



# NON-DAC DONORS AND HUMANITARIAN AID

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Shifting structures, changing trends

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## INTRODUCTION

In the past few years the role of ‘non-DAC donors’, a group of donors that sits outside the Organisation for Economic Cooperation and Development (OECD)’s Development Assistance Committee (DAC) member group, has gained great prominence and has generated much interest within the international development community. These donors are often referred to as ‘new’, ‘emerging’, ‘non-traditional’, ‘non-Western’ or ‘non-DAC’, but the labels applied to them simplify a very complex and diverse group. The variety amongst the donors that make up this generic group is clear: it includes countries that have previously been recipients of aid (such as Poland) and those that still are (such as Nigeria); countries that respond to disasters domestically (such as India or Turkey); those that host a growing number of refugees (such as Syria); as well as countries that have been contributing to and supporting international development programmes and systems for a number of decades (such as the United Arab Emirates (UAE)), and some of which have been doing so for longer and with larger aid budgets than certain DAC donors. For the purpose of this report we will refer to

this government donor sub-set as ‘non-DAC’ donors, but this is by no means an ideal or an accurate title – many of these ‘donors’ do not want to be labelled as such and instead see themselves as development partners facilitating South–South cooperation.

In this report we will analyse the changing patterns in non-DAC donor development and humanitarian financing, focusing specifically on the main players and the changing trends in delivery and recipient allocation. We will attempt to go beyond the numbers by providing some context to the data to try and understand why these government donors allocate humanitarian aid in the way that they do – what are the barriers, the incentives and the influences? Finally, we will look at the various levels of non-DAC donor reporting and the transparency of the aid information available. We will recommend that improved access to timely and comparable aid information, from all donors, would increase our ability to measure the effectiveness and efficiency of humanitarian response.

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## HIGHLIGHTS

The period 2010–11 marked significant changes for non-DAC donors.

**Global significance and engagement:** At a global level, some non-DAC donors are not only fast becoming economic superpowers but are increasingly challenging the existing international financial architecture. In 2010 China overtook Japan as the world's second largest economy, and it is predicted that it will be the largest by 2030.<sup>1</sup> Growing non-DAC donor economies will increase investment opportunities in developing countries. For example, China's current model of assistance focuses on what is known as 'commodities-for-infrastructure concessional financing'. Under what is often referred to as the 'Angolan Model', China provides loans for infrastructure construction in return for resources such as – in the case of Angola – oil.<sup>2</sup> More recently, at an institutional level, the BRICS (Brazil, Russia, India, China and South Africa) have called for greater involvement in managing institutions such as the World Bank and the International Monetary Fund (IMF). Whilst the position for the head of the IMF was recently filled by a European woman, Christine Lagarde, in the lead up to the appointment there were calls to break away from the tradition of electing a European head and instead recruit someone from an emerging power. In a joint statement in May 2011, the BRICS called for a "truly transparent, merit-based and competitive process".<sup>3</sup> At the third BRICS Summit hosted in China in April 2011, which South Africa joined for the first time, there were calls for Russia to become a member of the World Trade Organisation (WTO) and for changes to be made to the global financial system. In the joint communiqué, the Sanya Declaration, the BRICS agreed that "the governing structure of the international financial institutions should reflect the changes in the world economy, increasing the voice and representation of emerging economies and developing countries".<sup>4</sup>

This mounting global economic presence will enable some non-DAC donors to negotiate more political leverage; the role and influence of non-DAC donors in the international arena is set to get bigger. The growing influence of non-DAC donors is also reflected in the shifting emphasis away from the G8 to the G20. The G20 (which includes ten non-DAC donor countries) collectively represents two-thirds of the world's population and 85% of global gross domestic product (GDP).<sup>5</sup> The G20 agenda focuses on growth and economic development in developing countries and is a forum for open dialogue between member states. While the agenda is overwhelmingly growth-centred, some of the G20's nine pillars are relevant to humanitarian aid. In terms of 'growth resilience', many developing countries are characterised by their vulnerability to economic shocks, so the

G20 concentrates on developing mechanisms that are resilient to these shocks, such as social protection and basic services, essential during times of crisis.

**South–South cooperation:** Growing influence and expanding economies are accompanied by new ways of delivering aid, with greater emphasis on South–South cooperation. In 2011 the Poverty and Hunger Alleviation Fund was established through trilateral agreements between India, Brazil and South Africa (IBSA) and offered alternative financing for Southern partners.<sup>6</sup> On 21 April 2011 China released its 'White Paper on Foreign Aid', which makes a clear commitment to South–South cooperation, stressing however that China's aid is "a model with its own characteristics".<sup>7</sup> With the United Nations (UN) estimating that China has lifted 300 million of its own people out of poverty by means of a unique economic development model, it is no surprise that China's approach will "help recipient countries to strengthen their self-development capacity, enrich and improve their peoples' livelihood, and promote their economic growth and social progress".<sup>8</sup> There have been efforts to include a wide variety of stakeholders, from both developed and developing countries, in dialogue at the global level. In 2005 the UN Economic and Social Council (ECOSOC)'s Development Cooperation Forum (DCF) was formed, with the aim of improving coordination and coherence between UN member states and multilateral organisations, in equal partnership.<sup>9</sup>

**Institutional change:** The launch of China's White Paper is a massive step for the aid transparency agenda and for the management of China's aid. At the same time, efforts to improve national aid management programmes are occurring in South Africa with the expected 2011 launch of the South African Development Partnership Agency, which will have the remit of managing, coordinating and administering aid.<sup>10</sup>

**Volume and numbers:** There have also been significant changes within the humanitarian context. The number of non-DAC donors reporting their humanitarian aid to the UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) rose to a record 127 in 2010. This demonstrates that a more diverse range of donors are both funding and reporting their humanitarian contributions. For example, a number of African countries commonly considered to be aid recipients appeared among the top ten donor governments giving to the Haiti Emergency Response Fund (ERF). In terms of volume, 2010 saw humanitarian aid from non-DAC donors (as reported to the FTS) increase by US\$67.2 million to US\$622.5 million, the fourth largest contribution to date. Saudi Arabia was the largest

non-DAC donor, contributing US\$255.9 million. Pakistan and Haiti were the largest recipients, receiving US\$356.3 million and US\$170.5 million respectively.

**Delivery and coordination:** In addition to the increasing volume of humanitarian aid, and the growing number and diversity of non-DAC donors responding to humanitarian crises, types of response and their visibility within the international community are also changing. In 2010 two major humanitarian disasters, in Haiti and Pakistan, marked a significant shift in the methods traditionally adopted by non-DAC donors for channelling humanitarian aid. Firstly, the top two donor governments contributing to the Haiti emergency response fund were non-DAC donors – Saudi Arabia, with US\$50 million, and Brazil, with US\$8 million. Secondly, eight of the ten governments making the largest contributions to this fund were non-DAC donors. Thirdly, India made the largest contribution to the Pakistan ERF, with US\$20 million. This represents a move away from traditional bilateral government funding towards support for multilateral mechanisms that contribute towards improved coordination. In 2010 Brazil became the thirty-sixth member of the Good Humanitarian Donorship (GHD) group, committing to the '23 Principles and Good Practice'.<sup>11</sup> The purpose of the GHD is to improve the coherence and effectiveness of humanitarian aid implementation, and Brazil is the first non-DAC donor, outside of Europe, to join (to date, 12 non-OECD DAC EU member states have also joined).

**Domestic response:** In many cases, non-DAC donors are not only responding to and supporting global humanitarian crises but are also themselves vulnerable to domestic disasters and refugee displacement. For instance, although Turkey has been responding to international humanitarian crises for a number of years, it also responds to domestic humanitarian crises that occur, in part, due to its geographical location and

susceptibility to natural disasters. In 1999 the Marmara region of Turkey was hit by an earthquake which killed around 18,000 people and affected over 1.6 million.<sup>12</sup> Government expenditure on domestic disasters can be significant. For example, Indonesia's government expenditure on disaster response between 2001 and 2007 rose from just over US\$50 million to more than US\$250 million.<sup>13</sup> Furthermore, some non-DAC donors must contend with the effects of regional and neighbouring conflicts by housing refugees. In 2009 the top three refugee host countries were Iran, Syria and Pakistan, with the two former countries each hosting 10% of the world's refugee population.<sup>14</sup>

**Reporting:** Non-DAC donors' aid is becoming increasingly visible, and significant efforts have been made by some to improve the quality of their reporting. In 2008 the UAE established the Office for the Coordination of Foreign Aid (OCFA) to support the delivery and implementation of its development and humanitarian aid.<sup>15</sup> A number of non-DAC donors have historically made their aid visible and have been reporting voluntarily for a number of decades. For example, 'Arab countries' (a term coined by the DAC which previously included Saudi Arabia, the UAE and Kuwait but now excludes the UAE, which reports separately) have been reporting part of its aid to the OECD DAC since the 1970s. In 2010 the UAE reported whole of government aid data to the OECD DAC for the first time. In addition to this, it is the first non-DAC donor to report disaggregated aid information to the OECD Creditor Reporting System (CRS). This marks a significant shift towards improving the transparency of its aid information.

## FOREIGN ASSISTANCE

Estimating non-DAC donors' foreign assistance contributions in comparable terms is complicated because they do not apply the same definitions and criteria for calculating aid, such as the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC)'s official development assistance (ODA). For example OECD DAC ODA definitions state that all loans must contain a grant element of 25% however the loans reported by non-DAC donors as part of their overall foreign assistance may not include this 25% grant element. A conservative estimate of foreign assistance from the BRICS (Brazil, Russia, India, China and South Africa) and net ODA figures from non-DAC donors that report to the OECD DAC show some interesting trends.

Between 2005 and 2009 foreign assistance from non-DAC donors more than doubled from US\$4.6 billion to US\$10.4 billion, with each donor sub-set experiencing similar peaks in the same periods. For example, foreign assistance significantly increased for all non-DAC donors in 2008, rising to a total of US\$11.2 billion, just under 50% higher than 2007 estimations. By 2009 total contributions had dropped by nearly US\$1 billion, coinciding with the global financial crisis in late 2008.

Between 2005 and 2009 ODA from Saudi Arabia, Kuwait and the UAE accounted for the largest proportion of foreign assistance, just

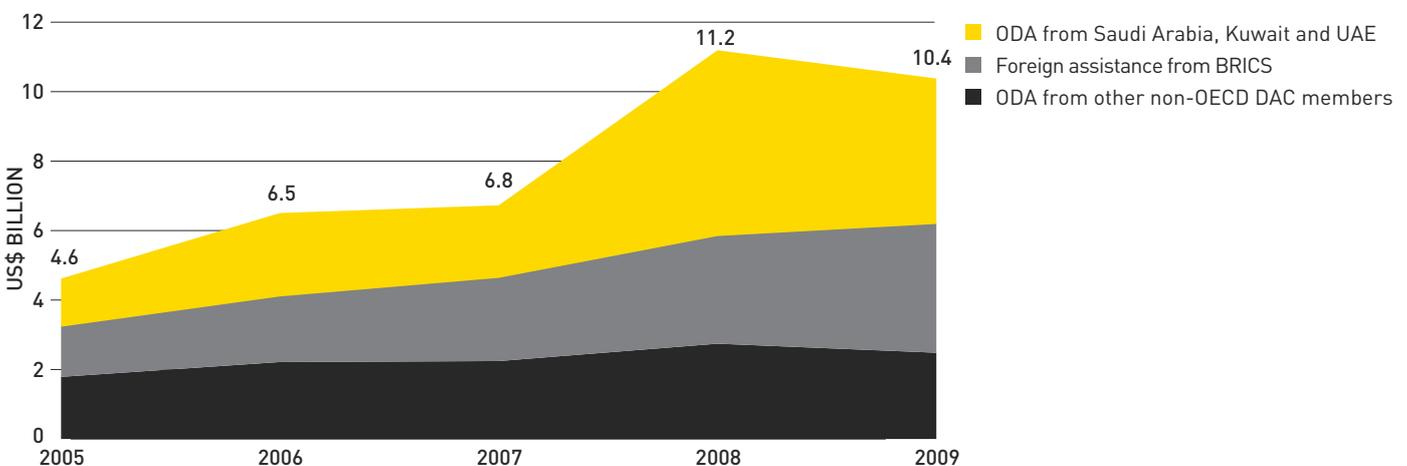
### HOW DO DONORS PERCEIVE THEMSELVES?

The Brazilian government believes that "development cooperation is not limited to the interaction between donors and recipients: [and] understand[s] it as an exchange between peers, with mutual benefits and responsibilities".<sup>16</sup> South Africa regards itself as a development partner, a concept that is grounded in the principles of South-South cooperation. This approach sees "developing country partners support one another by broadening the scope of their economic engagement and by enhancing technical, financial, and institutional partnerships, technology transfer and learning"

(a response given by South Africa as part of the Development Initiatives questionnaire – see annex). Conversely, 'Arab donor countries', such as the UAE, do think of themselves as donors, but their methods of 'promoting' their aid can differ from those of other non-DAC donors. There is a strong culture of giving in Muslim countries; for example, approximately 2.5% of a Muslim worker's wage often goes towards charitable work. However, just as "the left hand doesn't know what the right hand does", so it is not part of the culture to discuss how much is being donated.<sup>17</sup>

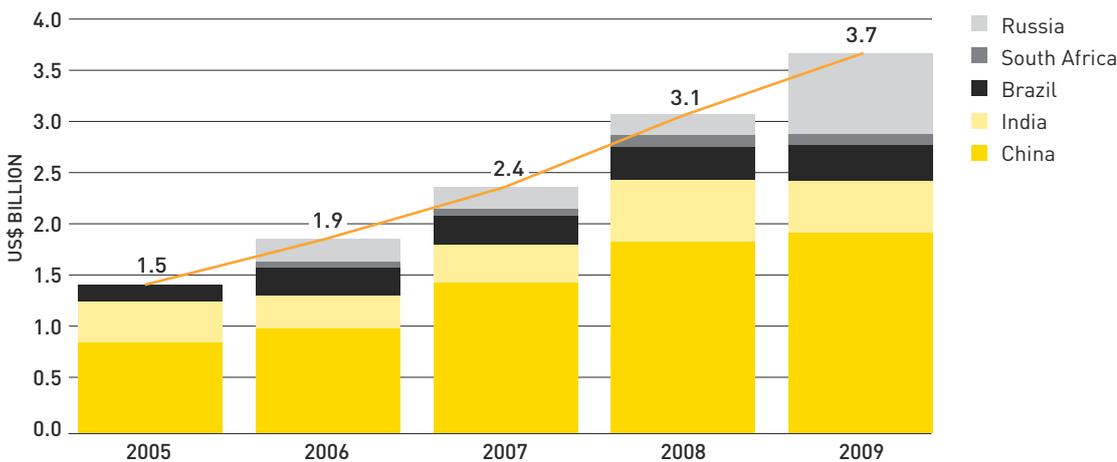
under 40% on average but reaching 48% in 2008. Interestingly, the average proportion of ODA from other non-OECD DAC members was 29% compared with the share of the BRICS, which was 32% in this period. The BRICS' largest share of total contributions was 36% in 2007 and 2009, and the largest share for other non-OECD DAC members was 39% in 2005. In the past five years, the quality of foreign assistance reporting by BRICS has greatly improved, so this may be reflected in the data.

FIGURE 1: ODA AND FOREIGN ASSISTANCE FROM NON-DAC DONORS, 2005–2009



Sources: Foreign assistance for the BRICS countries is a conservative estimate based on various secondary sources (see annex). ODA from Saudi Arabia, Kuwait, UAE and other non-DAC donors, OECD DAC

FIGURE 2: ESTIMATED FOREIGN ASSISTANCE CONTRIBUTIONS FROM BRICS, 2005–2009



Sources: Various secondary sources (see annex)

Foreign assistance from the BRICS grew nominally from US\$1.5 billion in 2005 to US\$3.7 billion in 2009. However, this increase, when considered in real terms, will have been undermined by the falling value of the dollar against a number of local currencies over the period, particularly those of China and Brazil. China gave the largest proportion of reported foreign assistance, averaging just under 60% of total contributions each year, and rising from US\$0.9 billion in 2005 to US\$2 billion in 2009. Russia's foreign assistance significantly increased between 2008 and 2009, from US\$200 million to US\$800 million, although no foreign assistance was reported in 2005.

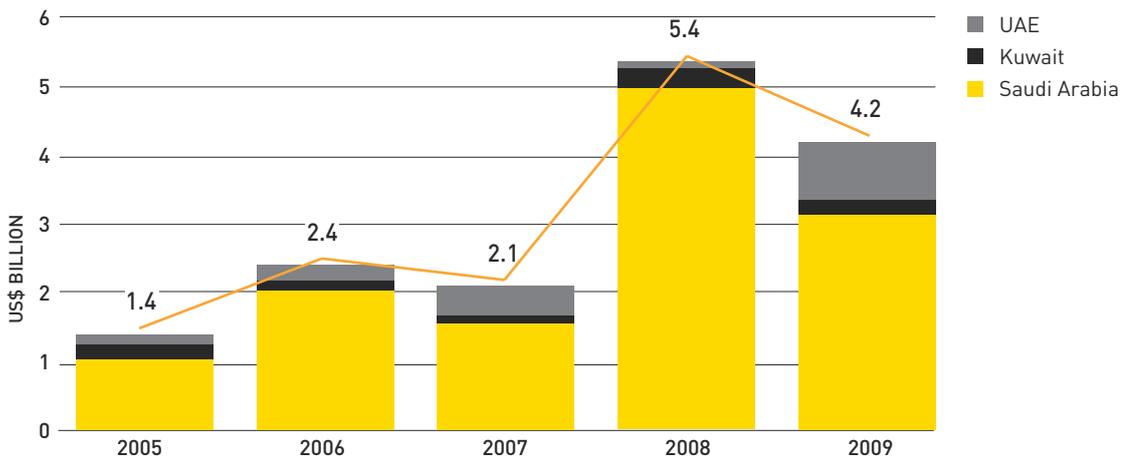
Between 2005 and 2009, the ODA of 'Arab countries' was dominated by Saudi Arabia which, on average, accounted for 82% of total reported contributions – totalling US\$12.7 billion over this period. Saudi Arabia's ODA tripled between 2005 and 2009, from US\$1 billion to US\$3.1 billion, peaking at US\$5 billion in 2008. Its contribution in 2008

ranked it as the ninth largest government donor (including EU institutions) that year, positioning it higher than Canada (US\$4.3 billion) and Sweden (US\$4.2 billion), but below Spain (US\$6.3 billion) and the Netherlands (US\$6.6 billion). The UAE is the second largest Arab donor in terms of reported ODA volumes, its contribution increasing from US\$141.3 million to US\$833.7 million between 2005 and 2009. Kuwait's ODA has remained fairly consistent, with total contributions worth just under US\$1 billion and averaging around US\$200 million each year since 2005. The peak and subsequent fall in contributions in 2008 could be related to the hike in oil prices, which reached an all-time high of US\$147 per barrel in July 2008 and then dropped sharply to US\$46 per barrel by December 2008.<sup>18</sup> However, changes in ODA volumes from 'Arab countries' could reflect increased reporting and does not include all aid contributions (see box).

#### ODA FROM NON-DAC DONORS

Twenty non-DAC donors currently report aggregate ODA to the OECD DAC database voluntarily. This includes 'Arab countries' (Saudi Arabia, Kuwait and the UAE) and 17 other non-DAC donors. 'Arab countries' aid data goes back as far as the 1970s and previously included contributions from the Abu Dhabi Fund for Development, Saudi Fund for Development, Saudi Arabia's Department of Finance and the Kuwait Fund for Development. In 2010 the UAE's Office for the Coordination of Foreign Aid (OCFA) provided the OECD DAC with historical data revisions back to 1971 for the whole of government. However full government data for the UAE is currently only available for 2009 and data for 1971–2008 reflects contributions from the Abu Dhabi Fund for Development. Full UAE government data is due to be retrospectively amended by the DAC shortly. In 2010 the UAE was the first non-DAC donor to provide disaggregated aid information to the OECD DAC Creditor Reporting System (CRS).

FIGURE 3: 'ARAB COUNTRIES' ODA DISBURSEMENTS, 2005–2009

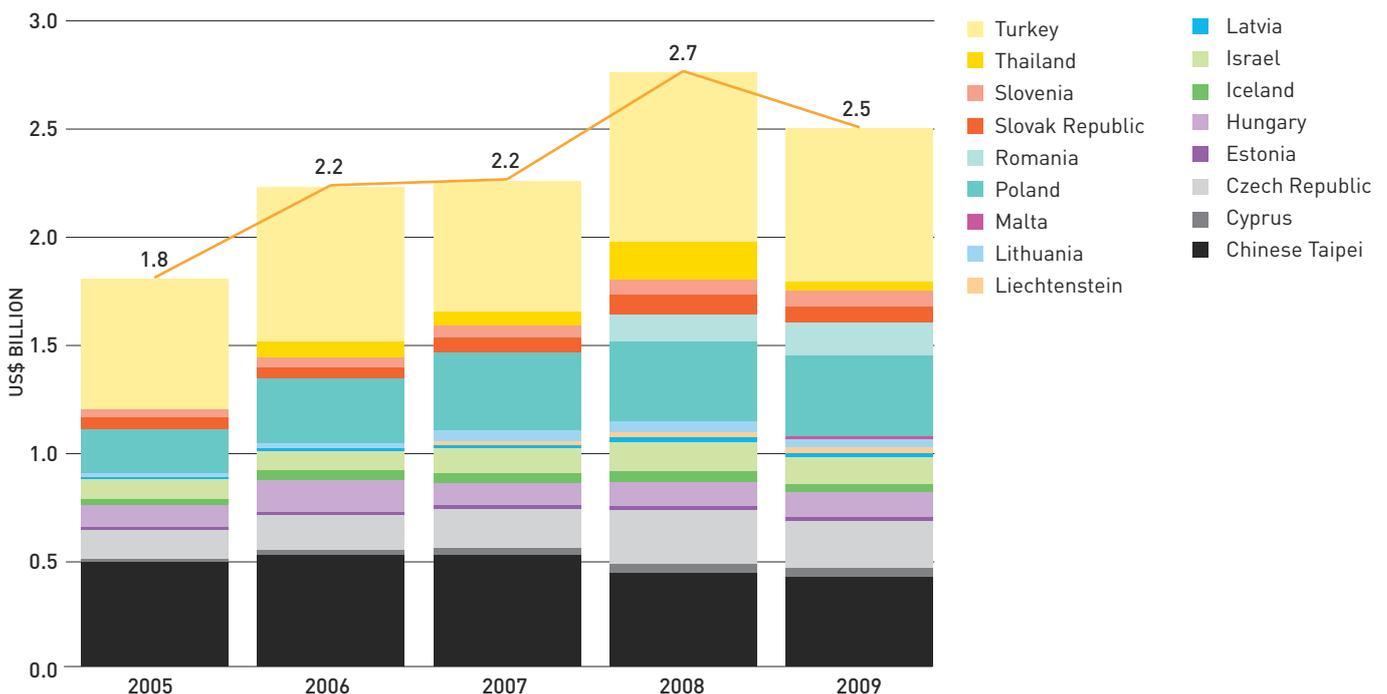


Source: OECD DAC

In addition to foreign assistance from the BRICS and ODA from 'Arab countries', there are also contributions from other non-DAC donors that report to the OECD DAC, 17 in total. In 2008 contributions from this group peaked at US\$2.7 billion. Each year, Turkey and Chinese Taipei have been the largest donors, accounting, on average, for 30% and 21% of total contributions respectively.

Since 2005 Turkey has reported more ODA to the OECD DAC than the UAE and Kuwait put together – US\$3.4 billion compared with US\$2.7 billion. Turkey's ODA figures have been similar year on year (approximately US\$700 million), whereas the UAE's grew from US\$141 million to US\$833 million between 2005 and 2009.

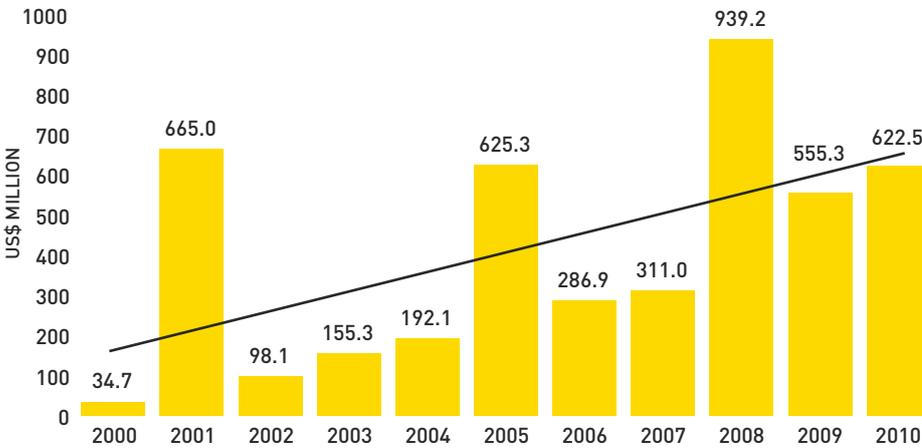
FIGURE 4: ODA FROM ALL OTHER NON-DAC DONORS REPORTING TO THE OECD DAC, 2005–2009



Source: OECD DAC

# WHO ARE THE MAIN HUMANITARIAN AID DONORS?

FIGURE 5: HUMANITARIAN AID VOLUMES FROM NON-DAC DONORS, 2000–2010



Source: Development Initiatives based on UN OCHA FTS data

While trends in foreign assistance and ODA from the different non-DAC donor sub-sets show similar peaks and falls, the pattern of humanitarian aid within these totals is more sporadic. The volume of humanitarian assistance from non-DAC donors, as opposed to more general development assistance, increased from US\$34.7 million in 2000 to US\$622.5 million in 2010. While an upward trend is apparent, there were fluctuations in 2001, 2005 and 2008, due mainly to one-off contributions from a single donor to a given recipient. For example, Saudi Arabia made up 99% of total humanitarian contributions in 2001 (US\$656.7 million), of which US\$645.4 million (98%) went to Palestine/OPT. In 2008 Saudi Arabia channelled US\$338.8 million through the World Food Programme (WFP), which constituted 36% of all non-DAC donor contributions, and in 2010 it gave US\$200.6 million to Pakistan, 32% of total contributions that year.

In 2010 Saudi Arabia was the largest non-DAC donor, making up 41% (US\$255.9 million) of all reported humanitarian aid from non-DAC donors (see figure 6). In comparison, the next nine most generous donors made up 44% or US\$275.3 million of the total. Brazil and

Mexico entered the top ten for the first time in 2010 – this could be due in part to improved reporting by Brazil to the UN OCHA FTS. India also made a significant contribution: US\$36.5 million, just US\$1.3 million less than the UAE.

Saudi Arabia has been the top donor every year since 2000, excluding 2004 and 2009 when the UAE was the largest. Interestingly, the same donors appear frequently in the top ten: Saudi Arabia, the UAE, Kuwait, Russia, Turkey and China have all appeared five times or more.

Non-DAC donors' humanitarian aid remains fairly concentrated and dominated by the top three which, with the exception of 2005, have made up over 50% of contributions year on year. These top three positions regularly feature the same donors, such as Saudi Arabia and the UAE. However, in 2005 the top three donors represented less than 50% of total flows and did not include large one-off contributions from just one or two donors. Instead, the concentration of contributions, as reported by 99 donors, was more evenly spread and the top ten made up 80% of funds that year.

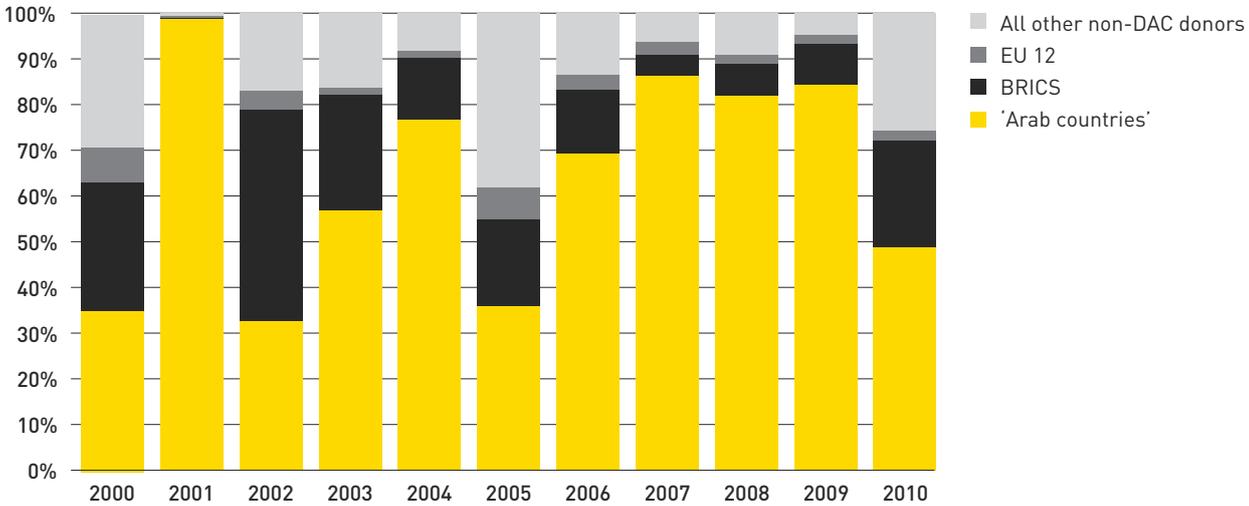
## HUMANITARIAN AID DATA

We use the UN OCHA FTS for our analysis of non-DAC donor humanitarian contributions. However, this data relies on donors voluntarily reporting their humanitarian aid, so the figures often reflect levels of reporting rather than actual contributions. Saudi Arabia may well have been the largest donor in 2010 because it **reported** more than China, not because it **contributed** more. It is not clear what proportion of each non-DAC donor's total humanitarian aid is made up by FTS figures.

FIGURE 6: TOP 10 NON-DAC DONORS' HUMANITARIAN AID CONTRIBUTIONS AND CONCENTRATION OF TOP 3, 2000-2010 (US\$ MILLION)

TOP 10 NON-DAC DONORS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	Saudi Arabia 11.7	Saudi Arabia 656.7	Saudi Arabia 28.8	Saudi Arabia 58.1	UAE 101.4	Saudi Arabia 111.9	Saudi Arabia 131.1	Saudi Arabia 212.5	Saudi Arabia 566.0	UAE 352.6	Saudi Arabia 255.9
2	China 6.0	Qatar 1.0	South Africa 19.8	Kuwait 27.7	Saudi Arabia 35.1	UAE 99.8	UAE 43.8	UAE 45.1	UAE 109.6	Saudi Arabia 81.8	Turkey 60.9
3	Turkey 3.1	China 0.8	Russia 17.8	Russia 17.2	Russia 17.5	Turkey 78.7	Kuwait 24.2	Turkey 11.1	Kuwait 95.6	Kuwait 34.3	Russia 38.3
4	Romania 2.3	Russia 0.8	India 7.4	Qatar 15.3	Kuwait 11.0	China 65.8	Russia 19.9	Kuwait 11.0	Russia 44.0	Russia 32.5	UAE 37.8
5	Russia 1.8	South Africa 0.5	Algeria 4.8	India 12.9	Turkey 10.0	Qatar 45.7	South Africa 15.6	China 6.9	Thailand 27.4	Qatar 12.9	China 37.6
6	South Africa 1.5	Hungary 0.5	Turkey 4.1	South Africa 8.5	South Africa 5.1	Kyrgyzstan 27.1	Turkey 11.4	Czech Rep. 3.5	Kazakhstan 9.7	India 10.7	India 36.5
7	Libya 1.5	Poland 0.5	Kuwait 3.2	Algeria 3.2	China 3.2	India 25.0	Bahrain 5.0	Russia 2.9	Turkey 9.7	Turkey 4.8	Brazil 28.9
8	Israel 1.2	Slovakia 0.4	Romania 3.2	UAE 2.5	Trinidad and Tobago 1.3	Russia 20.5	Libya 4.5	Liechtenstein 2.2	China 9.2	Czech Rep. 4.3	Thailand 11.7
9	Namibia 0.8	Kuwait 0.4	Oman 2.0	Malawi 1.5	Czech Rep. 1.1	Algeria 14.8	Qatar 4.5	Poland 2.2	Iraq 8.0	Hong Kong 4.0	Mexico 10.7
10	Qatar 0.6	Morocco 0.4	Singapore 1.7	Iceland 1.4	Kazakhstan 1.0	Kuwait 13.3	Czech Rep. 4.5	Iceland 1.7	Singapore 6.5	Poland 2.1	Kuwait 10.6
Other donors	14.0	6.5	31.6	52.2	38.2	334.8	87.7	42.3	168.1	86.7	268.1
Total donors	34.7	665.0	98.1	155.3	192.1	625.3	286.9	311.0	939.2	555.3	622.5
Concentration top 3	60%	99%	68%	66%	80%	46%	69%	86%	82%	84%	57%
Concentration top 10	88%	100%	95%	96%	98%	80%	92%	97%	94%	97%	85%

FIGURE 7: CONCENTRATION OF HUMANITARIAN AID BY DONOR TYPE, 2000–2010



Source: Development Initiatives based on UN OCHA FTS data

'Arab countries' continue to dominate humanitarian aid flows reported by non-DAC donors, making up 99% in 2001 and over 80% of shares from 2007 to 2009. However, their contributions dropped significantly in 2002, when the BRICS gave the largest proportion of humanitarian aid – most notably South Africa and Russia, with sums of US\$19.8 million and US\$17.8 million respectively. In 2010, 127 non-DAC donors reported to the FTS, the highest number to date; therefore the proportion of all other donors (26%) was greater, and included Turkey, which reported US\$60.9 million. In 2000 and 2005, EU12 countries made up 8% and 7% of total humanitarian aid.

### IS THE RELIEF/DEVELOPMENT DIVIDE RELEVANT TO NON-DAC DONORS?

Many non-DAC donors do not distinguish between humanitarian and development aid, but is this necessarily a bad thing? This artificial divide often fails to reflect the reality on the ground, such as in the many cases where DAC donors continue to fund a 'humanitarian' crisis for a protracted period of time. For example, in 2009 US\$7 billion of a total US\$10.1 billion of humanitarian assistance – just under 70% – was given to long-term humanitarian assistance countries (see annex), and these have accounted for over 60% of funds spent since 1999. Currently, 26 countries are classified as long-term recipients.<sup>19</sup> This seems to go against the principle that humanitarian

aid is short-term and is there to "save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies".<sup>20</sup>

This distinction in both donor financing policy and implementation often results in development and humanitarian aid practitioners not adopting a coherent or coordinated approach. In the case of Poland, Palestine/OPT is funded year on year as it is a priority country for the Ministry of Foreign Affairs' development cooperation programme. Therefore, development aid expenditure directly affects Poland's humanitarian recipient allocation and, while a distinction is made between the two when reporting, in reality the lines are much more blurred and budgets are much more integrated.

## BURDEN SHARING

FIGURE 8: TOP 15 LARGEST GOVERNMENT DONORS, HUMANITARIAN AID 2008–2010 (US\$ MILLION)

2008		2009		PRELIMINARY 2010		
RANK	DONOR	RANK	DONOR	RANK	DONOR	
1	United States	4,421.0	United States	4,375.9	United States	4,806.4
2	EU Institutions	1,959.2	EU Institutions	1,612.5	EU Institutions	1,604.3
3	United Kingdom	895.2	United Kingdom	1,023.6	United Kingdom	950.8
4	Germany	743.1	Germany	727.4	Germany	685.2
5	Spain	613.8	Spain	632.2	Japan	537.0
6	Netherlands	611.9	Sweden	573.1	Spain	500.9
7	Saudi Arabia	566.0	Netherlands	507.9	Canada	451.6
8	Sweden	539.0	France	405.8	Sweden	393.4
9	France	438.8	Canada	395.5	France	373.8
10	Italy	416.0	Norway	374.7	Norway	339.0
11	Norway	393.1	Italy	361.9	Netherlands	297.3
12	Canada	380.1	UAE	352.6	Australia	265.5
13	Japan	302.0	Australia	324.0	Saudi Arabia	255.9
14	Australia	291.2	Japan	298.3	Belgium	235.0
15	Denmark	287.5	Denmark	242.4	Italy	231.5

Note: Yellow text indicates a non-DAC donor. Sources: Development Initiatives based on UN OCHA FTS and OECD DAC (constant 2009 prices) data

DAC donors often feature amongst the largest government donors in terms of humanitarian aid; however, some non-DAC donors also make substantial contributions. In 2008 Saudi Arabia was the seventh largest government donor and the thirteenth largest in 2010, and in 2009 the UAE was the twelfth largest donor.

While DAC donors contribute the largest volumes of humanitarian aid, they are not necessarily the most generous. Analysing humanitarian aid contributions in terms of generosity (by comparing humanitarian aid spending per capita and as a share of gross national income (GNI)) raises the issue of burden sharing between countries outside

the OECD DAC. Between 2007 and 2009, non-DAC donors regularly featured amongst the top three most generous government donors in terms of humanitarian aid per capita. In 2009 the UAE's humanitarian aid per capita was US\$77, ranking it third, and therefore higher than Sweden and Denmark (see figure 9).

FIGURE 9: MOST GENEROUS COUNTRIES, PER CAPITA, 2007–2009 (US\$)

RANK	2007		2008		2009	
1	Luxembourg	103	Luxembourg	108	Luxembourg	121
2	Norway	91	Liechtenstein	94	Norway	79
3	Liechtenstein	63	Norway	83	UAE	77
4	Ireland	53	Sweden	59	Sweden	62
5	Sweden	53	Denmark	53	Denmark	44
6	Denmark	49	Ireland	50	Ireland	32
7	Netherlands	33	Netherlands	37	Netherlands	31
8	Switzerland	30	Monaco	36	Finland	29
9	Finland	29	Kuwait	33	Switzerland	25
10	Monaco	18	Finland	27	Monaco	23

Note: Yellow text indicates a non-DAC donor. Sources: Development Initiatives based on UN OCHA FTS and OECD DAC (constant 2009 prices) data

FIGURE 10: MOST GENEROUS COUNTRIES, HUMANITARIAN AID AS A PROPORTION OF GNI, 2007–2009

RANK	2007		2008		2009	
1	Luxembourg	0.11%	Saudi Arabia	0.13%	Luxembourg	0.15%
2	Sweden	0.11%	Luxembourg	0.13%	Sweden	0.14%
3	Norway	0.11%	Sweden	0.13%	Norway	0.10%
4	Ireland	0.11%	Ireland	0.11%	Ireland	0.08%
5	Denmark	0.08%	Norway	0.10%	Denmark	0.08%
6	Netherlands	0.07%	Denmark	0.09%	Netherlands	0.07%
7	Finland	0.06%	Liechtenstein	0.08%	Finland	0.06%
8	Liechtenstein	0.06%	Netherlands	0.07%	United Kingdom	0.05%
9	Saudi Arabia	0.06%	Finland	0.05%	Spain	0.04%
10	Switzerland	0.05%	Belgium	0.05%	Belgium	0.04%

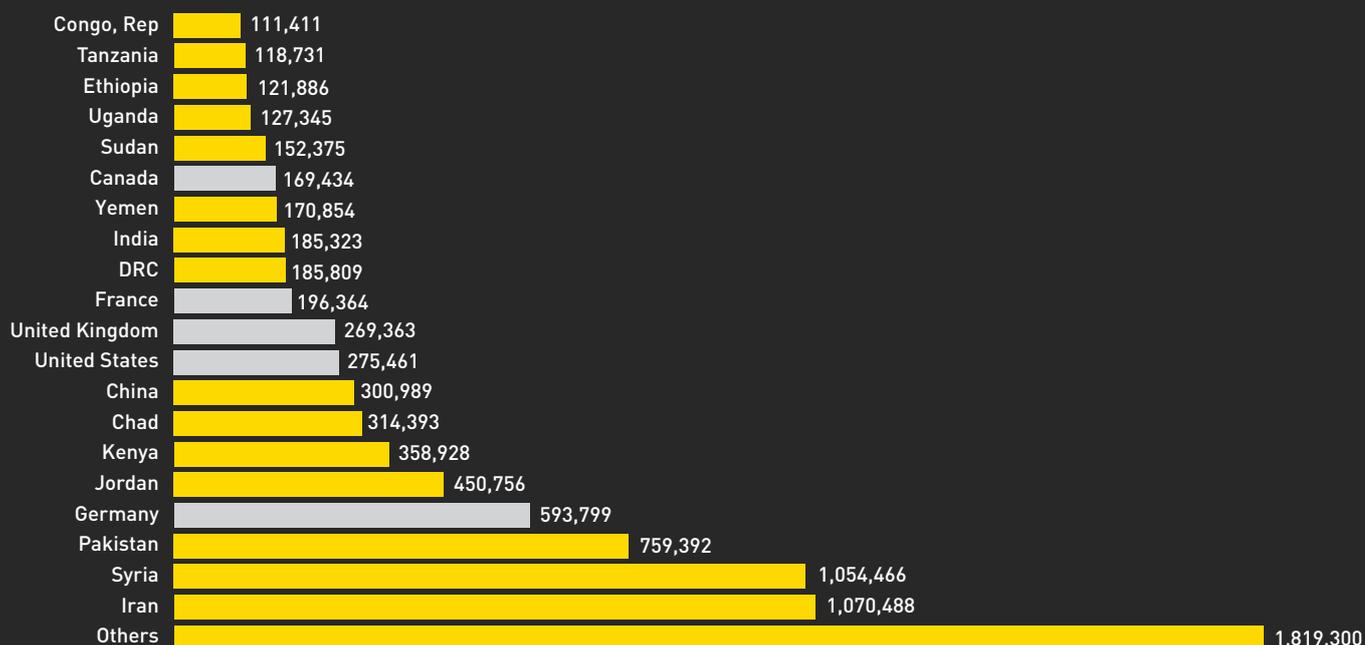
Note: Yellow text indicates a non-DAC donor. Sources: Development Initiatives based on UN OCHA FTS, OECD DAC (constant 2009 prices) data and GNI Atlas, World Bank indicators

In 2009 non-DAC donors did not make the top ten in terms of their humanitarian aid as a share of GNI. However, in 2008 Saudi Arabia was the most generous donor, its humanitarian aid as a proportion of GNI being 0.148% and therefore higher than Luxembourg and Sweden. Interestingly, although since 2008 the United States (US) has consistently been the largest government donor in terms of total humanitarian aid volumes, it does not feature in the top ten in terms of generosity.

While the US provides a substantial amount of humanitarian aid, it is not sharing the burden when compared with other donors, as its contribution represents only a small proportion of its economy and its GNI.

In some cases, non-DAC donors have the additional burden of housing a large number of refugees. In 2009 the largest refugee host countries were Iran, Syria and Pakistan, which collectively housed 27% of the world's refugee population.

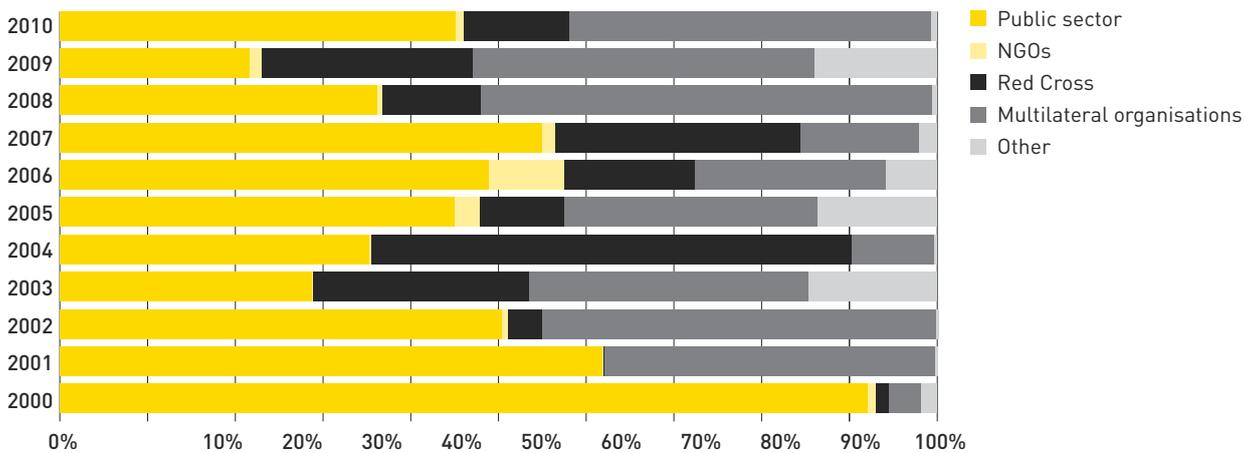
FIGURE 11: NUMBER OF REFUGEES RESIDING IN TOP 20 HOST COUNTRIES, 2009



Note: Countries highlighted in yellow represent non-DAC donors. Source: UNCHR Statistical Yearbook

# HOW IS HUMANITARIAN AID SPENT?

FIGURE 12: NON-DAC DONOR CHANNELS OF DELIVERY, 2000–2010



Source: Development Initiatives based on UN OCHA FTS

## PUBLIC SECTOR

Since 2000, non-DAC donors have on average channelled the largest proportion of their humanitarian aid (43%) through the public sector, which includes both the donor government and the government of the recipient country. The proportion of public sector contributions stood at 92% in 2000 but dropped to 45% in 2010 (due in part to Saudi Arabia’s US\$50 million contribution to the Haiti ERF). Compared with DAC donors, non-DAC governments still channel a higher proportion of humanitarian aid through the public sector. In 2009 this amounted to 22% of all non-DAC donor contributions, compared with 8.6% for DAC donors.

### WHY DO NON-DAC DONORS CHANNEL MORE HUMANITARIAN AID THROUGH THE PUBLIC SECTOR?

For the UAE, there are a number of reasons for channelling funds bilaterally to affected governments. Firstly, the donor has greater flexibility to choose the recipients it wants to support. Secondly, the donor can gain greater visibility for its contributions. Thirdly, it is a clearer and more direct way of ensuring the effectiveness of its contributions. Finally, fewer overhead costs are incurred, when compared with spending through multilateral institutions (a response given by OCFA as part of the Development Initiatives questionnaire – see annex).

FIGURE 13: TOP FIVE NON-DAC DONORS' FIRST-LEVEL RECIPIENTS, 2006–2010 (US\$ MILLION)

2006	2007	2008	2009	2010
WFP 31.4	Saudi Arabian Red Crescent Society 50.1	WFP 360.7	Red Crescent Society of the UAE 130.7	ERFs 90.6
Kuwait Red Crescent Society 20.0	Red Crescent Society of the UAE 21.8	Red Crescent Society of the UAE 91.3	WFP 97.3	WFP 87.1
International Development and Relief Foundation 16.6	UNHCR 14.8	World Bank 80.0	UNHCR 45.6	Pakistan Red Crescent Society 44.5
FAO 15.5	WFP 11.1	UNRWA 12.9	UNRWA 39.6	UNHCR 28.7
Zayed Foundation 13.2	Kuwait Red Crescent Society 10.0	UNHCR 12.7	Khalifa Bin Zayed Al Nahayan Foundation 30.0	Red Crescent Society of the UAE 20.6

Note: a breakdown of public sector agencies is not available and therefore they do not appear in the top five recipients.

Source: Development Initiatives based on UN OCHA FTS data

## MULTILATERAL ORGANISATIONS

Humanitarian aid channelled through multilateral organisations (which includes UN agencies and pooled funding mechanisms such as the Central Emergency Response Fund (CERF) and ERFs) has on average accounted for the second largest proportion of funds since 2000, at 36%. In 2008 multilateral contributions made up 52% (US\$484.1 million) of humanitarian aid, the majority of which – US\$360.7 million – went to the WFP; of this, US\$338.8 million was from Saudi Arabia.

The WFP has been in the list of top five delivery agencies every year since 2006, receiving a total of US\$587.6 million in this period. Other delivery agencies that regularly appear in the top five include the Red Crescent Society of the United Arab Emirates, the United Nations High Commissioner for Refugees (UNHCR) and the Kuwait Red Crescent Society.

In terms of contributions to individual UN agencies (as recorded in annual reports and through direct data collection), non-DAC donors make up a small proportion of government funding:

- United Nations Relief and Works Agency (UNRWA): non-DAC donors provided 3.6% of government humanitarian funding in 2008. Kuwait was the largest non-DAC donor and the twelfth largest government donor, providing US\$3 million
- World Food Programme (WFP): 22 non-DAC donors gave to the WFP in 2008 and made up 2.5% of all government contributions
- United Nations Children's Fund (UNICEF): 1.7% of government funding to UNICEF in 2008 came from non-DAC donors; the UAE was the largest non-DAC donor, with US\$3 million.

## WHAT ARE THE ADVANTAGES FOR NON-DAC DONORS IN CHANNELLING FUNDS THROUGH MULTILATERAL AGENCIES?

Polish law makes it very difficult for Poland to provide humanitarian aid to international and national NGOs. There is a set procedure in place for funding NGOs, with calls for proposals to be submitted only once a year. The process can take up to three months to finalise, which is not ideal when humanitarian funds need to be allocated quickly. Therefore, due to these procedural conditions and constraints, the size of Poland's budget, its limited operating costs and lack of capacity on the ground, it is much easier and quicker to channel funds through the UNHCR, WFP or International Federation of the Red Cross and Red Crescent Societies (IFRC). These agencies have greater in-country presence and can make decisions based on better information about needs. In the case of South Africa, dispensing funds through a multilateral institution enables

its modest contribution to go further, therefore assisting in a more immediate and potentially more effective fashion.

Due to the increased capacity and expertise of multilateral agencies, for the donor it is often assumed that channelling funds this way is more likely to meet the needs of the affected countries. Brazil, for instance, "lacks a legal framework to regulate the provision of development cooperation by the government".<sup>21</sup> Its current legislation covers only assistance being received and was designed for an aid recipient, not an aid donor. In practice, this absence of a legal structure limits Brazil's ability to provide even minimal assistance, such as the procurement of external goods and services. This issue can often be bypassed if funds are channelled to international multilateral organisations instead.

## EMERGENCY RESPONSE FUNDS

In 2010 emergency response funds (ERFs) were the largest vehicles for receiving humanitarian aid from non-DAC donors, channelling a sum of US\$90.6 million. ERFs are country-level pooled funds, which provide rapid and flexible funding to in-country actors to address unforeseen humanitarian needs. 2010 marked a significant change as the largest humanitarian contributions from governments to the Pakistan and Haiti ERFs were from non-DAC donors. Saudi Arabia was the largest government donor to the Haiti ERF with US\$50 million, followed by Brazil with US\$8 million, and India was the largest government donor to the Pakistan ERF, contributing US\$20 million. In addition, seven of the ten largest governmental contributors to the Haiti ERF were non-DAC donors, which demonstrate that a diverse range of donors, some of whom are aid recipients themselves, are responding to large-scale disasters.

In terms of total volumes channelled through all three types of humanitarian financing mechanism – the CERF, common humanitarian funds (CHF) and ERFs – non-DAC donors do not feature in the top five by volume in 2010, but they do feature in the top 15 (see figure 15). Saudi Arabia was the sixth largest donor (US\$50 million), after Spain (US\$74 million), and India was the eleventh largest (US\$20.5 million), behind Germany (US\$21.7 million). However, in terms of total contributions to financing mechanisms as a proportion of total humanitarian aid, the

FIGURE 14: TOP 10 DONOR GOVERNMENTS CONTRIBUTING TO THE HAITI ERF, 2010

DONOR	US\$m
Saudi Arabia	50.0
Brazil	8.0
France	6.7
Denmark	5.5
Nigeria	2.5
Equatorial Guinea	2.0
Gabon	1.0
Tunisia	1.0
Republic of Congo	1.0
Sweden	0.8
Other governments	3.0

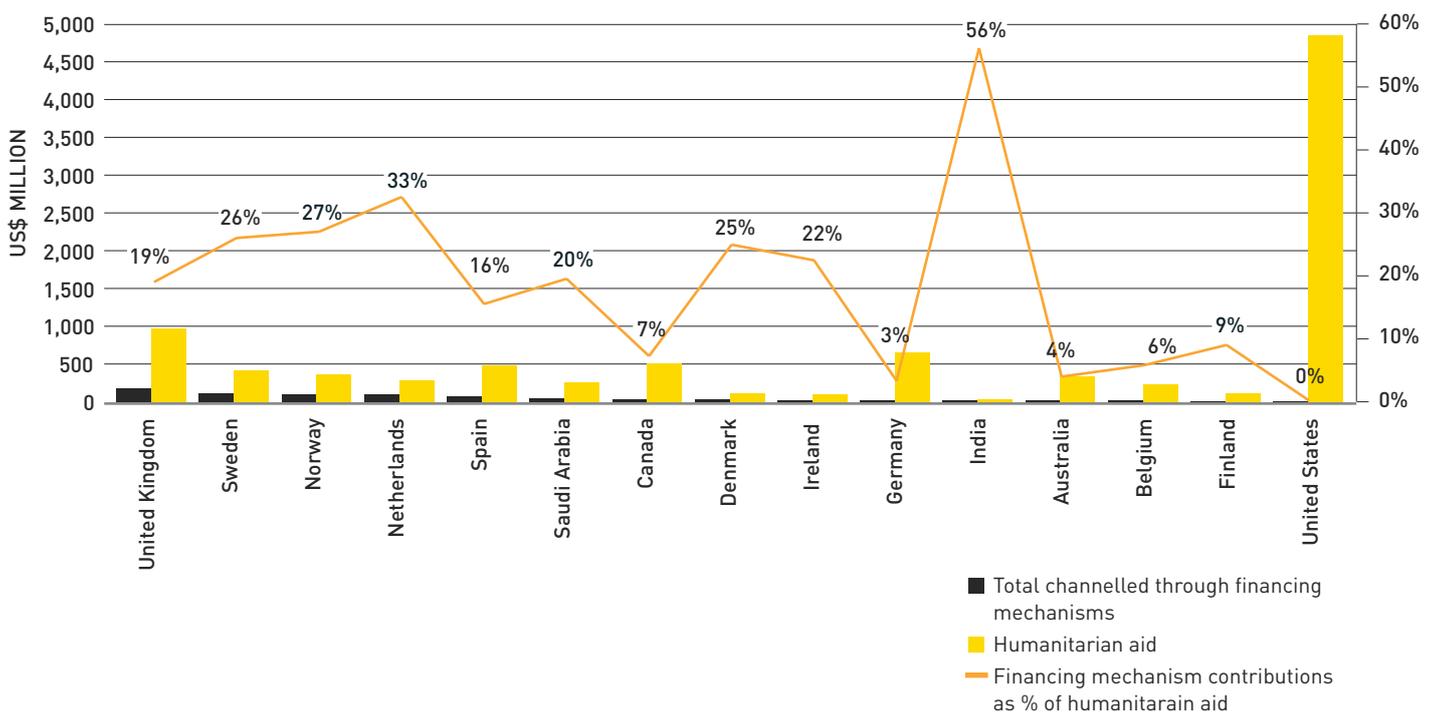
Source: Development Initiatives based on UN OCHA FTS data

figures tell a different story. The US, the largest governmental donor of humanitarian aid in 2010 (US\$4.9 billion), gave only US\$10 million through pooled funds (the CERF more specifically), which made up only 0.2% of its total contributions. Conversely, 56% of India's US\$36.5 million total humanitarian aid was channelled this way, US\$0.5 million to the CERF and US\$20 million through the Pakistan ERF, while 20% (US\$50 million) of Saudi Arabia's US\$255.9 million was channelled through the Haiti ERF.

### WHY WOULD NON-DAC DONORS CHOOSE TO FUND THROUGH ERFs?

Traditionally, non-DAC donors are seen as favouring bilateral funding to affected governments over multilateral channels. However, the case of Saudi Arabia's large contribution to Haiti seems to refute this. Haiti has not been a regular recipient of humanitarian aid from Saudi Arabia in the past – only US\$7.7 million was reported in 2008, so bilateral relations were probably weak. Therefore, channelling funds through the ERF was probably the easiest way to show support.<sup>22</sup> Non-DAC donors may choose to spend a higher proportion of their humanitarian aid through pooled funding mechanisms such as ERFs as this enables them to fund small-scale projects without the administrative burden of bilateral funding, but with the assurance of OCHA's reporting and oversight procedures for NGO funding. It also provides donors that do not have field presence or in-depth country knowledge with a convenient channel for their funding. In addition it enables all donors (both DAC and non-DAC) to bypass politically sensitive relationship barriers and channel its humanitarian aid through more neutral mechanisms.

FIGURE 15: TOP 15 GOVERNMENT DONOR CONTRIBUTIONS THROUGH POOLED FUNDING MECHANISMS, 2010



Sources: Development Initiatives based on OECD DAC (preliminary) and UN OCHA FTS data

## OTHER POOLED FUNDING MECHANISMS

The growing trend in the past three years of non-DAC donors increasingly channelling humanitarian aid through multilateral mechanisms is marginally reflected in their contributions to other pooled funds. In 2010 non-DAC donors made their largest contribution to the CERF, a total of US\$7.3 million, but this comprised of only 2% of total contributions and significantly less than the US\$417 million given by DAC donors. In 2010, 56 non-DAC donors gave humanitarian aid to the CERF; Russia channelled funds this way for the first time and was the largest non-DAC donor, contributing US\$2 million. Furthermore, nine other non-DAC donors contributed to the CERF for the first time in 2010 – Ukraine, Central African Republic (CAR), Singapore, Madagascar, Costa Rica, Panama, Georgia, Tajikistan and St Lucia. While non-DAC donors have given overwhelmingly to ERFs, since 2006 they have not channelled any money through CHF, all of which are based in African countries.

## RED CROSS AND RED CRESCENT MOVEMENT

Many non-DAC donors have strong relationships with the Red Cross and Red Crescent Movement. Between 2000 and 2010 the proportion of non-DAC donor humanitarian aid channelled this way averaged 15%, with a significant peak

of 55% in 2004 (due in part to the UAE giving US\$90.3 million via the UAE Red Crescent Society for Palestine/OPT).

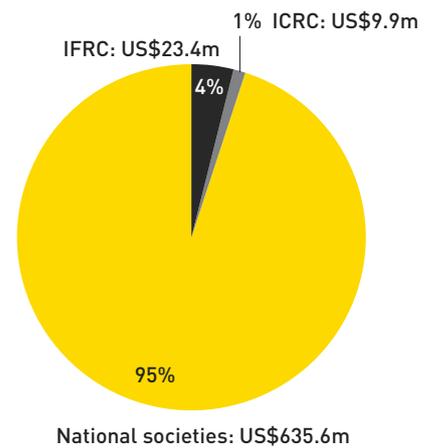
Based on annual reports, in 2009 a total of 59 non-DAC donors funded the International Committee of the Red Cross (ICRC), making up 1% of its government funding for emergency appeals and 1.8% of the total government funding that year. Kuwait was the largest non-DAC donor, and the nineteenth largest government donor. In 2008 seven non-DAC donors gave humanitarian funding to the International Federation of the Red Cross and Red Crescent Societies (IFRC), making up 3.5% of government funding. Singapore was the largest non-DAC donor that year, giving US\$1.2 million, and the fifteenth largest government donor (from annual reports).

However, in terms of total funds from non-DAC donors to the Movement between 2000 and 2010 (as reported through the FTS) national societies received by far the largest share, at 95% (see figure 16). For example, the UAE's Red Crescent Society is the country's principal donor of humanitarian aid, being a quasi-governmental organisation.

## SECTORAL FUNDING

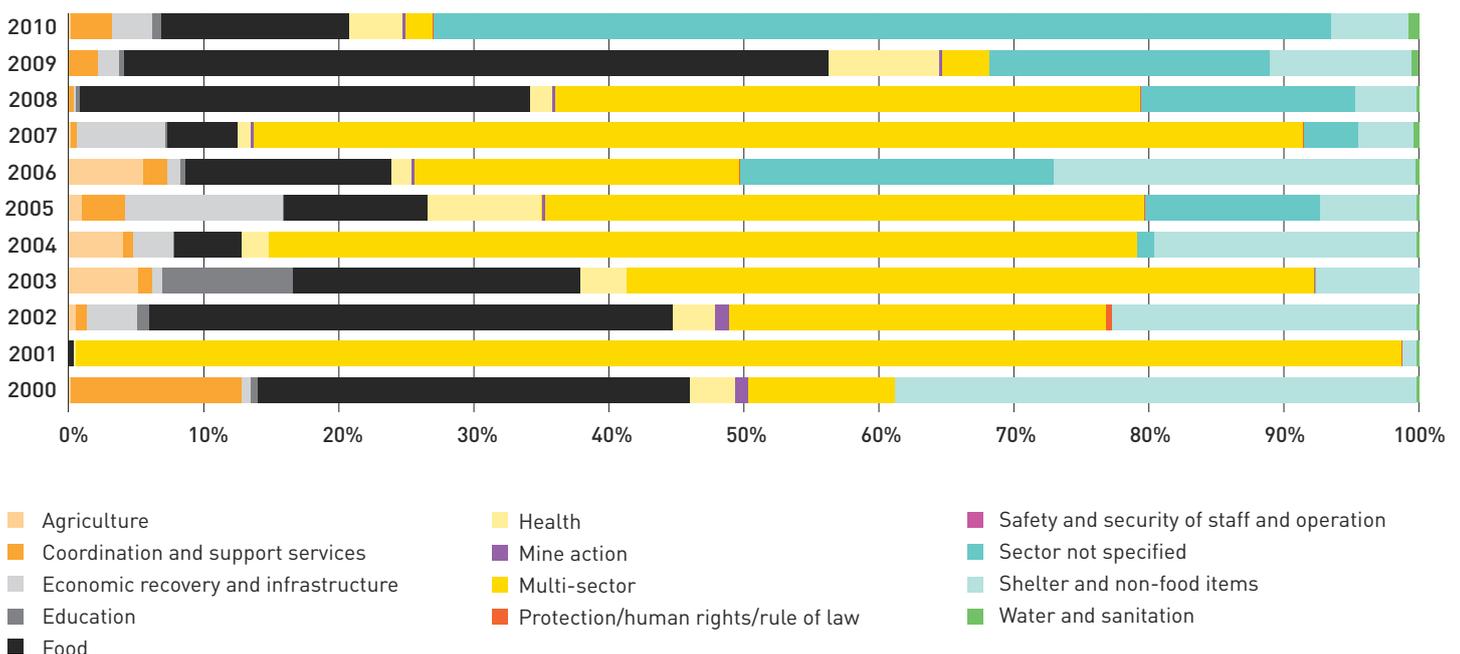
Between 2001 and 2008, non-DAC donors contributions were overwhelmingly multi-sector, which includes multi-sectoral assistance to refugees or internally displaced persons (IDPs), emergency preparedness and early warning systems (see figure 17). Since 2000, multi-sector allocations have

FIGURE 16: NON-DAC DONOR FUNDING TO ICRC, IFRC AND NATIONAL SOCIETIES, 2000-2010 (US\$ MILLION)



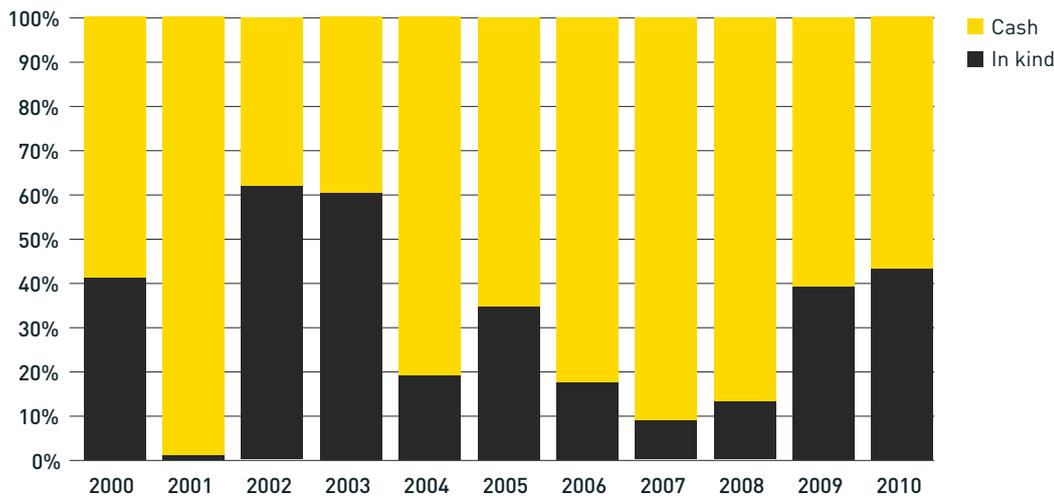
Source: Development Initiatives based on UN OCHA FTS data

FIGURE 17: SECTOR ALLOCATION, 2000-2010



Source: Development Initiatives based on UN OCHA FTS data

FIGURE 18: NON-DAC DONORS' PROPORTION OF CASH AND GIFTS IN KIND, 2000–2010



Source: Development Initiatives based on UN OCHA FTS data

on average made up 43% of non-DAC donor contributions; in 2007 they were dominated by Saudi Arabia's contribution of US\$176.9 million, of which 87% went to Bangladesh. Since 2008 a higher proportion of humanitarian aid has gone to the food sector – 33% in 2008 and 52% in 2009. In 2008 this included US\$286.9 million from Saudi Arabia to the WFP. In 2009 the food sector received US\$290.2 million, which consisted of US\$197 million from the UAE (of which US\$106.2 million went to Sudan) and US\$43.4 million from Saudi Arabia (of which US\$13.4 million went to Palestine/OPT). In 2010 the share of 'sector not specified' assistance peaked at 67% (US\$414.5 million), the majority of which (47%) came from Saudi Arabia (US\$196.7 million), with US\$142.2 million of that sum being given as gifts in kind to Pakistan.

### IN KIND ASSISTANCE

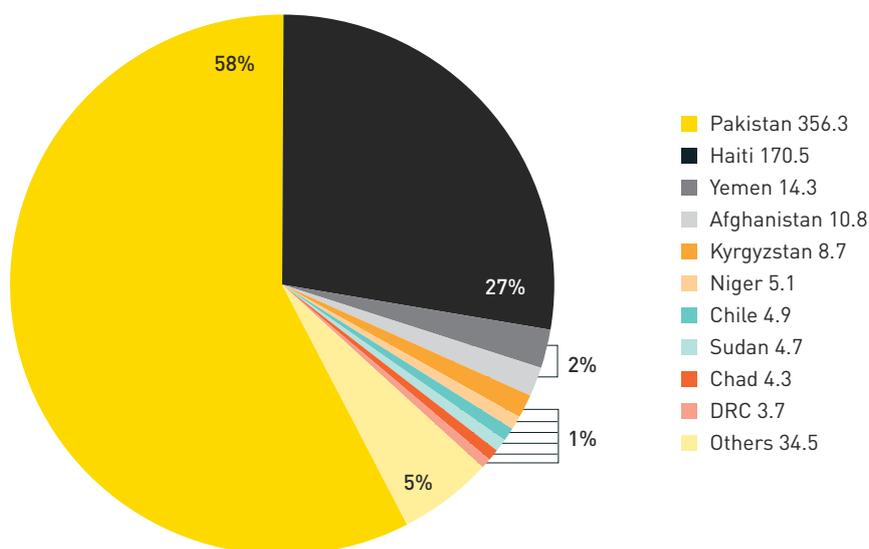
Gifts in kind are "non-cash assistance in materials or services e.g. food, tents, secondment of staff".<sup>23</sup> It is often argued that non-DAC donors favour giving humanitarian aid as gifts in kind – however, on average, since 2000 in kind contributions have comprised only 25% of their total humanitarian aid. In 2002, in kind contributions peaked at 62% or US\$60.7 million, whereas in 2001 and 2007 cash made up over 90% of the total (see figure 18). In 2002 South Africa was the largest donor of this type of contribution, amounting to a value of US\$19.8 million. Between 2000 and 2005, the proportion of DAC donors' in kind contribution (32%) was, on average, higher than that of non-DAC donors (24%). However, from 2006, DAC donors' in kind contributions dropped to just 1% of their total assistance compared to 25% of non-DAC donors.

### WHY DO NON-DAC DONORS CONTRIBUTE THROUGH DONATIONS IN KIND?

The Ministry of Foreign Affairs (MoFA) is the main body in charge of Poland's development and humanitarian aid programmes. The MoFA's budget cycle commences at the end of January and runs until 15 October every year, by which time all funds must be spent. If a humanitarian disaster occurs during the three-month period when no budget is available, the MoFA is unable to give cash contributions. The Haiti earthquake of 12 January 2010 occurred before the beginning of MoFA's financial year, meaning that a budget was not available; thus, Poland could not give financial aid to the country, apart from funds drawn from a small reserve. However, Poland's Ministry of Interior and Ministry of Defence follow different financial rules that enable them to send gifts in kind throughout the year, so they sent food, medicines and planes instead. This illustrates some of the reasons for contributing gifts in kind rather than cash, where there are limitations on the latter due to budget cycles and legislation that place constraints on donors.

## WHO ARE THE MAIN RECIPIENTS?

FIGURE 19: TOP 10 RECIPIENTS OF HUMANITARIAN AID FROM NON-DAC DONORS, 2010 (US\$ MILLION)



Source: Development Initiatives based on UN OCHA FTS data

Unsurprisingly, the top two recipients of reported non-DAC humanitarian aid in 2010 were Haiti and Pakistan, which comprised 85% of all non-DAC donor humanitarian aid. The top three donors to Haiti were Saudi Arabia (US\$50 million), Brazil (US\$18.1 million) and China (US\$14.1 million), and the top three to Pakistan were Saudi Arabia (US\$200.6 million), Turkey (US\$53.3 million) and India (US\$26.1 million).

The top five non-DAC donors in 2010 all included Haiti and Pakistan in their top three

recipients. In terms of shares, over 60% of humanitarian aid from the top five donors went to their top three recipients (see figure 20). China was one of the largest donors in 2010, but in 2008 it was the largest recipient of non-DAC donor humanitarian aid, due to the earthquake that hit the Sichuan region of the country that year. This dual role demonstrates the blurring of lines between donors and recipients and the complexities within this group.

FIGURE 20: TOP FIVE NON-DAC DONORS IN 2010 AND THEIR TOP THREE RECIPIENTS (US\$ MILLION)

TOP DONORS	SAUDI ARABIA	TURKEY	CHINA	RUSSIA	UAE
1st recipient	Pakistan 200.6	Pakistan 53.3	Pakistan 17.8	Haiti 11.9	Yemen 13.6
2nd recipient	Haiti 50.0	Haiti 2.3	Haiti 14.1	Afghanistan 5.2	Pakistan 12.2
3rd recipient	Palestine/OPT 1.5	Kyrgyzstan 2.2	Chile 2.0	Pakistan 5.1	Haiti 6.0
Total recipients	255.9	60.7	36	34.7	36.2
Top 3 recipients	98%	95%	94%	64%	88%

Source: Development Initiatives based on UN OCHA FTS data

FIGURE 21: TOP THREE RECIPIENTS OF NON-DAC DONOR HUMANITARIAN AID, 2000–2010, AS A PROPORTION OF TOTAL HUMANITARIAN AID (US\$ MILLION)

TOP RECIPIENTS	2000	2001	2002	2003	2004	2006	2007	2008	2009	2010
1	Pakistan 8.8	Palestine /OPT 645.4	Afghanistan 57.2	Iraq 106.1	Palestine /OPT 92.5	Lebanon 135.5	Bangladesh 172.5	China 119.6	Palestine /OPT 126.1	Pakistan 356.3
2	Mozambique 8.2	India 4.0	Tajikistan 2.6	DPRK 10.5	Sudan 33.0	Pakistan 17.9	Sudan 28.9	Yemen 105.4	Sudan 114.9	Haiti 170.5
3	Moldova 2.4	Egypt 2.1	Palestine /OPT 2.5	Angola 4.6	Iran 18.2	Indonesia 17.4	Lebanon 27.7	Palestine /OPT 93.2	Syria 82.6	Yemen 14.3
Other	15.0	11.6	8.8	29.0	46.2	60.9	71.7	517.6	219.8	76.7
Total	34.5	663.1	71.0	150.1	189.9	231.7	300.7	835.7	543.4	617.8
Concentration top 3	56%	98%	88%	81%	76%	74%	76%	38%	60%	88%

Source: Development Initiatives based on UN OCHA FTS data

The top three recipients' share of non-DAC donor humanitarian aid has averaged 71% since 2000. The recipients that appear most frequently in the top three are Pakistan (four times) and Palestine/OPT (five times). Palestine/OPT featured in the top ten recipients every year between 2001 and 2009.

While some recipients appear frequently in the top three, the vast majority appear only once or twice. It is not clear if the sporadic nature of 'top recipient' allocation is due to non-DAC donors responding to need by providing humanitarian assistance when a

crisis occurs or whether it reflects reporting and the dominance of one or two donors, such as the UAE and Saudi Arabia. Interestingly, only two African countries, Sudan and Angola, appear among the top three recipients (three times and once, respectively), which indicates greater support by non-DAC donors for Asia and the Middle East. By contrast, African countries regularly appear among the top three recipients of DAC donor funding – 12 times during the same period and four different countries (Angola, Ethiopia, DRC and Sudan).

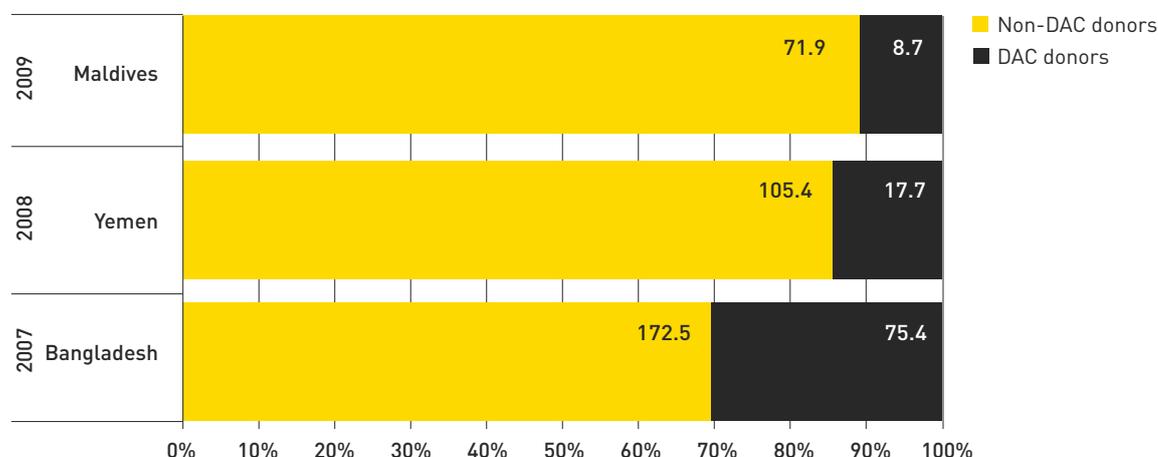
While the reasons for non-DAC donors' top three humanitarian allocations are not entirely clear, what is apparent is that in some cases they concentrate their humanitarian aid on crises that do not receive large volumes of funds from DAC donors. For example, non-DAC donor contributions to Yemen in 2008 made up over 80% of all government contributions – so in some countries non-DAC donors are providing a significant share of overall resources (see figure 22). Donors often give humanitarian aid based on a number of factors, such as regional proximity, language, history and culture – for example, in 2008 99% of non-DAC contributions to Yemen came from its neighbour Saudi Arabia. However, such motivations behind humanitarian aid allocations are not limited to non-DAC donors – many DAC donors make allocations for the same reasons. For example, Belgium's humanitarian aid is concentrated predominantly on the Great Lakes area due to historical ties, so that it can "build on many years of experience".<sup>24</sup>

### WHAT INFLUENCES NON-DAC DONORS' CHOICE OF RECIPIENT?

Humanitarian aid is purported to be governed in accordance with the principles of 'humanity, impartiality, neutrality and independence'. However, in reality, while donors are committed to this fundamental idea, decision-making processes are also influenced by regional and political interests. For example, Poland's foreign policy priorities focus predominantly on Eastern European areas such as Belarus, the Ukraine and Kyrgyzstan, and it has committed to the 'Eastern Partnership', which is guided by the EU and coordinated by itself and Sweden. Poland's humanitarian aid allocation is therefore

influenced by its foreign policy decisions, and in some instances there are conflicts of interest between the decision-makers and policy experts on what constitutes a humanitarian crisis and whether funds should be provided. South Africa's foreign policy is firmly focused on the 'Africa Agenda', and its humanitarian response focuses on (though is not limited to) this region. In the aftermath of the Japanese earthquake and tsunami in March 2011, the South African government partially funded aid to Rescue South Africa (an independent South African disaster response team) to help respond to the crisis.

FIGURE 22: NON-DAC DONOR HUMANITARIAN CONTRIBUTIONS TO YEMEN, BANGLADESH AND KYRGYZSTAN, COMPARED WITH DAC DONOR CONTRIBUTIONS, 2006–2008 (US\$ MILLION)



Source: Development Initiatives based on UN OCHA FTS and OECD DAC data

## AID TRANSPARENCY

It is often assumed that as non-DAC donors are not subject to the same reporting obligations as OECD DAC members they therefore provide either limited or inaccessible aid information. However, a number of these donors do make their aid information visible and voluntarily report to a variety of databases – and have done so for a number of years. Currently, 20 non-DAC donors voluntarily report aggregate data to the OECD DAC, and in some instances have done so for longer than some DAC donors. For example, the Arab countries, which up until 2009 included Kuwait, Saudi Arabia and the UAE, have been reporting some of their collective aggregate aid contributions for five decades. Between 2000 and 2009, ten new non-DAC donors started reporting to the OECD DAC.

Some non-DAC donors are taking considerable steps to make their aid information more transparent. In 2008 the UAE established the Office for the Coordination of Foreign Aid (OCFA), a Federal Government entity designed to support the delivery and implementation of the UAE's development and humanitarian aid. One of OCFA's primary tasks is to collect, analyse

and report all aid flows from the UAE since 1971. In 2010 the UAE took further steps to make its aid more transparent by reporting full government data to the OECD DAC for the first time, appearing as a separate donor to 'Arab countries' and becoming the first non-DAC donor to report disaggregated aid information to the OECD Creditor Reporting System (CRS). This marked a significant shift towards improving the transparency of its aid information. Figure 24 shows the humanitarian aid contributions of key non-DAC donors against levels of reporting.

However, at present we do not have an accurate figure for the aid expenditure of many non-DAC donors, let alone detailed data on their humanitarian aid contributions. It is likely that this 'real' figure is higher than the US\$622.5 million reported to the FTS in 2010, as some non-DAC donors report only partial information. In many instances non-DAC donors do report in various ways and to multiple databases (e.g. the FTS and the OECD DAC), but they do so against quite different criteria and definitions, to different timeframes and in different formats, which makes the data difficult to compare and aggregate.

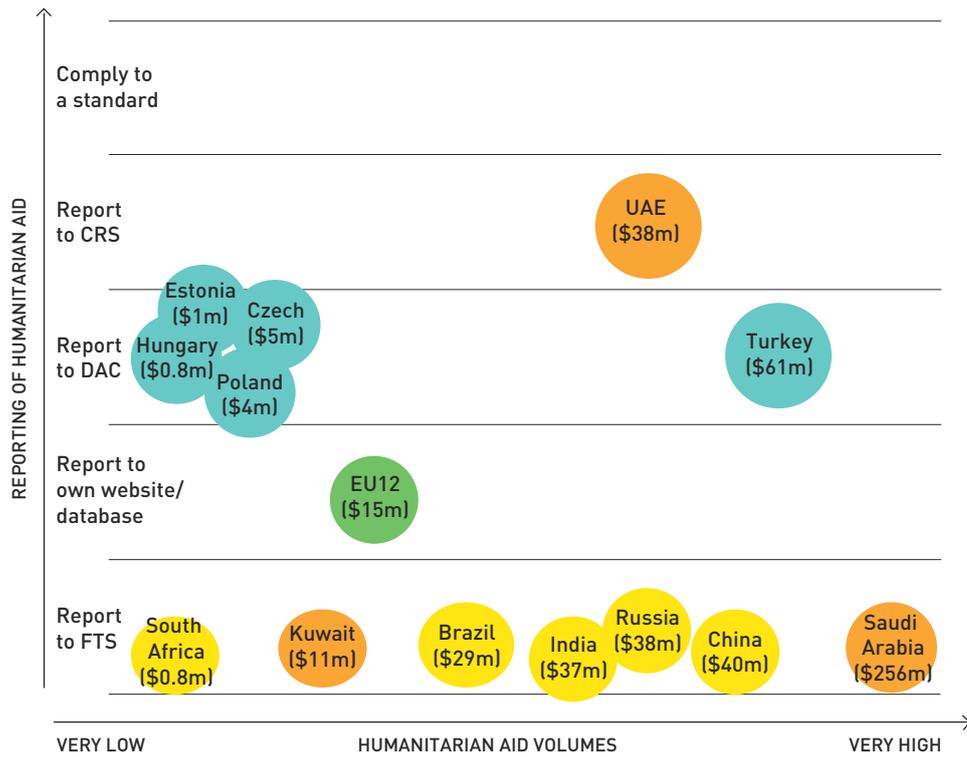
### WHAT INCENTIVES ARE THERE FOR NON-DAC DONORS TO REPORT?

For the UAE, the incentive to report detailed information is two-fold. Firstly, it helps to raise the country's profile as a government donor, making its efforts and contributions more visible. Secondly, it provides an accurate account of its foreign aid in accordance with widely recognised international standards, which contributes to the government's efforts to promote accountability and transparency.

FIGURE 23: NON-DAC DONORS REPORTING AID TO THE OECD DAC

YEAR	DONOR									
1970s	'Arab countries' - Kuwait, Saudi Arabia and the UAE (1970)									
1980s	Chinese Taipei (1988)									
1990s	Turkey (1990)	Iceland (1990)	Czech Republic (1993)	Israel (1997)	Poland (1998)	Estonia (1998)	Slovak Republic (1999)			
2000s	Lithuania (2001)	Latvia (2002)	Hungary (2003)	Slovenia (2005)	Cyprus (2005)	Thailand (2006)	Liechtenstein (2007)	Romania (2008)	Malta (2009)	UAE (2009)

FIGURE 24: NON-DAC DONORS' HUMANITARIAN AID VOLUMES AGAINST LEVELS OF REPORTING, 2010



Sources: UN OCHA FTS and OECD DAC

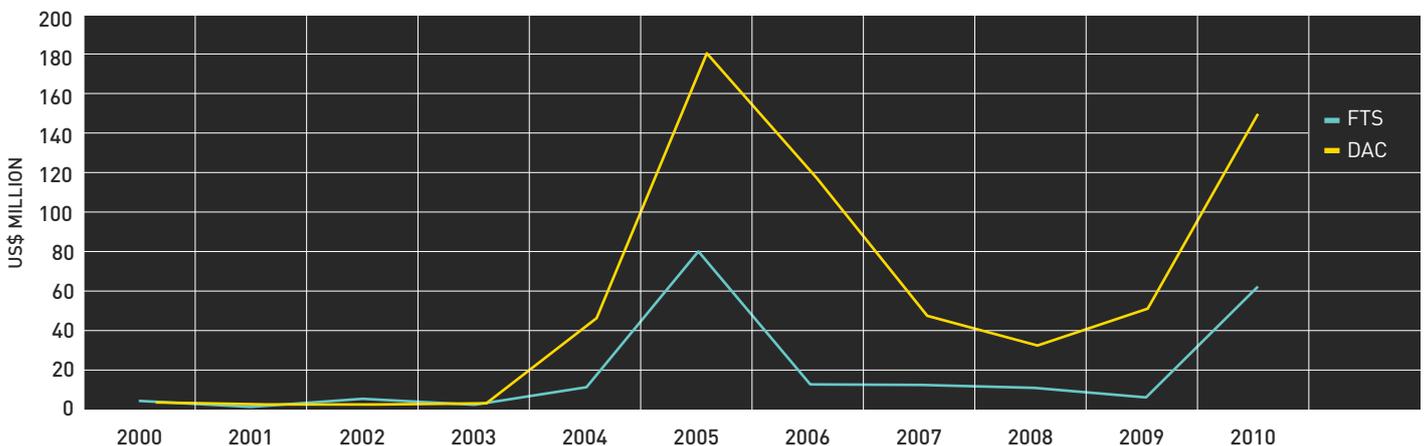
For example, some donors (both DAC and non-DAC) report their humanitarian aid to the OECD DAC database, to the FTS and in annual reports, but the amount reported is not always the same. Figure 25 shows Turkey's humanitarian aid as reported to the FTS and the OECD DAC, and while the patterns are similar, the volumes differ vastly. In 2005, Turkey reported US\$179 million to the OECD DAC compared with

US\$78.7 million to the FTS, and in 2006 its humanitarian aid was US\$115.7 million as reported to the DAC compared with US\$11.4 million to the FTS. The reverse is true for the UAE; in 2009 significantly more was reported for the country through the FTS (US\$352.6 million) than via the OECD DAC (US\$134.8 million).

The International Aid Transparency Initiative (IATI) provides all donors with an opportunity

to report more detailed and timely aid information in a common, open format. Figure 25 points to the benefits of non-DAC donors adopting the IATI standard, which would allow them to publish their data once, in an internationally agreed, open format. This would enable others to use, re-use and combine this information with other data sources to meet a wide variety of users' needs.

FIGURE 25: TURKEY'S HUMANITARIAN AID AS REPORTED TO THE FTS AND THE OECD DAC, 2000-2010



Source: Development Initiatives based on OCED DAC and UN OCHA FTS data

## STANDARDISING AID INFORMATION: IATI

Launched in September 2008 at the High Level Forum on Aid Effectiveness in Accra, the International Aid Transparency Initiative (IATI) aims to deliver a step shift in the availability of, and access to, information on aid flows. In February 2011, a multi-stakeholder group of donors, aid recipient country governments and civil society organisations (CSOs) agreed on a final standard for the publication of information about aid. With an agreement on what data items to publish, and a common format for the data, IATI is now working to support participating donors, philanthropic foundations and CSOs to start publishing data that is compliant with the agreed standard.

### Why use and publish IATI data?

- It provides a truly global aid transparency standard
- It shows how, when and where aid is used
- It provides open and comparable aid information
- It provides timely, transaction-level financial data
- Data can be published once, used often – no duplicated effort by reporting multiple times.

While initial publishers of data are focused mainly on development aid, IATI is intended to encompass all resource flows. The standard was agreed in a way that ensures it can be used by a variety of donors and aid

organisations, working on both development and humanitarian aid. It is hoped that this coverage will provide a more comprehensive picture of aid and other resource flows to recipient countries and that the information could be useful in post-disaster contexts. For example, in Aceh, Indonesia after the Indian Ocean earthquake/tsunami, children began showing symptoms of measles after being vaccinated by three different aid agencies. With more timely and detailed information available on projects, coordination in such situations can be improved and mistakes avoided. IATI has started initial conversations with humanitarian organisations to understand how the standard could best be utilised in the humanitarian sector: [www.aidtransparency.net](http://www.aidtransparency.net)

As noted above, while some non-DAC donors currently report at least partial information on their aid contributions, others report very little. There are often discrepancies in what is reported amongst those who publish to multiple sources (which can also be the case with DAC donors). This is confusing for users of aid information, especially at the country level.

We therefore recommend that all donors – whether they are non-DAC donors, DAC members, philanthropic foundations or NGOs – publish their aid information to a common, internationally agreed standard such as that developed by IATI. Publication to a common standard would make the data readily

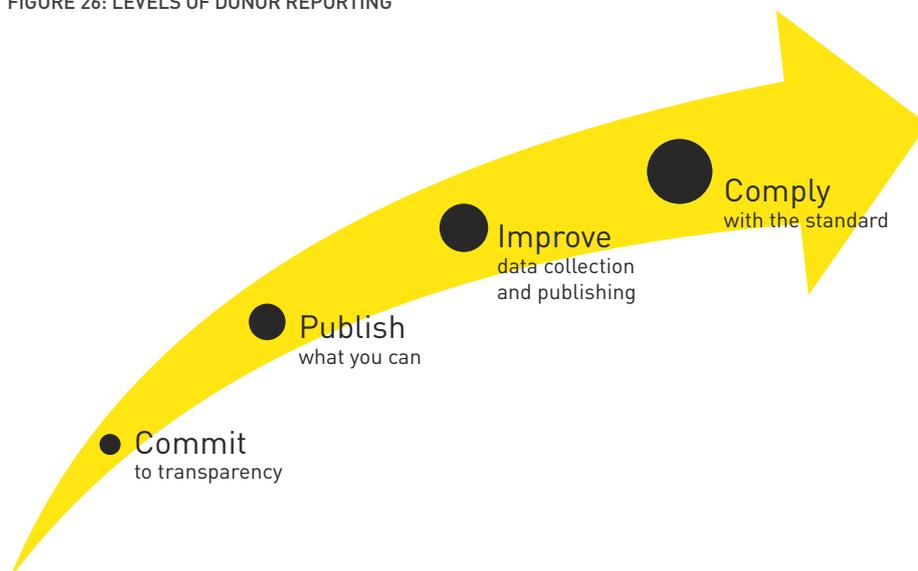
comparable, and the IATI standard also adds value by providing for the publication of more detailed, timely and forward-looking data from all donors, therefore offering a more comprehensive picture.

With the data currently available, we are unable to really answer the basic questions about aid: who, what, where, when and how. Without accurate, standardised aid information we are unable to assess the impact that aid is having on the ground, and cannot be sure that it is reaching the right beneficiaries or that the right type of assistance is being given at the right time and in the right place.

### WHY ARE THE FIGURES DIFFERENT?

Different databases include different types of data in their humanitarian aid figures. In the DAC database, contributions to the military for human rights training cannot be captured, but this type of assistance may well be reported in the FTS. For example, the figures that Poland reports to the ECHO 14-point reporting system (which the FTS then codes to its own database) are much higher than the figures reported to the DAC: there is a discrepancy between what Poland and the OECD DAC consider as humanitarian aid.

FIGURE 26: LEVELS OF DONOR REPORTING



## WHAT IS THE FUTURE ROLE OF NON-DAC DONORS?

The current humanitarian aid architecture is, to a certain extent, more inclusive of non-DAC donors than it has previously been, which is demonstrated in part by Brazil joining the GHD group and Saudi Arabia and India channelling funds through pooled mechanisms. However, this domain is still perceived as a "Western-dominated enterprise".<sup>25</sup> While change needs to occur at the macro financial level, with more non-DAC donors included in economic and trade discussions, dialogue and coordination need to improve within the humanitarian community. It is clear that non-DAC donors are a complex and diverse group, each donor having its own unique history and political, economic and social development. Many of these donors have been responding to humanitarian crises for a number of decades, both domestically and internationally; they understand the challenges and issues of being an aid recipient and have substantial regional significance and influence. It is this knowledge and experience that need to be utilised, as some of these donors may be better placed (both regionally and in terms of information) than DAC donors to make decisions and to respond. Fundamental changes must occur in the way that all humanitarian actors, including non-DAC donors, coordinate, communicate and engage. Interestingly, new and diverse partnerships are evolving. For example,

on 30 May 2011 the governments of Brazil and Spain signed a Memorandum of Understanding to jointly implement and oversee both humanitarian and development aid programmes in selected developing countries.<sup>26</sup> This type of engagement and the development of partnerships offer an opportunity for learning that should be encouraged.

While we advocate for improved access to timely, detailed and comparable aid information, we also need to go beyond the data to understand the decision-making processes and the reasons why different non-DAC donors allocate and administer humanitarian aid in the way that they do – what are the constraints, what are the incentives, what are the influences? We hope that this report has gone some way to address the 'why', by providing examples of a number of non-DAC donors. As seen in the case of Poland, for instance, the complexities of national law and the constraints of being a small donor prevent it from having control over the way it allocates its aid. Better quantitative data, combined with qualitative information, can help us more accurately answer fundamental questions in relation to non-DAC donors' humanitarian aid contributions, such as who, what, where, when and, most importantly, why.

## ANNEX: BASIC CONCEPTS, DEFINITIONS AND DATA SOURCES

**Non-DAC donors:** Refers to all government donors that are not members of the Organisation for Economic Cooperation and Development (OECD)'s Development Assistance Committee (DAC). Currently 23 governments and the European institutions are members and report official development assistance (ODA) flows as part of an annual obligation to the publicly available online database, the OECD DAC and Creditor Reporting System (CRS). South Korea became an OECD DAC member in January 2010, and so any analysis of non-DAC donors' humanitarian aid contributions retrospectively excludes South Korea.

**Current/constant prices:** All figures are current prices unless stated otherwise. Constant (real terms) figures show how expenditure has changed over time after removing the effects of exchange rates and inflation. The base rate year used by the DAC during 2011 was 2009 prices.

**Foreign assistance:** Figures for non-DAC donors' foreign assistance are given in current prices and are a conservative estimate based on the secondary sources listed below:

- **China:** Deborah Brautigam's *The Dragon's Gift: The Real Story of China in Africa*, which references data from the China Statistical Yearbook (National Bureau of Statistics of China) and China Eximbank. These aid figures are the sum of official external assistance and Eximbank concessional loans. All figures are exclusive of debt relief.
- **India:** Figures are taken from Indian Ministry of Economic Affairs (MEA) annual reports and converted from financial years into calendar years. Foreign assistance disbursed by other ministries has not been captured.
- **Brazil:** Figures are taken from the 'Brazilian International Development Cooperation 2005–2009' report published in 2010 by the Institute of Applied Economic Research (IPEA) and the Brazilian Cooperation Agency (ABC).
- **Russia:** In 2007 the Russian government, in its preparatory concept note on Russian participation in international development assistance, estimated that its total development assistance was US\$212 million. A Russian Federation statement at the DAC Senior Level Meeting in April 2010 reported 2008 development assistance as totalling US\$200 million. Sources include OECD DAC and Ministry of Finance data.
- **South Africa:** Figures are taken from the Ministry of Foreign Affairs (MFA) budget report and converted from financial years into calendar years. Figures are not inclusive of development assistance disbursed by other ministries, which are reported to be 6–7 times the volumes reported by the MFA.

**Official development assistance (ODA):** ODA is a grant or loan from an 'official' (government) source to a developing country or a multilateral agency for the promotion of economic development and welfare. It is reported by members of the OECD DAC according to strict criteria each year and by 20 other government donors outside of the OECD DAC group, which typically report aggregate data.

**Long-term assistance:** A term applied to countries that have received more than 10.4% of humanitarian aid as a proportion of ODA for more than eight years between 1995 and 2009.

**United Nations (UN) Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS):** This is the most commonly used humanitarian aid database as it captures real-time voluntary flows of DAC, non-DAC and private contributions. We downloaded data for 2000–2010 on 5 April 2011.

**Questionnaires:** In order to provide some context for the humanitarian data, a questionnaire was sent out to key non-DAC donors. The information from Poland, the UAE and South Africa has been used throughout this report, as well as secondary source information for other donors.

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# NON-DAC DONORS AND HUMANITARIAN AID

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## Shifting structures, changing trends

This report analyses the changing patterns in non-DAC donor development and humanitarian financing, focusing specifically on the key players and the changing trends in delivery and recipient allocation. It attempts to go beyond the numbers by providing some context to the data to try and understand why these government donors allocate humanitarian aid in the way that they do and the influencing factors. Finally, it looks at the various levels of non-DAC donor reporting and the transparency of the aid information available.

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