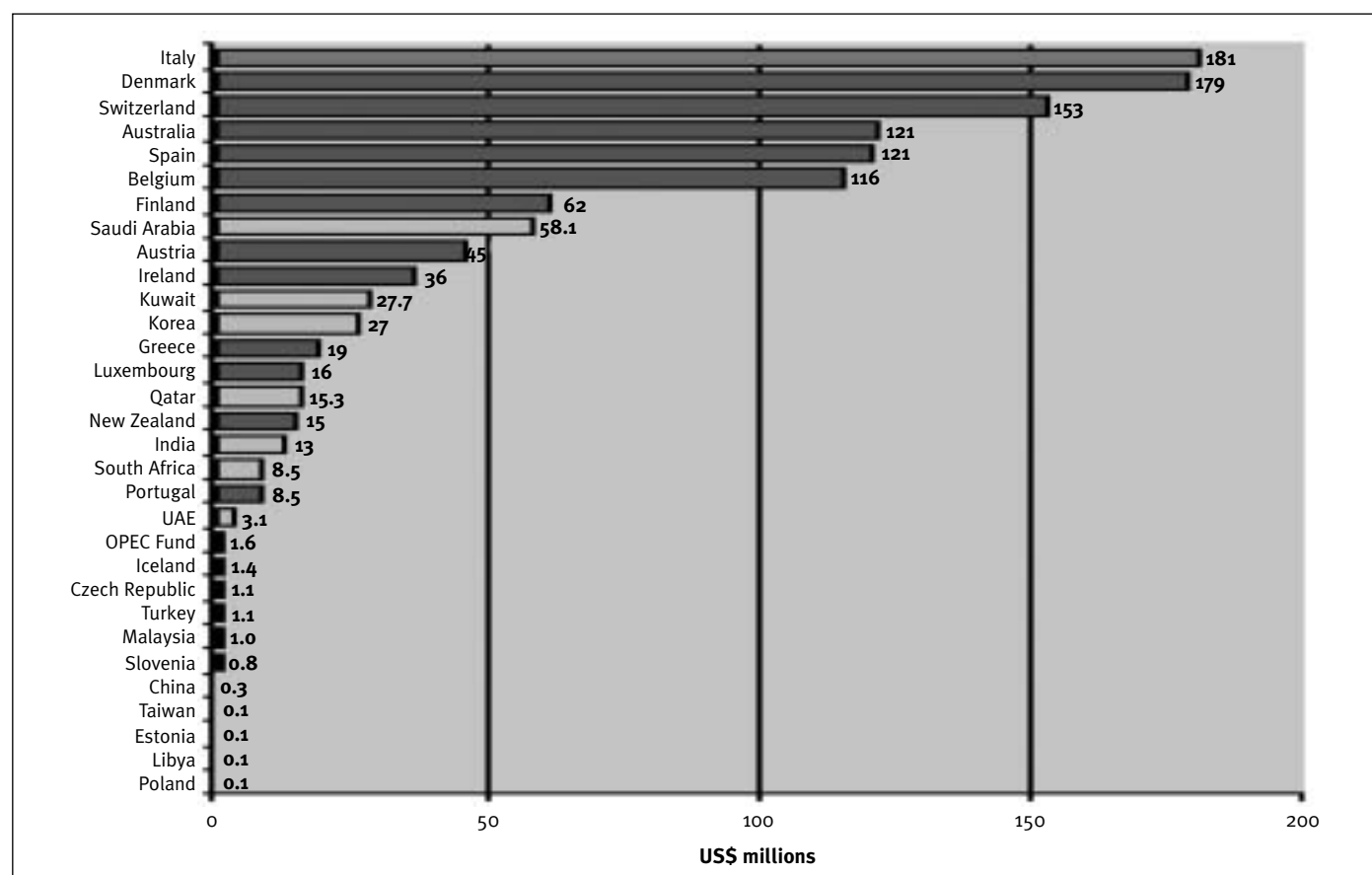
In per capita terms, the picture changes considerably, with Qatar, Kuwait and Saudi Arabia ranking 14th, 15th and 24th respectively against all donors (DAC and non-DAC) in 2003. These three countries gave the largest volumes of humanitarian assistance per capita of all the non-DAC donors in that year. Amongst DAC donors, Norway gave \$80 per Norwegian citizen, but many give less than \$10. Qatar and Kuwait gave \$14 and \$15 per head respectively in 2003 – more than 11 DAC members; Saudi Arabia gave

\$2.5 per person – more than DAC members Greece and Portugal.

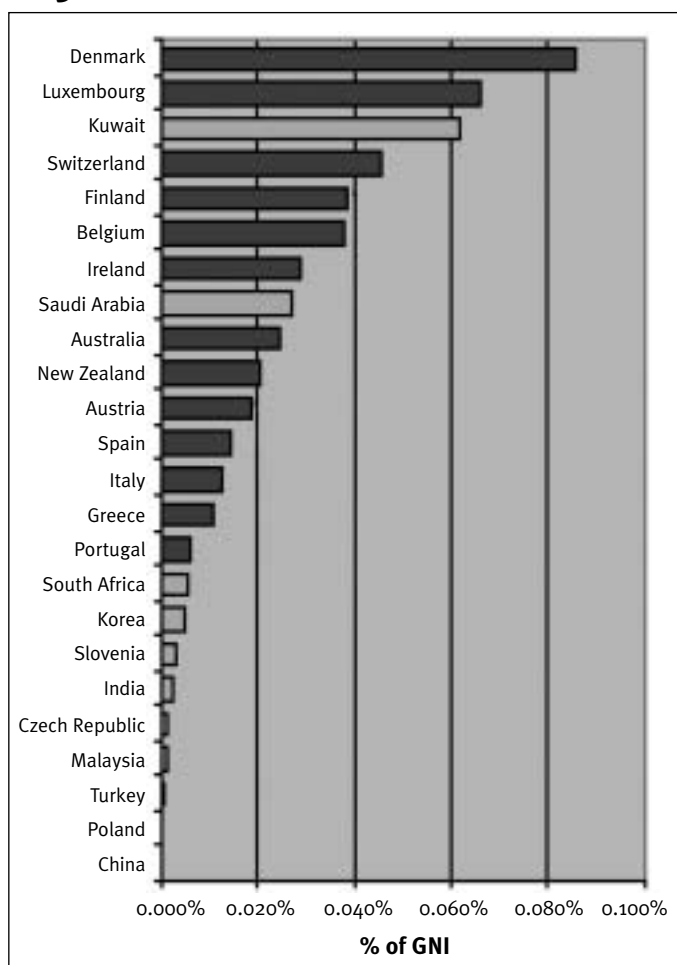
Figure 3.4 (overleaf) shows donors' ranking when humanitarian assistance is measured as a proportion of gross national income (GNI). According to FTS data, as a proportion of GNI Kuwait and Saudi Arabia provided the largest volumes of humanitarian assistance amongst non-DAC donors in 2003, at 0.062% and 0.027% respectively, followed by South Africa, South Korea, Slovenia, India, the Czech Republic, Malaysia, Turkey, Poland and China. Estimates from non-DAC donors themselves often put this percentage considerably higher. In relation to all donors, Kuwait ranks 13th and Saudi Arabia 18th in terms of the highest proportion of GNI spent on humanitarian assistance.

Whilst GNI figures were not known for 2005, the size of non-DAC donors' contributions as a share of their GNI/GNP is likely to be even larger because of the tsunami response. More non-DAC donors than in any previous year registered in the top-20 donor bracket for the tsunami response. China was eighth, giving an unprecedented \$63 million in humanitarian assistance. The UAE, Qatar and India ranked 12th, 17th and 20th, with respective contributions of \$41 million, \$25 million and \$23 million in humanitarian assistance to tsunami-affected countries (OCHA 2005a: Table 7).

**Figure 3.3: Humanitarian assistance donors in 2003, excluding the top ten DAC donors**



**Figure 3.4: Humanitarian assistance as a share of GNI, 2003**

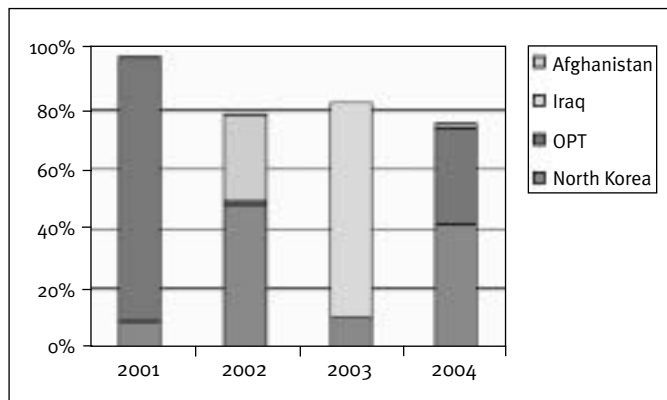


**3.2 Recipient countries and regions**

Non-DAC donors have provided humanitarian assistance to a large number of countries both within their own region and more widely. However, analysis of overall flows from non-DAC donors reveals a significant concentration of assistance on one or two major crises in any given year. In 2001, this was the OPT. In 2002, the major recipients were North Korea and Afghanistan. Iraq received the bulk of humanitarian assistance in 2003, and North Korea and the OPT were the largest recipients in 2004. Figure 3.5 shows this pattern as a percentage of total non-DAC humanitarian aid from the selected donors.

The concentration of non-DAC donor assistance in a few high-profile crises has several important implications. First, rather than making regular contributions to the humanitarian pot, funding flows from non-DAC donors to any given crisis are irregular over time. The exception to this may be South Korea's support to North Korea, which, whilst fluctuating significantly in volume terms, nonetheless shows up every year from 2000 to 2004. Second, the concentration of funding means that, while the combined total of assistance from non-DAC donors is

**Figure 3.5: Recipient countries from non-DAC donors**

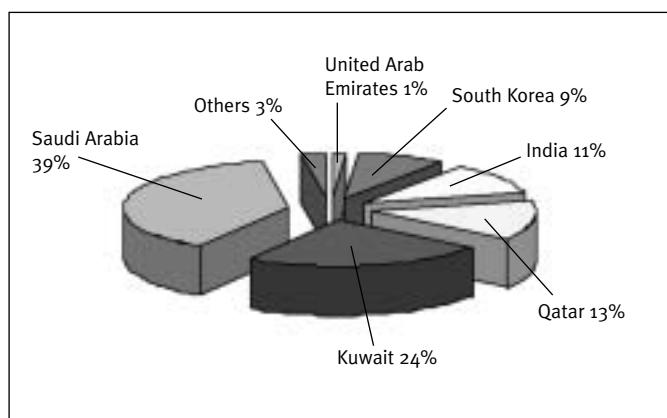


relatively small compared with the combined total from DAC donors, selected non-DAC donors can play a critical role in certain environments. The concentration of non-DAC donor assistance in a few high-profile crises has also meant that its visibility has increased over the past few years. However, this visibility may also reflect a greater willingness on the part of non-DAC donors to raise the profile of their aid programmes, and to report on their contributions through the FTS. In 1999, only nine non-DAC donors reported to the FTS. Three years later, this figure had risen to 40.

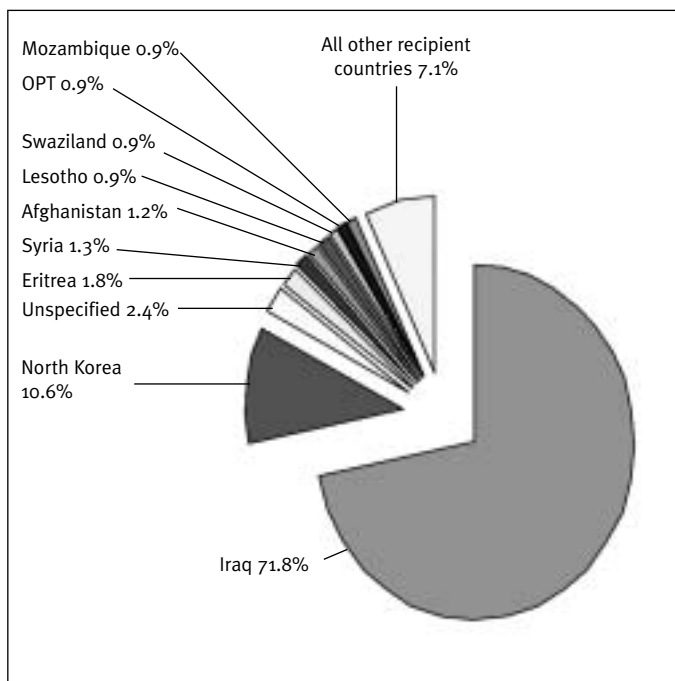
Figure 3.6 shows the percentage of funds contributed by non-DAC donors to the largest recipient country in 2003 – Iraq – and the extent to which the six largest donors dominate the picture. Figure 3.7 shows the allocation of non-DAC donor funds across all recipient countries in 2003.

In addition to the very high concentration of funding on a few major recipient countries, there is also a long 'tail' of much smaller contributions to a more diverse range of recipients. Figure 3.8 shows that, in 2003, these contributions made up the remaining 17% of that year's funds, after Iraq and North Korea are excluded.

**Figure 3.6: Non-DAC contributions to Iraq, 2003**



**Figure 3.7: All recipient countries from non-DAC donors, 2003**



This long tail of smaller contributions is reflective both of the nature of aid relationships and of the different priorities for assistance between individual donor countries and regions. For example, in China, where emergency assistance forms part of longer-term development cooperation, a disaster in a country with

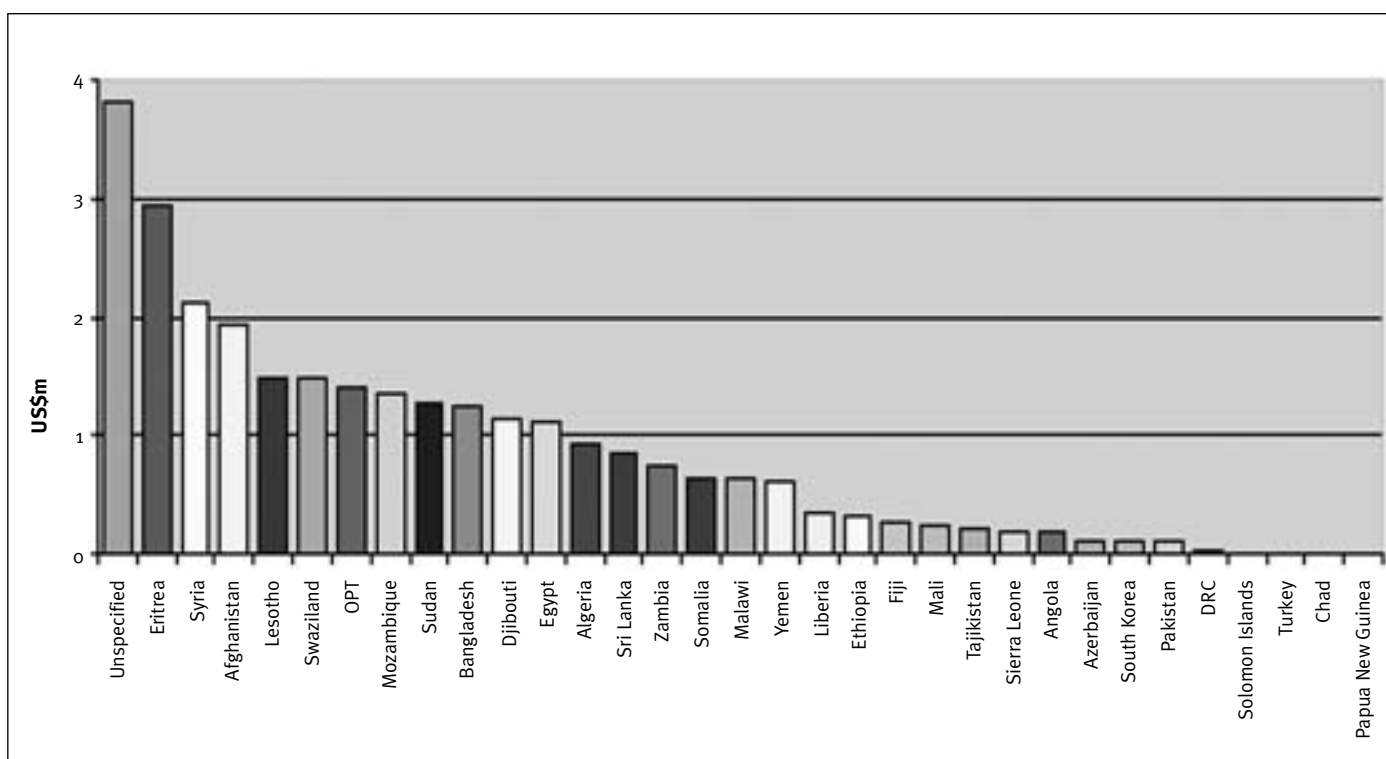
which China has a long-standing aid relationship will create significant pressure for a response, even if the amounts given are relatively small.

One further trend emerges from the data on the nature of recipients, and that is the focus on natural disasters. In 2004, this accounted for 19% of total non-DAC donor contributions. As a comparison, of overall humanitarian aid on FTS from 1999 to 2004, only 8% has been for natural disasters. The priority non-DAC donors place on disaster preparedness and response to natural disasters, particularly in Asia, reflects the problems many of these donors have faced in their own countries and/or regions.

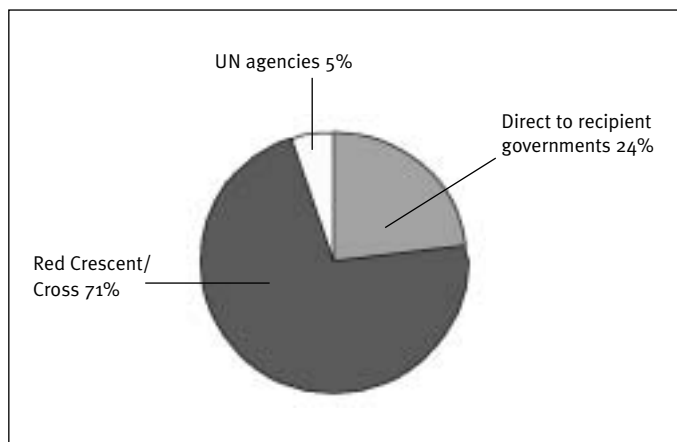
### 3.3 Channels

The previous chapter identified a trend amongst non-DAC donors to provide humanitarian assistance to crisis-affected countries with whom the donor has a history of development cooperation, as an expression of solidarity. One consequence of this has been an emphasis on bilateral assistance, with the majority of non-DAC donor humanitarian aid being channelled directly from government to government, or through national Red Cross or Red Crescent societies. Figures 3.9, 3.10 and 3.11 illustrate these trends for each of the case study regions, highlighting the proportion of funds through three broad channels or categories: directly to recipient governments, through UN agencies and through the Red Cross/Red Crescent.

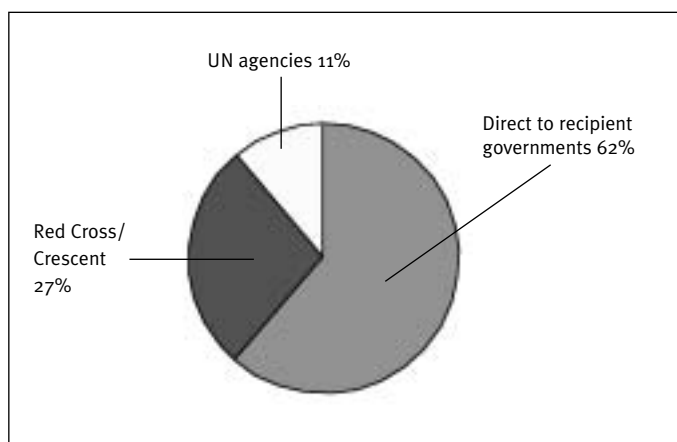
**Figure 3.8: Non-DAC donor recipients in 2003, excluding Iraq and North Korea**



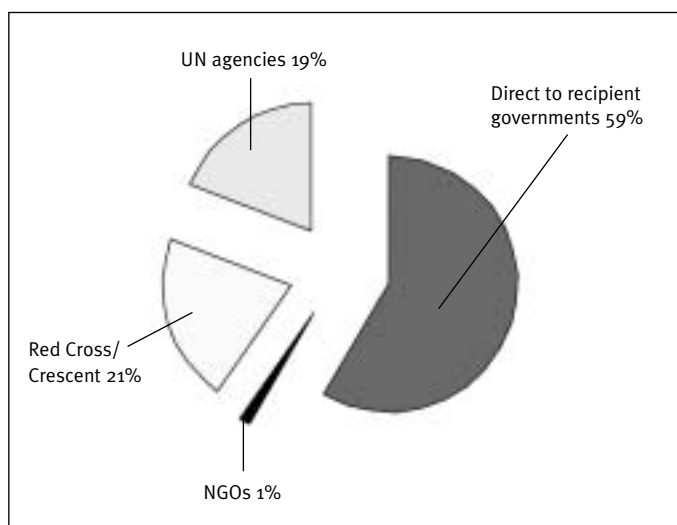
**Figure 3.9: Share of humanitarian assistance from Gulf donors spent through UN agencies, the Red Cross/Red Crescent and direct to recipient governments, 2004**



**Figure 3.10: Share of humanitarian assistance from non-DAC Asian donors spent through UN agencies, the Red Cross/Red Crescent and direct to recipient governments, 2004**



**Figure 3.11: Share of humanitarian assistance from Central European donors spent through UN agencies, the Red Cross/Red Crescent and direct to recipient governments, 2004**



The preference for government-to-government assistance is most evident in Asia and Central Europe (as shown in Figures 3.10 and 3.11). In 2004, contributions going directly to governments constituted 62% and 59% of the total allocation from states in Asia and Central Europe respectively, as reported on the FTS. This channel also accounts for almost a quarter of the allocation from the Gulf States in 2004 (see Figure 3.9).

Non-DAC donors rationalise this preference for direct government-to-government aid in a number of ways. First, it reflects a wish to see aid as part of a deeper, mutually-beneficial bilateral relationship, and responds to a desire for visibility of the donor's contribution. Second, because aid determinations are often made by the particular government's embassy in the affected country, officials argue that the speed and timeliness of response is a significant advantage not offered by multilateral mechanisms. Third, as aid is often tied to in-kind goods and services or technical assistance, and draws on the donor's existing knowledge of a country, officials argue that this kind of response is often more appropriate (Price 2005).

The emphasis on the Red Cross/Red Crescent is greatest in the Gulf, though it is also significant in other regions. In 2004, contributions going through the Red Cross/Red Crescent constituted 71% of overall contributions from the Gulf States reported on the FTS. The Movement received 27% of the contributions reported from non-DAC donors in Asia, and 21% of the reported contributions from non-DAC donors in Europe. This preference for Red Cross/Crescent national societies as a primary channel for assistance reflects their mandated role as an auxiliary to the public authorities (IFRC 2003), which means that they are seen as a trusted deliverer, particularly where the regulation of domestic NGOs or charitable organisations is under-developed or capacity is limited. It also reflects the Movement's appeal as a genuinely global body, committed to universality as one of its core priorities.

In the Gulf, the preference for the Red Cross/Red Crescent as a channel makes it more difficult to obtain a clear picture of humanitarian financing, since the national Red Crescent societies are not only the most important operational partners in their own right, but also act as a channel for official humanitarian assistance to other national and international organisations. For example, many contributions from the Gulf States will be channelled through the national Red Crescent societies before being allocated to UN agencies or international organisations. By the same token, the Red Crescent societies may contribute funds to UN agencies which have come from private and voluntary sources, so it is not possible to assume that all funds from these societies to UN agencies count as official multilateral contributions. For example, in 2002 UNHCR reported receiving \$750,550 from Saudi Arabia and \$239,982 from the Saudi Red



Crescent. This means that funds channelled through the Red Crescent/Red Cross may be allocated in a number of ways, and not necessarily spent fully bilaterally.

Whilst interviews suggested that the new EU donors contribute significant amounts through their national NGOs, very few of these contributions are recorded on FTS. In 2004, NGOs received only 1% of the reported contributions from new EU donors. In general, China and India channel little if any official assistance through domestic NGOs, primarily due to limited capacity and regulatory controls on international assistance. While there is considerable NGO/charitable capacity in the Gulf region and in South Korea, contributions are rarely reported via FTS.

The UN's share of non-DAC donor assistance appears particularly low according to FTS data. In 2004, for example, the proportion of funds channelled through the UN from non-DAC donors in three Gulf states was approximately 5% of the overall assistance reported from these donors on the FTS; in China, India and South Korea it totalled 11%, and in Poland, the Czech Republic and Slovenia it was 19%. In the past, non-DAC countries have channelled very little through the CAP. Overall, significantly more non-DAC humanitarian assistance is channelled outside than inside the CAP. India's total reported humanitarian assistance was \$12 million in 2003, of which only \$1.1 million was inside the CAP. Saudi Arabia's humanitarian assistance in 2003 (a total of \$58 million) was channelled entirely outside the CAP. South Korea, however, made a substantial contribution to the CAP in 2004, and both China and Saudi Arabia allocated large volumes through the CAP in the first half of 2005 in response to the Indian Ocean tsunamis.

There are tentative signs that support for multilateral organisations from non-DAC donors may grow, as incentives for increasing contributions to UN agencies begin to emerge,

and as non-DAC donors engage more in high-risk environments. In the case of aid from South Korea to Iraq, for example, officials noted the importance of the UN in channelling the country's largest-ever ODA pledge (\$0.26 billion over five years), as South Korea's capacity to programme funds of this magnitude was considered limited. Gaining access to affected populations in conflict areas was noted as one of the advantages that the UN (and its subcontracting partners) could offer. The significant multilateral contributions provided by countries such as China (approximately \$20 million of its \$60 million contribution was channelled through UN agencies) for the tsunami relief effort in 2004 were also unprecedented. The strategies UN agencies are employing to enhance their engagement with non-DAC donors are explored in Chapter 5.

Figure 3.12 shows the share of humanitarian assistance from Saudi Arabia to UN agencies, to the Red Cross/Red Crescent Movement and direct to recipient governments. There is a small shift towards the UN in 2004.

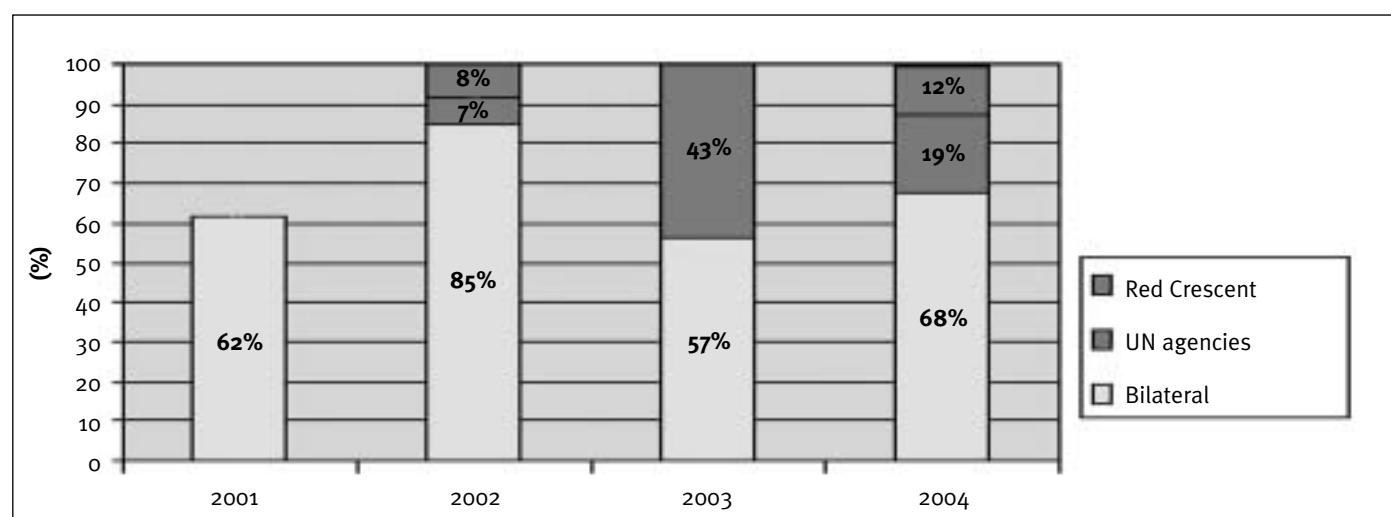
Given what we know about the preference for bilateral assistance from non-DAC donor countries, it is likely that contributions reported to FTS represent an underestimate of total contributions from non-DAC donors. UN agencies report receiving over \$3 million from China in 2003, for example, none of which is recorded on FTS. In terms of volumes channelled through multilateral or international organisations, WFP has received by far the largest share. WFP reports show total contributions of \$147.6 million from the selected non-DAC donors between 2002 and 2004.

### 3.4 Forms of aid

#### 3.4.1 Cash and in-kind aid

Non-DAC donors have tended to provide a significant proportion of their assistance in the form of gifts-in-kind,

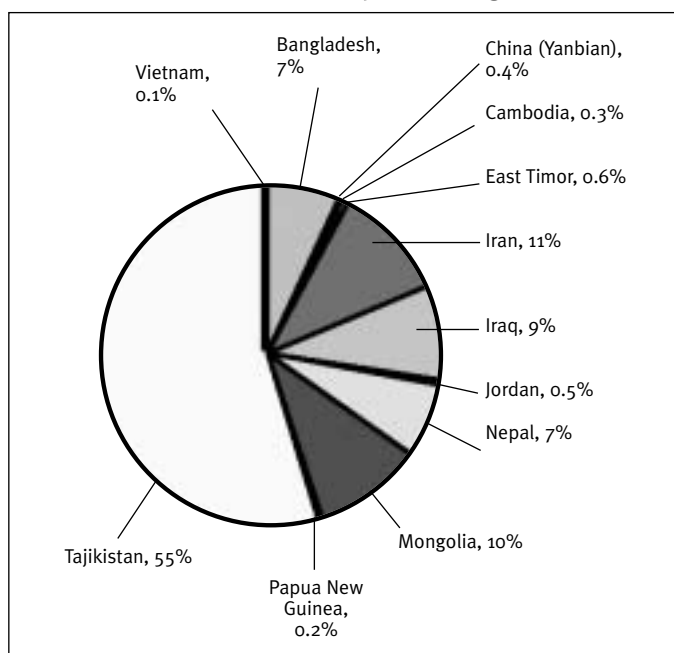
**Figure 3.12: Channels for Saudi Arabia's humanitarian assistance, 2001–2004**



rather than cash, although FTS shows significant variations between 1999 and 2004. In-kind aid includes food aid and other commodities, transport, logistics and technical support.<sup>15</sup> Between 1999 and 2001, the majority of non-DAC humanitarian aid was provided in cash, with only a small percentage as gifts-in-kind (the smallest share was 1% in 1999). In 2002 and 2003, by contrast, the majority of non-DAC humanitarian aid was provided in-kind. In 2002, this constituted 80% of total humanitarian aid from the non-DAC donors. In 2003, this proportion fell to 58%, and dropped again to 47% in 2004.

In-kind assistance has constituted a significant portion of the aid provided by the Red Cross and Red Crescent societies. The Korean Red Cross Society has provided perhaps the largest proportion of in-kind assistance. Between 2000 and 2003, gifts-in-kind constituted between 70.5% and 99.6% of its humanitarian assistance, according to the Society. Proximity and operational constraints are key considerations for providing aid in-kind. Whilst the UAE Red Crescent Society has been able to provide gifts-in-kind to neighbouring countries, it has tended to rely on the government for the necessary logistical support, for example in the form of air shipments of relief supplies, for responding to crises further afield. In-kind assistance from the Korean Red Cross has similarly tended to go to countries within the region, and a few countries in the Middle East. Figure 3.13

**Figure 3.13: In-kind assistance from the Korean Red Cross between 2001 and 2004, excluding North Korea**



<sup>15</sup> One of the difficulties in calculating the amount of assistance provided in-kind, and therefore the overall volume of assistance, is finding an objective measure of value for in-kind contributions. In the absence of such a measure, FTS uses the donors' own valuation of the gifts-in-kind provided, which may vary considerably between countries.

shows the volumes and percentage of overall in-kind assistance to each country (excluding North Korea) from the Korean Red Cross Society between 2001 and 2004.

### 3.4.1 Food aid and other sectors

China, India and South Korea in particular have been significant donors of food aid, largely consisting of contributions to North Korea and Afghanistan. Food aid also accounts for a significant proportion of the assistance provided by Poland and Slovenia (in 2004, 61% and 100% of their respective total humanitarian assistance). South Africa and Russia also devote a high proportion of their assistance to food aid. Figure 3.14 shows the share of food aid reported from non-DAC donors over the three years from 2002 to 2004. As noted earlier, five of these donors – Angola, Kenya, Eritrea, Madagascar and Uganda – have provided funds to be spent domestically.

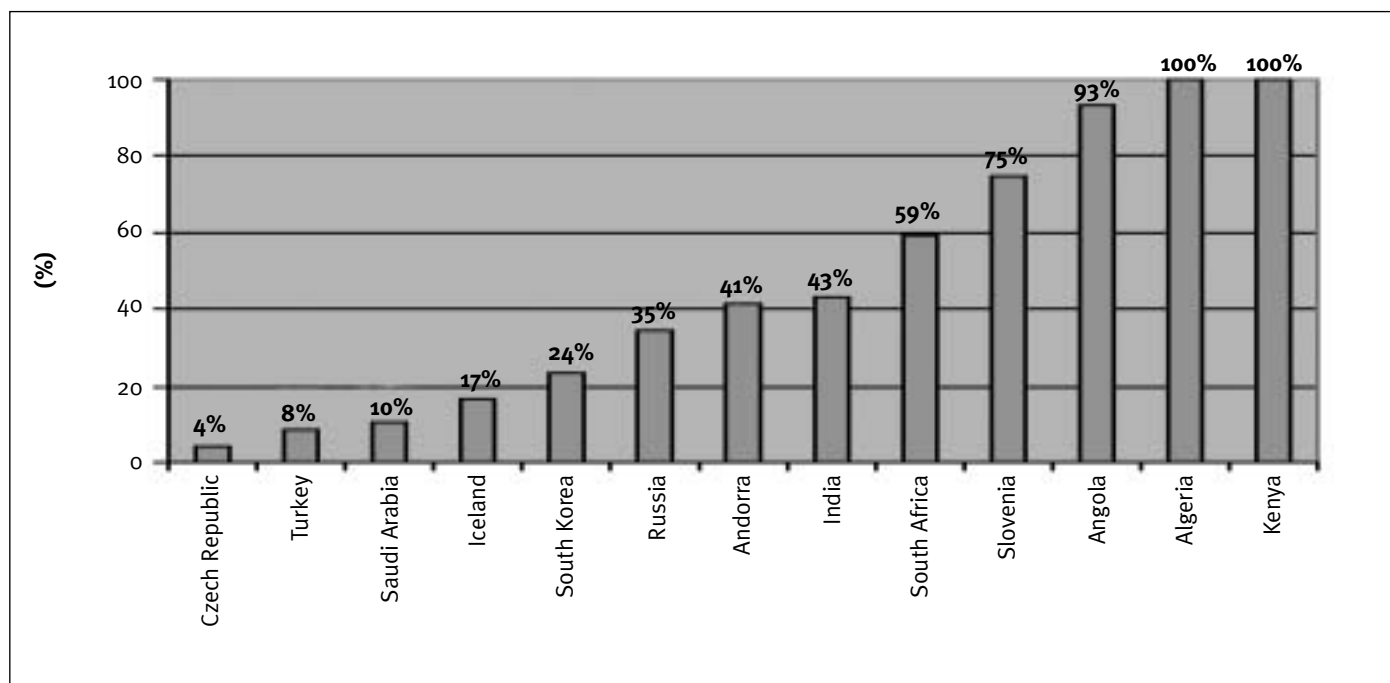
In addition to food aid, non-DAC donors focus on agriculture and family shelter. Agriculture receives over a quarter of assistance from non-DAC donors, compared with 5% from DAC donors. Family shelter receives 13% of non-DAC donor assistance, compared with around 3% for the DAC. Technical assistance, training and expert and volunteer programmes all feature heavily in the development cooperation and humanitarian programmes of non-DAC donors, as does debt relief, particularly for China. These forms of assistance, however, will not generally show up in the FTS.

## 3.5 Conclusion

This analysis of financing flows suggests that an increasing number of non-DAC donors are active in international response, and are engaging in a growing number of countries. At the same time, these donors are concentrating the bulk of their resources on a few specific crises. There is a strong preference for bilateral aid, particularly government-to-government assistance, and Red Cross and Red Crescent societies are favoured operational agencies among non-DAC donors, particularly in the Gulf. There is also a preference for giving to neighbouring countries, over countries in other regions.

These findings are, however, indicative only, and improved financial reporting and data, which incorporates the significant contributions of donors outside of the DAC, is needed if we are to obtain a clearer picture of the total volume of official humanitarian aid. This is essential for informing an understanding of the diversity of donors, recipient countries and channels. It is also a basic prerequisite for tracing trends, to assess whether financing is being allocated according to need across humanitarian crises.

There is agreement that the monitoring and reporting of aid flows for DAC donors needs to improve. The Good

**Figure 3.14: Share of total humanitarian assistance from non-DAC donors in food aid, 2002–2004**

Humanitarian Donorship initiative includes a commitment to flexible and timely funding, allocated in proportion to need and on an equitable basis between crises. It also includes commitments to contributing to CAP and IFRC appeals on the basis of burden-sharing, and to ensuring that new crises do not affect existing obligations in ongoing crises. Many of the domestic strategies to advance GHD include undertakings to improve financial reporting.

It may be that increased interest in raising the profile of non-DAC donors' own aid programmes may also act as an incentive for non-DAC donors to improve their own financial reporting, as well as the transparency and accountability of public expenditure. An ongoing commitment to improving reporting, and support from the DAC community in achieving this important goal, would seem both timely and important.



# Chapter 4

## Aid institutions, policy frameworks and governance

This chapter analyses the institutions responsible for decision-making and resource allocation in the case study countries. In some instances, a multitude of departments control small amounts of 'ODA' expenditure. In others, coordination and decision-making are becoming more centralised. The chapter also explores the development of policy for humanitarian action, the definitions of humanitarian aid that these countries use, the structures available to them for engaging with implementing partners and mechanisms of governance and accountability.

### 4.1 Aid institutions and management

Understanding how a country's aid administration is structured, and its relationship to the political realm, to other ministries and to operational agencies, is crucial in understanding decision-making for aid allocations, accountability structures and the possible politicisation of aid. In each of the case study countries, ministries of foreign/external affairs maintain a leading role in the management of aid, particularly emergency assistance, and particularly in contexts which are politically or diplomatically sensitive. This function is not, however, exclusive, and a number of other departments – interior, customs, health, industry, trade, commerce, information and communications, as well as defence and the military – are also involved in emergency response, and are responsible for different aspects of development and economic cooperation. This highly diffuse decision-making structure affects the co-ordination, efficiency and accountability of assistance, and makes it more difficult to trace and assess trends in aid flows.

In all of the new EU member states, the Ministry of Foreign Affairs (MFA) acts as the coordinating department for external assistance. In no country is the aid programme independent of the MFA. For example, Slovakia's humanitarian aid is governed by legislation which stipulates that all decisions related to humanitarian issues taken by the Ministry of the Interior must be approved by the Ministry of Foreign Affairs.<sup>16</sup> Likewise, the Czech government has a 'Competency Act' which provides for the 'exclusive competence' of the Ministry of Foreign Affairs in coordinating ODA. The Czech government is considering devolving programming responsibility for development cooperation work to an implementing agency, which could enhance

technical capacity and enable more effective cooperation with domestic NGOs. Humanitarian assistance, however, would remain within the MFA's control. The primacy of the MFA does not, however, mean that foreign aid is its exclusive preserve: in 2001, for example, Czech ODA was spread across 79 projects in 49 countries, supervised by 12 different ministries or agencies (Development Strategies 2003). In Slovenia (see Table 4.1), four ministries have disbursement responsibility. Humanitarian aid has its own budget line, as well as being a component of the Stability Pact.

**Table 4.1: The disbursement of Slovenian aid**

Ministry	2000 (in '000 SIT)	2001 (in '000 SIT)
<b>Ministry of Foreign Affairs</b>		
Stability Pact	0	16,058
Humanitarian aid	51,121	54,335
<b>Ministry of Finance</b>		
Centre of Excellence	0	50,000
Stability Pact	0	5,000
Global Environment Facility	106,781	0
<b>Ministry of Economic Affairs</b>		
Stability Pact	402,395	193,400
<b>Ministry of Health</b>		
Humanitarian aid	6,912	38,000
<b>Total</b>	<b>567,209</b>	<b>356,793</b>

Note: This table does not include in-kind assistance

In China, the key ministries responsible for humanitarian aid are the Ministry of Commerce (MOFCOM) and the MFA. The decision to respond to an emergency also requires the approval of the executive (the State Council). MOFCOM is responsible for managing and coordinating incoming and outgoing foreign aid, as well as commerce and trade; the MFA plays a greater role in humanitarian assistance. In addition, the Ministry of Civil Affairs (MCA), though primarily responsible for internal disaster relief capacity, acted as national monitor and management organisation for the tsunami response, and this has encouraged a new and more defined role for internal expertise in overseas humanitarian assistance.

In South Korea, the Ministry of Foreign Affairs and Trade is responsible for overall policy-setting, and for the grant element of South Korea's ODA (including support to the UN and its humanitarian agencies). The Ministry of

<sup>16</sup> In the case of Slovenia, aid flows have been organised within the framework of existing legislation. However, current laws have not been adjusted to meet the requirements of administering ODA, which has had the effect of slowing down or blocking ODA programmes (Mrak 2002).

Finance and Economy is responsible for the overall aid budget, and for economic and development cooperation in the form of loans and technical assistance. In India, spending limits imposed on ministries mean that any expenditure of over Rs1 billion requires cabinet (and by implication prime ministerial) approval (Price 2005). Although India has a well-developed internal disaster management and response system, this is seen as distinct from the country's external aid, and there is no separate budget for humanitarian assistance in any given year.

All three Asian countries also use their Export-Import (EXIM) banks to manage and administer various aspects of their international aid programmes. The EXIM bank in South Korea is responsible for managing bilateral soft loans provided through the country's Economic Cooperation and Development Fund (ECDF). In India, the Department of Economic Affairs within the Ministry of Finance has recently begun supporting the EXIM bank to extend lines of credit, rather than extending these from its own budget.

In the Gulf States, aid management is divided between various government departments. The federal structure of government in the UAE, with each Emirate having its own ruler and its own policy and programmes in relation to international assistance, means that many decisions are taken at the level of the individual Emirate. The particular form which these decisions take reflects the economic development priorities and assets of the particular Emirate. Dubai, for instance, emphasises the role of the private sector in relief supply, procurement and logistics.

#### 4.1.1 Aid coordination

The overall diffusion of responsibilities between different ministries and departments has significant implications for aid coordination, and leads to two major challenges. First, the lack of a single department with a coherent policy framework and accountability structure creates rivalry between the MFA and line ministries, and makes the coordination of responses more difficult. There remains considerable resistance from other ministries to a strong coordinating role from the MFAs, particularly in determining the nature and recipients of aid from line ministries' assistance budgets (Development Strategies 2003; HPG interviews 2004/5). Second, as discussed in Chapter 3, having a variety of departmental budgets means that it is difficult to get a clear picture of overall humanitarian spending, or of the funds allocated across different crises and sectors, as reporting structures are complicated and definitions of development and humanitarian assistance vary considerably across ministries. This makes it hard to trace, not only the total volume of expenditure, but also the channels and types of aid, as well as its recipients and the sectors it is being spent on.

With the increasing emphasis on foreign aid since the 1990s, and perhaps particularly following the Indian Ocean tsunami, some non-DAC countries have tried to improve coordination. For example, South Korea plans to formalise its approach both to development and humanitarian aid in legislation (a Basic Act for Grant Assistance) due to be put before parliament at the end of 2005.<sup>17</sup> It is proposed that the Basic Act will contain a specific emergency relief component. Part of the objective of the proposed legislation is to confirm the MFA's coordination role, and to reclaim control of the ODA budget from other ministries. If passed, the legislation would make South Korea one of the few governments in the world with a law specifically defining humanitarian assistance as a distinct category. The tsunami response also marked a significant development in cooperation within and across governments in China and India. In China, the government established a new 'Emergency Response Mechanism', bringing together a range of ministries, including MOFCOM, the MFA and the MCA. In India, a 'National Disaster Management Authority' was established, headed by the prime minister, to deal with emergency situations arising out of natural calamities and man-made disasters.

#### 4.2 Policy and legal frameworks

Few donor governments, whether DAC or non-DAC, have defined the specific purpose and nature of humanitarian action through legislation. Many DAC donors have legislation and policy that sets out the purpose of development cooperation; the UK's International Development Act of 2002 is one example. Rarely, however, does this define the purpose and principles guiding humanitarian assistance. One of the key reasons for this lack of specificity is a concern to maintain flexibility in the way that humanitarian aid can be used (Stevenson and Macrae 2002).

Some of the governments under review are beginning to formulate policies and legislation to guide officials on the use and allocation of humanitarian aid. This is particularly the case where hard deadlines have been imposed by external authorities, as with the accession process to the EU. Again, however, this is largely expressed through wider development cooperation frameworks, rather than through specific and distinct humanitarian policies. In Central Europe, Poland and Slovenia have stated their intention to put forward Development Assistance Bills to their respective parliaments in the near future. In China, the Ministry of Commerce formally began drafting regulations governing the country's aid to foreign countries in 2003 (Hanjiang 2004). As far as interviewees were aware, this will be the first articulation of aid policy since the 1980s.

<sup>17</sup> The South Korean Foreign Ministry established legislation in the 1990s to govern its development implementation agency, the Korean International Cooperation Agency (KOICA), and the use of the Economic Development Cooperation Fund (EDCF).

All three of the Central European states reviewed here regard humanitarian aid as vital to realising the country's broader development and security objectives. Czech policy states that external development aid and humanitarian assistance are part of the government's foreign policy, and contribute to it (Czech MFA 2002). At the same time, all Czech organisations and associations are encouraged to respect the principles governing humanitarian aid, above all the principle of impartiality. Poland's strategy paper for its foreign aid, published in 2003, includes references to international terrorism, the 'elimination of which also requires an intensification of development aid' (Polish MFA 2003: 5). Whilst Polish policy explicitly exempts 'humanitarian and food aid' from the selection criteria used to decide the geographical priorities of Polish development aid (Polish MFA 2003), this does not seem to protect humanitarian aid from political priorities. This is evident in the provision of assistance in Iraq, where the Polish government sought to use its aid allocation to complement the objectives of its military support for the US-led coalition. As discussed in Chapter 2, for all three Central European states regional stability and security in regions bordering on the EU is a key policy priority. The possible decay of neighbouring post-Soviet states is seen, not only as a threat to overall security, but also as having a negative impact on the development of regions bordering these states, for example eastern Poland. In a 2003 survey of ODA priorities among Central European states, security ranked second-highest amongst all 'sectoral' policies (Development Strategies 2003).

Whilst Chinese officials were keen to stress that China provides aid without any preconditions and without seeking any special privileges, humanitarian assistance is seen as a way of enhancing friendly relations and cooperation, and of gaining the support of recipient governments and peoples and the approbation of the international community. India's foreign assistance is currently in a state of transition, and the government intends to outline a new policy in 2005. This is meant to clarify operational methods and increase transparency. Another of the key issues that the new policy statement is designed to resolve is the extent to which strategy remains in the hands of the MFA, or whether new agencies should be developed to coordinate political, economic and humanitarian policy (Price 2005).

In the Gulf States, development financing through the region's bilateral and multilateral funds, which forms the foundation of official assistance programmes, is governed by formal rules and procedures. However, there is little by way of centralised and formalised policy for humanitarian assistance, and officials tend to defer to the Red Crescent societies for operational policies and principles. However, despite the lack of policy parameters, there is probably a clearer understanding regarding the rationale for engaging

in international humanitarian response than in many other DAC and non-DAC countries. This is attributable both to cultural norms of charitable giving, and to the very specific and historic role of charitable organisations, including the prominent part that the national Red Crescent societies play in daily life.

These non-DAC countries also seem to have different understandings of what constitutes humanitarian aid, as opposed to other forms of assistance. In some instances, definitions of humanitarian aid are at considerable variance with the definition accepted within the DAC. In the Gulf, for instance, many assistance activities have a specific religious orientation or components, and humanitarian aid is often understood to include those things which are needed to fulfil a person's religious obligations and sustain their spiritual life (Benthall et al. 2003). Thus, support for African Muslims to attend the pilgrimage to Mecca, or to celebrate Eid, the building of mosques and Islamic centres and the printing and distribution of the Koran are all labelled as humanitarian. In China, the term 'humanitarian' is a recent entry into aid discourse, and is used primarily for the purposes of dialogue at the international level. In some Central European states, officials expressed an interest in expanding the DAC definitions, so that contributions to security or military-led responses could be considered part of their humanitarian allocation.

#### 4.3 Governance and accountability

The limited articulation of the purpose and principles guiding official aid, the fragmented nature of decision-making and the competition for aid resources between departments all suggest that aid from non-DAC states could be a highly unregulated area of government activity. In fact, the accountability of official aid to the public (and to operational partners) seems to be increasing.

In some countries, this accountability is based on the growing engagement of civil society in official aid. In the Czech Republic, the Czech Forum for Development Cooperation, established in 2002 (and funded substantially by the Canadian government) represents 17 Czech NGOs. It has acted as a policy and advocacy body in relation to the government's policy formulation and in responding to specific crises. Similarly, in South Korea the NGO umbrella body the Korean Committee for Overseas Cooperation is a forum for communicating with both the media and the government, while the Korean NGO Consortia for Cooperation with North Korea liaises with the Ministry of Unification on policy and funding issues relating to North Korean assistance. There is, however, less evidence of this level of public engagement on aid issues in other non-DAC countries.

In other states, the regulatory framework is set by the government, and applies to NGOs. In China, for instance,

complex regulations prevent NGOs from engaging in international assistance without government approval (which is not easy to obtain). In the tsunami response, for example, only two NGOs – the China Charity Federation and the Chinese Red Cross – were allowed to fundraise.

The issue of governance and regulatory control is of most concern in the Gulf States. Following 9/11, Gulf governments have sought to exert tighter control over national charitable organisations in response to accusations that Islamic charities were funding terrorist and militant activities. At the official level, this has resulted in a number of measures to tighten up the regulation and oversight of these charities' overseas activities, including new governmental committees that act as the central channel for any public donations.

Although all of the countries in the Gulf have been under pressure to regulate the activities of NGOs, this has been a particularly acute issue in Saudi Arabia. In June 2004, new regulations governing Saudi charities and welfare agencies were announced, including the requirement that each charity consolidate its funds in a single bank account, licensed by the government, and from which cash withdrawals were banned. The following month, Saudi charities were barred from transferring funds abroad (Independent Task Force on Terrorist Financing 2004). These regulatory measures were followed in 2004 with the establishment of national committees with governmental oversight of NGOs and public giving. The Saudi National Commission for Relief and Charity Work Abroad was set up to have oversight of all charitable activities and public donations, and to facilitate greater governmental control over the use of charitable funds. Exactly what such regulation entails is as yet unclear. A Saudi foreign policy adviser suggested that the new Saudi commission would 'take over all aspects of private overseas aid operations and assume responsibility for the distribution of private charitable donations' (Associated Press 2004). Forbidding *zakat* collection boxes in mosques, on the basis that such

collections provided untraceable cash, has been one measure taken by the Saudi authorities (Zaitz 2004).

Even if these regulatory measures succeed in controlling charitable organisations and public giving, this has not necessarily translated into increased accountability and transparency on the part of the government's own aid programmes. Some studies have suggested that the lack of independence of the relevant regulatory authorities in the Gulf, combined with a lack of enforcement mechanisms, means that the scope for meaningful accountability remains limited. Nonetheless, there does seem to be evidence of increasing support for greater accountability from the public at large, perhaps particularly in Saudi Arabia. As Shobokshi (2004) notes, regulation 'is not only a political decision. It is also a social decision on behalf of a lot of Saudis, who want to know where the money goes'.

#### 4.4 Conclusion

One of the most significant challenges non-DAC donors face appears to be the diffuse nature of their aid architectures. This will create difficulties for coordination, governance and accountability domestically, and for policy coherence in these states' international engagements. As with the DAC donors, humanitarian policies are evolving. Although foreign policy and security frameworks remain the primary means of expression, there have been attempts to make development and humanitarian activities and reporting requirements distinct. As this group of donors becomes increasingly engaged in humanitarian action, shared definitions of what constitutes humanitarian aid are likely to become important. This needs to be further explored by both DAC and non-DAC donors and their operational partners, and the implications for humanitarian outcomes need to be better understood. Greater transparency and accountability of official aid will be important, both in the interests of visibility and trust and to improve performance, as will the independent monitoring and regulation of charitable activities.



# Chapter 5

## The implications of increased diversity for humanitarian action

As previous chapters have demonstrated, the growing engagement of non-DAC donors in humanitarian response suggests that international donorship is becoming much more complex. This complexity presents a real challenge to the international humanitarian system as a whole. Effective international dialogue and mechanisms for international cooperation and coordination with non-DAC donors are absolutely vital. This chapter explores the state of play and initiatives at the international and regional level, with a view to highlighting potential ways to improve dialogue and coordination in the future. It explores how OCHA and the UN agencies have engaged with non-DAC donors, both to secure financial support from them and to develop more strategic and policy-based approaches to engagement and coordination with them. It looks at the crucial role of the International Red Cross/Red Crescent Movement in promoting increased dialogue and coordination between donor governments and other operational partners. Finally, the DAC itself is beginning to give greater recognition and exposure to the work and interests of non-DAC donors, and there would seem to be significant scope for the DAC states to develop further initiatives to support mutual dialogue and learning.

### 5.1 The UN and the role of non-DAC countries in humanitarian debates

The UN has obvious importance in discussions of non-DAC engagement in the international humanitarian system. There are, of course, highly political aspects to this, particularly regarding debates in the Security Council on the appropriateness of 'humanitarian intervention'. Non-DAC donors have often been critical of Western governments' adoption of the language of humanitarianism to justify interventions as a way of furthering broader political ambitions.

In the General Assembly and the Economic and Social Council (ECOSOC), non-DAC countries are primarily represented by the G-77. 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. A number of common themes and issues emerge from a review of statements from the G-77 and other non-DAC donors to the ECOSOC humanitarian segment from 1998 to the present.

First, issues of sovereignty and territorial integrity remain at the heart of the G-77's concerns regarding

humanitarian action, particularly issues of protection for the internally displaced. However, opinions on this fluctuate depending on whether IDPs are of concern to a particular country, as with Russia and Chechnya. The views of non-G-77 donors differ here; in particular, South Korea, not a G-77 state, has called for an 'effective, universal international protection regime', and supports OCHA's IDP Unit (UN 2005c). Recent attempts to clarify Member States' responsibilities regarding the protection of IDPs and the responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity (UN 2005c), as well as the role of the Security Council in determining such cases, signal a small but important step in finding consensus in these debates.

Second, the G-77 has expressed unease over the expansion of development programmes into the humanitarian sector. In turn, there has been concern that responses to humanitarian emergencies have expanded to include areas such as conflict prevention and conflict resolution. Statements have stressed that the distinctions between the political, peacekeeping, human rights and humanitarian work of the UN should be maintained. South Korea, however, argues for an integrated agenda.

Third, there has been concern, expressed particularly by the Indian government, over the increasingly bilateral giving of humanitarian assistance, particularly the use of international NGOs to deliver humanitarian assistance, rather than multilateral mechanisms. Statements have stressed the need for donors to have more trust in the UN system of coordination, and to facilitate mechanisms that would assist the UN to respond more flexibly by utilising the CAP and increasing the level of unearmarked resources for emergencies. As the review of financing trends in Chapter 3 suggests, however, non-DAC donors themselves do not reflect these views in the way that they channel their own aid.

Fourth, South-South cooperation continues to be stressed as a means to share and transfer best practices and appropriate technologies, particularly through training and support for human resource development and capacity-building. Examples include resource mobilisation and economic development, promoted by the UAE, and economic and democratic transition, promoted by Poland (UN 2005c).

Finally, the G-77 has called for increased funds for natural disasters, as well as disaster prevention and management

mechanisms, including early-warning systems. Natural disasters have been a particular concern of the G-77 for some time, and it is in this area that increased engagement with non-DAC donors might be most advantageous and effective, at least in the initial stages.

#### 5.1.1 OCHA and the UN humanitarian agencies

Despite OCHA's internationally mandated coordination role in the humanitarian system, there seemed to be little evidence of a wide appreciation of this function among non-DAC donors at headquarters. Some have provided an annual contribution to OCHA, but it has generally enjoyed very little financial support, at least until the Indian Ocean tsunamis in 2004. This is reflected in the limited support non-DAC donors provide to the UN's Consolidated Appeals, although there is evidence of a shift in recent years (DI 2005). As current chair of OCHA's Donor Support Group (ODSG), the US government has placed the issue of non-DAC donors high on the agenda for 2005.

Resource-led strategies were the basis on which UN agencies first attempted to engage with non-DAC donors, and for the most part the strategy has been problematic. Fundraising in itself has not been an effective way of demonstrating the comparative advantage of a UN multilateral response (non-DAC donors have never suffered from a shortage of channels), nor were these agencies seen to reflect the concerns of non-DAC donors. The focus on what non-DAC donors can provide to the humanitarian relief effort, without addressing the larger issue of why multilateral contributions are important, and how these contributions should be made and allocated, would seem insufficient. This has led to a more nuanced and responsive approach to engaging with these donors. UNDP, OCHA, UNHCR and WFP have, or are developing, 'new partnership' strategies, either at the regional or global level.

As a key multilateral assistance actor engaged in the transition process in Central Europe, UNDP has helped countries to shift from net recipient to contributor status, and has facilitated development assistance programmes between the Central European donors and recipients in Eastern Europe. In 2004, UNDP Poland and the Polish MFA jointly launched a public campaign called 'Millennium Development Goals: time to help others!'. This was the first UN-driven campaign in Central Europe in support of the MDGs. The goal of the campaign was two-fold: to familiarise Polish society with the MDGs, and to draw public attention to the needs of people living in poorer countries; and second, to initiate a public debate in Poland on the country's role and responsibilities as a donor of development assistance (with the longer-term objective of building support). UNDP has also established a Regional Trust Fund to promote development cooperation between emerging donor countries and recipient states, with a special focus

on south-east Europe and the Commonwealth of Independent States (CIS).

Both UNHCR and WFP have made significant efforts to strengthen, diversify and expand their relations with non-DAC donors, and to understand how these donors operate. WFP is perhaps the most advanced in terms of non-DAC dialogue, breadth of support and range of networks. Between 2002 and 2003, 23 low-income countries contributed to WFP, to a value of \$56 million; as a result, WFP set itself the goal of securing contributions from all 191 members of the UN. Its strategy to achieve this – 'New Partnerships to Meet Rising Needs' – was released in 2004. The agency has also decentralised its donor relations offices, and plans to open new offices in Riyadh, Saudi Arabia, and other regional locations. WFP has been more adaptive and innovative in the way in which it supports and matches contributions from non-DAC donors, not only in the provision of goods and services, but also in in-kind aid.

WFP also encourages twinning arrangements, whereby it matches cash and commodity donors (the latter often being non-DAC) with a specific appeal or development project. Debt swaps have also been piloted; in 2004, for example, Italy agreed to forego debt from Egypt on the condition that Cairo invested in domestic development projects. The funds were placed in a separate account, and UN agencies were invited to bid for projects. WFP is now running a school feeding project. WFP has also encouraged donors that are also recipients of WFP programmes to contribute to covering these needs, as well as helping with operations beyond their borders.

In 2004, WFP and the League of Arab States signed their first Memorandum of Understanding for future cooperation. This underlines the two organisations' common interest in improving food security in the Middle East. It also reflects the fact that Arab League countries are increasingly important donors to WFP: Algeria gave \$10 million in 2003, while Saudi Arabia contributed \$3.3 million and Jordan \$44,000. In early 2003, WFP held a conference on 'Expanding Partnership: New EU Member States and WFP' to highlight the agency's emergency response capacity, and to discuss areas of potential cooperation. In China, WFP has aimed to build internal capacity. WFP is the only UN agency with which China has completed the transition from recipient to donor. From 2006, WFP's office in Beijing will become a liaison office, focusing exclusively on building up the agency's relations with the Chinese government, primarily for fundraising.

WFP recognises that the tendency for non-DAC donors to channel their giving bilaterally is a challenge. In analysing this, WFP's strategy notes that the political imperatives behind donorship are similar to those of the DAC donors. On this basis, WFP has committed itself to providing

donors with publicity and press coverage; it makes a commitment to solicit aid for countries in which these donors have a political interest, and which are plausible recipients geographically and logistically. WFP has also suggested that countries may enhance their standing in the UN on the basis of WFP contributions.

## 5.2 The Red Cross and Red Crescent Movement

The preference non-DAC donors have for the Red Cross and Red Crescent Movement as key humanitarian assistance channels reflects the Movement's appeal as a genuinely global body, committed to universality as one of its core priorities, and its role in disaster response as an auxiliary to public authorities. The influence this gives the national societies is significant, and the way each discharges its responsibilities, particularly in relation to the broader international movement, is vital to increased effectiveness and the coordination of response. Each national society is formally required to coordinate with the other components of the Movement at field level, both by informing the IFRC of its plans and by working under the ICRC as lead agency. To date, however, this has not always been the case. By the same token, non-DAC national societies have on occasion been under-represented in the coordination process, and a lack of flexibility has meant that societies have not been adequately engaged in planning or coordination. In Iraq, it was suggested that 'to the outsider, the meetings and information exchange sessions with national societies ... appear[ed] more as efforts intended to keep order in the ranks' (MacDonald 2003).

In the Gulf in particular, over the past few years there have been concerted efforts to enhance coordination by establishing greater levels of trust and substantive dialogue between the national societies and the broader international movement. In Asia, the role of the national societies in international humanitarian assistance has to date been much smaller, and there have been fewer opportunities for field-level coordination. As their operational role in international assistance increases, and as lessons from the tsunami are absorbed, ways of improving regional coordination between national societies in Asia will be sought (IFRC 2005).

Whilst the Federation plays a role in coordinating the policies and operational activities of the national societies, until recently it had no agreed platform or mechanism for cooperation with states at the regional level. Over the past few years, a number of initiatives have been set in motion to forge stronger links and develop formal relationships with regional fora. The IFRC Secretariat and the League of Arab States have signed a Memorandum of Understanding, and the two organisations attend each other's meetings. Momentum appears to be building, albeit slowly, and an increase in dialogue and strengthened ties between the League and the

Movement are expected, along with greater incorporation of the humanitarian agenda into the League's work.

The chairs of the Gulf Red Crescent Societies have also been engaged in efforts to promote greater regional coordination. In 2002, the GCC Higher Commission for Refugees and Non-Governmental Organisations called for the establishment of a regional centre to store foodstuffs and boost capabilities for responding rapidly to humanitarian crises in the region. From the IFRC's perspective, this increasing cooperation represents an opportunity to promote humanitarian issues at the regional level. The national Red Crescent societies also expect to be able to use such regional fora as a platform for negotiation with their own governments.

## 5.3 The Development Assistance Committee

The DAC is one of the most important fora for setting the aid agenda at the international level. It established and governs the definition of ODA, and it is the forum through which members seek to coordinate policy and carry out peer reviews. Although the DAC has been involved in informal meetings with Arab states and OPEC over development financing since the 1970s, its engagement with non-member countries has until recently been *ad hoc* (Fuhrer 1996). In 2004, prompted by concerns with aid effectiveness and by the MDGs, which recognise the contribution non-DAC governments can make, the DAC agreed to pursue more sustained dialogue with non-member countries.

In February 2005, the DAC and UNDP jointly 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 (OECD and UNDP 2005). Many non-DAC donors were represented by senior delegations.<sup>18</sup> The meeting was considered broadly successful, in part because the emphasis was on creating space for a dialogue of 'mutual benefit', and the issues were presented in a way that encouraged dialogue and entry into the debates. South-South, East-East and triangular cooperation were acknowledged as important routes to improving aid efficiency and effectiveness, not least by promoting ownership and inclusive partnerships. Participants at the forum agreed that there was significant scope for better information-sharing and for a more structured and sustained dialogue to be built up through periodic consultations. In particular, it was agreed that there needed to be better information on assistance provided by the entirety of the donor community, and the DAC has agreed to include in its publications any information reported by non-DAC donors to increase the comprehensiveness of ODA data. Participants also agreed on the value of sharing information on their policies and

<sup>18</sup> India was one of the few non-DAC donors not to attend.

systems for managing aid. Several non-DAC donors expressed an interest in being observers on DAC Peer Reviews, and in becoming involved in DAC Joint Country Assessments. A 'Centre of Cooperation for non-members' within the DAC secretariat will be the institutional home for future engagement. This recent dialogue is a significant step towards greater inclusivity. However, it is not clear how much wider the scope might be, and what level of interest there might be among the non-DAC donors, for the DAC to become truly representative of the global pool of donor governments, particularly those without broader development cooperation portfolios (OECD-DAC 2004).

Individual DAC states have also taken steps to enhance links with non-DAC countries. Japan in particular has played a strong and sustained role in urging the international community to deepen its understanding of aid traditions from different cultures, and has financed technical cooperation provided by Asian countries to Africa. Examples of such 'triangular cooperation' include Japan's Third Country training programmes (involving Kenya, Mexico, Singapore and Thailand), the provision of experts and partnerships. Japan has also been active in convening Asia–Africa Forums and providing support to UNDP's Special Unit for Technical Cooperation among developing countries, for capacity-building in local governance and economic

development. Other DAC countries, such as Canada, Sweden, Switzerland and the UK, have been active in pursuing either roundtable dialogues with non-DAC donors, or supporting technical assistance packages and promoting opportunities for lesson learning and peer review.

#### **5.4 The European Commission**

In Europe, the EU's Humanitarian Assistance Committee (HAC) acts as a forum for policy debate and agenda-setting among member states. The HAC has brought new member states together with selected EU-15 members for mentoring and capacity-building exercises. Thus far, the Swedish government has worked with the Baltic States and the Czech government, and the Austrian and German governments have also provided new members with assistance. However, the most substantive engagement in Central Europe has been carried out by a government outside of the EU. In 2001, Canada established a five-year programme to support Central European countries in their transition from net recipients of ODA to net contributors. It currently supports Hungary, Poland, the Czech Republic, Slovakia, Slovenia and the Baltic States. The programme is broadly a capacity-building exercise, with the objective of assisting in developing sustainable national ODA capacity in each country concerned, as well as trilateral cooperation in third countries.

## Chapter 6

# Conclusions

This report has described how an increasing number of governments are becoming involved in the response to complex crises and natural disasters. Assumptions that humanitarian aid was the preserve of a small international 'club' of primarily Western donors have never been fully accurate; developing countries have long played a role in responding to the needs of other developing states, both in their own neighbourhoods and further afield. This phenomenon has, however, been weakly documented and poorly understood. It remains under-appreciated in debates on humanitarian action, as well as in broader developmental agendas.

A greater understanding of the diversity of official giving reinforces the argument that humanitarianism is, and has always been, a universal pursuit, neither entirely dominated by Western states, nor necessarily biased exclusively towards Western interests. However, while the aid programmes of countries like China and India are no more immune from foreign policy and security interests than those of the DAC donors, the nature of these interests, and their historical bases, are often quite different. This is not to imply that aid efforts should be dominated by these political interests, but it does suggest that an increased awareness of the political drivers and incentives involved would allow for more effective management of the tensions that may arise. The factors that underlie these differences shape the debates in the UN and in regional groupings on issues of sovereignty and '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.

This report has also highlighted the substantial challenge of measuring and monitoring financing flows from non-DAC donors. A more accurate appraisal of these funding flows may well change our understanding of the total volume of official humanitarian assistance, both at the global and country levels. Increased transparency of aid allocations and financial reporting to international mechanisms, particularly the Financial Tracking System, will be vital if we are to obtain a clearer picture of trends in aid flows, and to assess whether financing is being allocated according to need across humanitarian crises. This will also help in understanding the relative importance these diverse donors are placing on particular

crises, and the channels they are using to deliver their aid. The value these countries place on raising the profile of their aid programmes, both domestically and in their international relations, may provide an incentive for them to improve their financial reporting. DAC donors and international humanitarian agencies can assist in this process.

Indicative findings from policy analysis and financial flows suggests that these non-DAC donors are engaging in a growing number of countries, while concentrating the bulk of their resources on a few specific crises, particularly in neighbouring states. There is also a strong preference for bilateral aid over multilateral routes, particularly government-to-government, as well as through national operational agencies. There has long been a view that the humanitarian enterprise as a whole is less than the sum of its multiple parts (Minear 2003). The fact that non-DAC donors channel high levels of aid bilaterally and concentrate their aid on crises in their own regions only exacerbates this problem. Bilateral approaches have always undermined the effective functioning of the humanitarian aid architecture, and make aid cooperation more difficult. Moreover, non-DAC donors do not have a seat at many of the most important fora in which humanitarian dialogue takes place, and humanitarian policy is coordinated. However, there are indications, from the DAC and non-DAC donors, as well as from operational agencies, that dialogue and engagement is beginning to increase. Many stakeholders recognise that effectively mobilising the resources of non-DAC donors will require an increased awareness of their aid priorities, and respect for the different practices and principles they deploy when responding to crises, including a recognition that different visions of humanitarianism exist.

The international humanitarian community is at an important juncture. There is extensive discussion of reform, and non-DAC donors need to be part of this process. This does not mean simply inviting them to join the club: effective dialogue must be based on respect for diversity and a willingness to explore and identify common interests. This might include, as a starting point, a greater focus on sharing knowledge and experience of disaster preparedness and mitigation. Other opportunities, including enhancing South-South cooperation and encouraging investment in regional fora for coordination and policy dialogue, will also be important, especially as the capacity of regional groupings to function as a mechanism for aid policy coordination and dialogue looks set to increase.

## 6.1 Recommendations

### Non-DAC donor governments

#### *Humanitarian policy and needs-based approaches*

- Consider options for formulating distinct policies on official humanitarian assistance, which recognise the specific goals of this form of aid as distinct from the broader pursuits of development aid and foreign and security policy. This should reflect a commitment to needs-based humanitarian programming and to impartiality within any given country or affected population; whilst there are practical advantages in concentrating assistance regionally, efforts to include a wider range of beneficiaries should accompany the expansion and growing reach of donors' international aid programmes, to maximise the impartiality of humanitarian response.
- Give greater consideration to the balance between, and incentives for, bilateral and multilateral channels for intervention. This should be done in line with considerations of capacity, reach and humanitarian principles, including impartiality and independence.

#### *Aid architecture and management*

- Consider options for centralising responsibility for official assistance within one ministry, in order to improve the reporting of financial flows and the coordination of policy and programming, and increase the capacity of the relevant ministry/department to monitor and evaluate humanitarian aid, particularly its impact on beneficiaries.
- Explore options for increasing the coordination of aid, either through UN or regional mechanisms, and via the international components of the Red Cross and Red Crescent Movement; for example, a greater proportion of assistance could be channelled through or in response to IFRC appeals.
- Increase the transparency and level of reporting of official aid flows, both in the interests of visibility and trust and to improve the performance and accountability of official aid. This should include increased investment in capacity to consistently report official humanitarian expenditure to the UN's Financial Tracking System, as well as to domestic constituencies and operational organisations.
- Develop a supportive regulatory framework at the domestic or regional level for local NGOs and other organisations. Where new forms of regulation are being developed, focus on building capacity for the independent monitoring and regulation of charitable activities, rather than blanket regulatory measures.

#### *Humanitarian dialogue*

- Increase engagement with humanitarian debates in international and regional fora and with other international humanitarian actors/organisations. This

could include utilising existing opportunities to influence debates, for example through ECOSOC humanitarian debates, through the DAC's non-member forum and through donor support groups and the executive committees of UN agencies; using established regional aid fora, such as the EU's Humanitarian Assistance Committee and the League of Arab States; promoting humanitarian issues within regional groupings, so that aid policy can play a greater part in the work of these organisations and in the multilateral policy debates of member states; and increasing engagement and dialogue with UN agencies to build effective relations of trust and mutual understanding of aid priorities and interests.

- Deepen the policy dialogue between state and non-state humanitarian actors. This is particularly important in relation to the possibility of non-state actors adopting codes of conduct, and the role of the state in respecting the distinctive roles and responsibilities of non-state actors.
- Develop communications and public awareness campaigns on the role of official development and humanitarian assistance. Where this is already occurring, continue to invest in, and monitor the impact of, communications and awareness-raising campaigns to increase public knowledge and interest in official aid expenditure.

#### *Technical assistance and capacity-building*

- Continue to promote domestic technical capacities in assisting the international humanitarian system to prepare for and respond to natural disasters, including in the UN and other international and regional disaster preparedness and response mechanisms.
- Invest in technical training, including the capacity and professionalism of local organisations to undertake needs assessments. Enhance the skills and assets required for rapid response, and invest in evaluation and impact assessment techniques.

### International humanitarian organisations

#### *Strategic engagement and needs-based approaches*

- While recognising the importance of diversifying funding bases by attracting non-DAC resources, continue to invest in strategic and policy-based approaches to relations with these donors. While this should be addressed in a way that is open to differing approaches to humanitarianism, it will be important to stress that assistance within a given country should be given according to need.
- Acknowledge the efforts of individual operational agencies to develop closer relations as well as formal agreements with non-DAC donors and their national and regional counterparts; consider options for more collective strategies for engagement.
- Increase efforts to support non-DAC donors in areas of

South–South cooperation, share best practices and enhanced technical cooperation

#### *Dialogue and learning*

- Explore opportunities for knowledge-sharing and harnessing non-DAC donor experience in responding to natural disasters, and how national responses and their experiences as aid recipients inform the development of contemporary humanitarian aid policy.
- Actively share and debate policy and technical guidelines in areas such as needs assessment, civil–military relations, private-sector engagement and evaluation techniques, and support governmental and non-state learning on issues of mutual interest.
- Consider options for ongoing analysis of non-DAC aid cultures and histories, structures and policies, as well as the administrative and resource constraints of non-DAC donors.
- Invest in disseminating information on the role of the UN’s Financial Tracking System, both to governments and to domestic interest groups/operational organisations in non-DAC donor countries, highlighting the benefits of FTS for donor governments themselves.

#### **DAC donor governments**

##### *Dialogue and learning*

- Increase dialogue with non-DAC donors on aid policy and humanitarian principles, recognising their differing policy perspectives and ambitions.
- Support disaster preparedness/mitigation dialogue and

action as an important political contribution to an area of consistent concern among non-DAC donors.

- Explore opportunities to engage in aid dialogue at the regional level, recognising the knowledge, networks and comparative advantage non-DAC donors have regarding crises that are proximate to their region.
- Consider options for ongoing analysis of aid donorship in each region, including its history, politics and practice.

##### *Technical assistance and triangular cooperation*

- Explore opportunities for providing technical assistance in humanitarian aid management, particularly in increasing capacity for monitoring and reporting aid flows, and enhancing awareness of approaches to defining official aid, and humanitarian aid.
- Share experiences of monitoring and evaluating projects, and consider including administrators from non-DAC donors in DAC evaluations.
- Consider options for twinning and cost-sharing of interventions with non-DAC donors in third countries, as well as triangular cooperation.
- Increase the capacity of non-DAC domestic operational agencies by investing in local and regional channels for assistance at times of humanitarian crisis, including the national Red Cross/Red Crescent societies. Support the efforts of international organisations, particularly the IFRC and ICRC, to coordinate regional and international aid, and build the capacity of local organisations in developing countries.





# Annex 1

## List of interviewees

### China

Toru Shibuichi	Asian Development Bank
Chris Spohr	Asian Development Bank
Dong Hua Wei	China Charity Federation
Nick Young	China Development Brief
Xue Hong	Chinese Academy of International Trade and Economic Cooperation, Ministry of Commerce
Cao Jinli	Chinese Academy of International Trade and Economic Cooperation, Ministry of Commerce
Xiaohua Wang	Chinese Red Cross
Hu Zhang	Chinese Red Cross
Yu Ying Fu	Department for Aid to Foreign Countries, Ministry of Commerce
Kebur Azbaha	UK Department for International Development
Holger Grundel	UK Department for International Development
Andrew Watson	Ford Foundation, China
Wang Min	Tsingua University
Andrew Claypole	UNICEF
Lu Lei	UNDP
Bert Wu	UNDP
Marion Hoffmann	UNHCR

### South Korea

Yeong June Kim	Development Cooperation Division, Ministry of Finance and Economy
Dohnson Yang	Development Cooperation Division, Ministry of Finance and Economy
Kim Min-Sun	Development Cooperation Division, Ministry of Foreign Affairs and Trade
Kim In Hee	Good Neighbors International
An Seung Jin	Good Neighbors International
Sung-Ho Chung	Korea International Cooperation Agency
Chang Hyung-sik	Korea International Cooperation Agency
Claire Choi	Korea International Foundation for Health and Development
Cho Do-Yeon	Korea International Foundation for Health and Development
Kong Han Chul	Korea International Foundation for Health and Development
Kim Hyun Kyong	Korea International Foundation for Health and Development
Juja Kim	Korean Red Cross
Yong-Hoon Rheem	Korean Red Cross
Hwang Jay	Korean Sharing Movement
Lee Jong Moo	Korean Sharing Movement
Park Dong-Eun	UNICEF
Kang Nam Wook	UNICEF
Anne-Isabelle Degryse-Blateau	UNDP

### Poland

Pawel Baginski	Ministry of Foreign Affairs
Jan Szczycinski	UNDP
Prof. Urszula Żuławska	Institute of Developing Countries, Warsaw University
Dr Bogumila Liocka-Jaegermann	Institute of Developing Countries, Warsaw University
Paulina Kaczmarek	Institute of Political Studies, Polish Academy of Sciences
Janina Ochojska	Polish Humanitarian Organisation
Jolanta Steciuk	Polish Humanitarian Organisation

Justyna Janiszewska                      Zagranica Group (NGO umbrella group)  
Hubert Matusiewicz                      Polska Caritas

### **Czech Republic**

Ambassador Dr Jiri Jiránek              Head of Unit, Department for Development Cooperation and Humanitarian Aid,  
Ministry of Foreign Affairs  
Miroslav Belica                              Deputy Director, Department for Development Cooperation and Humanitarian Aid,  
Ministry of Foreign Affairs  
Ludek Prudil & staff                        Ministry of Interior  
Šimon Panek                                 People in Need and Czech Forum for Development Cooperation  
Igor Blazevic                                 One World and People in Need  
Petr Halaxa                                  Head of Development Centre, Institute of International Relations  
Martin Náprstek                              Development Centre, Institute of International Relations  
Martin Váně                                  Caritas

### **Slovenia**

Ambassador Marjan Setinc                Head of Development Cooperation and Humanitarian Assistance, Ministry of Foreign  
Affairs  
Ana Kalin                                      Ministry of Foreign Affairs  
Gasper Jez                                  International Finance Department, Ministry of Finance  
Srečko Zajc                                  Secretary-General, Slovene Red Cross  
Professor Mojmir Mrak                      Faculty of Social Sciences, Centre for International Relations, University of Ljubljana,  
Marjan Huc                                  CNVOS  
Natasa Sukic                                 CNVOS  
Alojzije Stefan                                Secretary-General, Caritas Slovenia  
Tereza Novak                                Slovenska Filantropija  
Blaz Habjan                                 UNICEF  
Lenka Vojnovic                              UNICEF

### **Slovakia**

Daniel Hanspach                            UNDP Regional Office, Bratislava

### **Dubai and Abu Dhabi, United Arab Emirates**

Barbara Castek                              Dubai Aid City  
Nedal Juma                                  Dubai Aid City  
Roberto Kriete                                Dihad  
Nawal Ali Al Shamsy                        Red Crescent UAE  
Saleh M Al Tai                                Red Crescent UAE  
Omar Shehadeh                               UNICEF  
Nadir Hadj-Hammou                        UNDP  
Fouad Ismael                                 MSF  
Tarek Shayya                                 WFP  
Sanaa Al-Kataby                              UAE Red Crescent  
Khalifa Nasser                                UAE Red Crescent

### **Kuwait**

Colonel Sajed Al-Buaijan                 Humanitarian Operations Centre, Kuwait Army  
Colonel John Moskal                        Humanitarian Operations Centre, US Army  
Said Al-Shinnawi                            AFESD  
Khalifa Ali-Dau                               AFESD  
Chris Innes-Hopkins                        British Embassy  
Michel Meyer                                ICRC  
Neriman Eweiss                              Red Crescent Kuwait  
El Tayeb Musa                               UNDP  
Mustapha Karkouti                         UNRWA  
Ibrahim Hassaballa                        IICO

Fawzi Al-Hunaif	KFAED
Saad Hammad	KFAED
Ambassador Abdullah Murad	International Organisation Department, Ministry of Foreign Affairs

### Egypt

Georgios Tsitsopoulos	European Union
Ameur Zemmali	ICRC
Counsellor Ahmed Gamaleldin	MFA Egypt
Ibrahim Elsour	League of Arab States
Ahmed Mohammed	Red Crescent Egypt
Fikry Mahmoud	
Mohammed Mohei	Red Crescent Egypt
Mohamed Diab	WFP

### UN Missions, New York

Nawak Al Enezi	Permanent Mission of the State of Kuwait
Abdullah M. Al-Rasheed	Permanent Mission of the Kingdom of Saudi Arabia
Hong-gi CHOI	Permanent Mission of the Republic of Korea
Li Tianwu	Permanent Mission of the People's Republic of China

### International organisations and UN agencies

Hunter McGill	OECD DAC
Amjad Abbashar	OCHA, New York
Kristina Koch	OCHA, New York
Christelle Loupforest	OCHA, New York
Shoko Arakaki	OCHA, New York
Robert Smith	OCHA, Geneva
Andrew Whitley	UNRWA
Karin Hulshof	UNICEF, New York
Stephen Jarret	UNICEF, New York
Johan Cels	UNHCR, New York
Jean Noel	UNHCR, Geneva
Radhouane Nouicer	UNHCR, Geneva
Alzira Ferreira	WFP, Rome
Allan Jury	WFP, Rome
Tahir Nour	WFP, Rome
George Simon	WFP, Rome
Philip Ward	WFP, Rome
Dr Ali Said Ali	IFRC, Geneva
Johan Schaar	IFRC, Geneva

### Additional interviewees

Makki Abdelnabi Mohamed	Islamic Relief
Haroun Atallah	Islamic Relief
Affan Cheema	Islamic Relief
Dr Hany El-Banna	Islamic Relief
Najat El Hamri	Islamic Relief
Atallah Fitzgibbon	Islamic Relief
Dawud Price	Islamic Relief
Mohammad Rayyan	Islamic Relief
Jonathan Benthall	Independent academic/consultant
Leo Barasi	Independent academic/consultant
Dr Eric Neumayer	LSE
Roger Thurow	Wall Street Journal
Neil Briscoe	UK Representative to the UN Food and Agriculture Organisation
Major Jim Brown	US Army Peacekeeping and Stability Operations Institute

## Annex 2

# OECD and OECD-DAC membership

OECD members and their date of membership	OECD-DAC members and their date of membership
Australia: 7 June 1971	Australia: 1966
Austria: 29 September 1961	Austria: 1965
Belgium: 13 September 1961	Belgium: 1961
Canada: 10 April 1961	Canada: 1961
Czech Republic: 21 December 1995	Denmark: 1963
Denmark: 30 May 1961	Finland: 1975
Finland: 28 January 1969	France: 1961
France: 7 August 1961	Germany: 1961
Germany: 27 September 1961	Greece: 1999
Greece: 27 September 1961	Ireland: 1985
Hungary: 7 May 1996	Italy: 1961
Iceland: 5 June 1961	Japan: 1961
Ireland: 17 August 1961	Luxembourg: 1992
Italy: 29 March 1962	Netherlands: 1961
Japan: 28 April 1964	New Zealand: 1973
Korea: 12 December 1996	Norway: 1962
Luxembourg: 7 December 1961	Portugal: joined in 1961, withdrew in 1974 and rejoined in 1991
Mexico: 18 May 1994	Spain: 1991
Netherlands: 13 November 1961	Sweden: 1965
New Zealand: 29 May 1973	Switzerland: 1968
Norway: 4 July 1961	United Kingdom: 1961
Poland: 22 November 1996	United States: 1961
Portugal: 4 August 1961	Commission of the European Communities: 1961
Slovakia: 14 December 2000	
Spain: 3 August 1961	
Sweden: 28 September 1961	
Switzerland: 28 September 1961	
Turkey: 2 August 1961	
United Kingdom: 2 May 1961	
United States: 12 April 1961	

## Annex 3

# Definitions of Official Development Assistance (ODA) and Official Humanitarian Assistance (OHA)

According to the DAC, Official Development Assistance (ODA) is defined as flows to developing countries (countries on Part I of the DAC List) provided by official agencies, including state and local governments, or by their executive agencies. To count as ODA, funds must be in the form of grants or concessional loans with a grant element of at least 25%, and must have the promotion of economic development and the welfare of developing countries as their main objective (DAC Secretariat 2000).

Within ODA, Official Humanitarian Assistance (OHA) has to be calculated using a formula which comprises bilateral Emergency and Distress Relief (which itself includes all earmarked spending through UN agencies and international organisations), total multilateral aid allocated to UNHCR and the UN Relief and Works Agency (UNRWA) and the relief share of total multilateral aid allocated to WFP. This results in a rough and ready calculation which does not capture all spending on humanitarian work. It does,

however, allow humanitarian assistance to be compared over time and between donors and recipient countries on a like-with-like basis. See [www.globalhumanitarianassistance.org](http://www.globalhumanitarianassistance.org) for more detail.

The achievement of a clear and consistent definition of humanitarian assistance is one of the objectives of the Good Humanitarian Donorship initiative, and work on this is being taken forward by the DAC's Working Party on Statistics. The form of words provisionally agreed at the Stockholm conference on Good Humanitarian Donorship in 2003, and which forms the basis for these discussions, defined humanitarian aid as 'the protection of civilians and those no longer taking part in hostilities, and the provision of food, water and sanitation, shelter, health services and other items of assistance, undertaken for the benefit of affected people and to facilitate the return to normal lives and livelihoods'.



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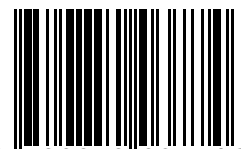
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Overseas Development Institute  
111 Westminster Bridge Road  
London SE1 7JD  
United Kingdom

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

E-mail: [hpg@odi.org.uk](mailto:hpg@odi.org.uk)  
Websites: [www.odi.org.uk/hpg](http://www.odi.org.uk/hpg)  
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ISBN 0-85003-774-3



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