

HPG Background Paper

Diversity in donorship: the changing landscape of official humanitarian aid

Aid donorship in the Gulf States

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About HPG

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Acknowledgements

We would like to thank the following people and organisations for their time and generosity in providing valuable information and analysis. (Responsibility for any error of fact or interpretation remains the authors'.)

Said Al-Shinnawi, Arab Fund for Economic and Social Development
Khalifa Ali-Dau, Arab Fund for Economic and Social Development
Chris Innes-Hopkins, British Embassy, Kuwait
Barbara Castek, Dubai Aid City
Nedal Juma, Dubai Aid City
Georgios Tsitsopoulos, European Union
Colonel Sajed Al-Buaijan, Humanitarian Operations Centre, Kuwait
Roberto Kriete, Dihad, Dubai
Michel Meyer, ICRC, Kuwait
Ameur Zemmali, ICRC, Egypt
Dr Ali Said Ali, IFRC
Johan Schaar, IFRC
Jonathan Benthall, Independent
Leo Barasi, Independent
Ibrahim Hassaballa, International Islamic Charitable Organisation
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
Fawzi Al-Hunaif, Kuwait Fund for Arab Economic Development
Saad Hammad, Kuwait Fund for Arab Economic Development
Dr Eric Neumayer, London School of Economics and Political Science
Fouad Ismael, MSF
Counsellor Ahmed Gamaleldin, Ministry of Foreign Affairs, Egypt
Christelle Loupforest, OCHA
Abdullah M. Al-Rasheed, Permanent Mission of the Kingdom of Saudi Arabia to the UN
Ahmed Mohammed Fikry Mahmoud, Red Crescent Egypt
Mohammed Mohei, Red Crescent Egypt
Neriman Eweiss, Red Crescent Kuwait
Sannaa Darweesh Al Kataby, Red Crescent Society UAE
Nawal Ali Al Shamsy, Red Crescent Society UAE
Khalifa Nasser, Red Crescent Society UAE
Ibrahim Elsouri, League of Arab States
Omar Shehadeh, UNICEF
Nadir Hadj-Hammou, UNDP
El Tayeb Musa, UNDP
Ann Marie Bourgeot, UNHCR
Johan Cels, UNHCR
Jean Noel, UNHCR
Radhouane Nouicer, UNHCR
Mamoon Muhsen, UNHCR
Mustapha Karkouti, UNRWA
Andrew Whitley, UNRWA
Neil Briscoe, UK Representation to the UN Food and Agriculture Agencies
Major Jim Brown, US Army Peacekeeping and Stability Operations Institute

Roger Thurow, Wall Street Journal
Mohamed Diab, WFP
Alzira Ferreira, WFP
Allan Jury, WFP
Tahir Nour, WFP
Tarek Shayya, WFP
George Simon, WFP
Philip Ward, WFP

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1. Introduction

1.1 The growing diversity of official humanitarian donors

Over the past decade, there has been a growing recognition of the importance of official donor governments in financing humanitarian action. Whilst analysis, for the most part, has been limited to significant members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), over the past few decades a number of non-DAC donors have become increasingly active in responding to a range of international humanitarian crises.

This background paper is one of three regional studies on the role of non-DAC donors in humanitarian action. It explores the role of the Gulf States as official aid donors, and looks in particular at the humanitarian aid programmes of Saudi Arabia, Kuwait and the United Arab Emirates (UAE) as three of the largest official donors in the Gulf. The case study will inform HPG's research project on the growing diversity of official donors in humanitarian action.

1.2 The Gulf States as humanitarian donors

Saudi Arabia, Kuwait and the UAE are operating as humanitarian donors in the same settings as DAC donors, from the highly contested environments of Afghanistan and Iraq to natural disaster responses in India, Iran and the Indian Ocean. There is anecdotal evidence that not only the visibility but also the volumes of assistance from the Gulf States have been increasing in recent years. In the international response to the Indian Ocean tsunami disaster in December 2004, the pledges from Kuwait, Saudi Arabia and the UAE ranked competitively amongst the donor community, particularly given GDP rankings.¹ Despite this, and in contrast to DAC donors, little independent research or analysis has been undertaken on the role of these donors in international humanitarian action.

In a global context in which the humanitarian 'enterprise' is increasingly perceived as an instrument of Western governments, UN agencies and some DAC donor governments are beginning more systematically to engage with these Gulf donors in an attempt to reverse this perceived trend, and to capitalise on potentially significant additional resources for humanitarian assistance. In turn, the Gulf States have demonstrated a willingness to raise the profile of their aid programmes, not least to counter negative publicity in the aftermath of 11 September and the 'Global War on Terror'. To date, however, increasing volumes of, and publicity for, official aid has not translated into increased engagement or influence in international debates and fora, so that at present these donors remain outside the formal international 'club' and fora in which dialogue on the principles and practice of humanitarian assistance is being pursued.

The focus of the study is primarily on humanitarian aid, but the distinction between humanitarian and other forms of assistance is not always clear-cut and the definition itself is subject to various interpretations. For this reason, the shift towards increasing engagement in humanitarian action is considered against the background of the broader development financing programmes of these donors.

Section 2 charts the evolution of the Gulf States' development financing and official aid programmes in terms of the volume and nature of assistance, the channels through which it is provided and the role of the Gulf States in developing the capacity of operational partners in humanitarian response. Section 3 reviews the aid management and architecture of official aid programmes in the Gulf. The

chapter also considers two related trends: the increasing engagement of the private sector, and the growing professionalisation of humanitarian organisations within the Gulf. Section 4 considers the drivers for international assistance in terms of domestic political and economic agendas, including public opinion and forms of solidarity, and in terms of regional security and foreign policy agendas. Section 5 reviews the mechanisms for aid coordination both within the region and internationally. The final section offers some preliminary conclusions and policy recommendations for donors and international organisations in the Gulf.

2. The official aid programmes of the Gulf States: background and overview

The Gulf States have a long history of aid donorship. Kuwait, the UAE and Saudi Arabia have offered soft loans and development assistance to developing countries for approximately 40 years, directly and through their own national and regional development funds. The long tradition of assistance is important to trace, not only to illustrate historical trends, but also to demonstrate the sustainability of engagement and the highly evolved nature of assistance mechanisms. Importantly, grant aid is becoming an increasingly significant feature of national and regional development funds, particularly to a diverse set of crisis-affected countries. In addition, the roots of development financing highlight the relationship the Gulf States have to multilateralism.

2.1 National and regional funds: background and focus

Kuwait is seen as both the pioneer and the standard-bearer for the establishment of development financing funds in the Gulf region.² It began in 1961 with the founding of the Kuwait Fund for Arab Economic Development (KFAED).³ In 1974, the Fund's objectives were legally amended to include the provision of assistance to developing countries in general, in addition to Arab countries. From the early 1980s, the Kuwait Fund began to expand its activities in Asia and Africa, particularly investing in large-scale infrastructure development assistance.⁴ In the 1990s, the Kuwait Fund further expanded its assistance to include the Commonwealth of Independent States (CIS) and Caribbean countries, and it now has six regional divisions. The balance of funds is now approximately 50% to Arab countries and 50% to Africa, Asia and other countries. Kuwait continues to channel the majority of its official aid through KFAED, making it the largest bilateral fund in the region, with standardised policies and procedures to govern its activities.

The UAE established the Abu Dhabi Fund for Development (ADF) in 1971. As with the Kuwait Fund, its mandate was enlarged in 1974 to include all developing countries following a substantial increase in its resources.

The Saudi Fund for Development (SFD), established in 1974, followed a similar pattern, augmenting its capital three times to a total of SR31 billion in 1991. By the end of the 1990s, the SFD was contributing to the financing of some 330 projects in 63 countries.⁵ Loans are granted only in the form of soft loans with a *de facto* 65–70% grant element.⁶ Unlike the earlier Gulf Funds, the SFD was established with an initial mandate to provide financing for projects in *all* developing countries. Whilst Saudi Arabia is the largest donor in the region, the SFD channels a much smaller percentage of the country's official aid than the Kuwait Fund, making it only the fourth-largest fund in the region.

Table 1 highlights that financing from the three bilateral funds remains concentrated in Arab countries, despite increased geographic diversification. A further breakdown of the top five recipient countries of assistance by fund and region can be seen in Annex 5, Table 1.

Table 1: Percentage of financing by region by fund (cumulative to 2003)⁷

Fund	Arab ⁸	African	Asian	Latin American	Other
ADF	79%	4%	17%	0%	0.2%
KFAED	53%	17%	25%	2%	2%
SFD	47%	19%	32%	<1%	>1%

In addition to the three national funds, there are five main regional funds, the largest of which is the Islamic Development Bank (IDB), followed by the Arab Fund for Economic and Social Development (AFESD). They were established to provide assistance to poorer Islamic or Arab countries respectively. The Arab Fund hosts a Coordination Secretariat which facilitates the sharing of information between the eight development funds in the region, as well as enabling the co-financing of projects and programmes. The five regional funds, their aims, types of assistance and cumulative disbursements to 2002, are detailed in Annex 5, Table 2.

The Funds have operated essentially as a form of bilateral development financing, offering concessional loans and technical assistance, with a tendency towards infrastructural and physical development projects, and a smaller percentage of assistance for social/human development sectors. This is particularly so for Arab and Asian countries, where only 11% and 12% of the funding respectively went to support for the social development sector.⁹ See Annex 5, Table 3 for a sectoral breakdown and the distribution of financing operations by region.

2.2 National and regional funds: diversification and grant assistance

In recent years, the forms and type of assistance from the Funds have begun to diversify, and to include an emphasis on social sectors of development and emergency assistance. For example in 2001, the OPEC Fund provided \$1.5 million in emergency assistance to Afghanistan, Algeria, Cuba, El Salvador, Honduras, India, Mongolia and Palestine. With the exception of Palestine, however, these funds were still channelled through the recipient state. In December 2004, the OPEC Fund announced a grant of \$1.3 million to 13 civil society organisations in Palestine's West Bank and the occupied Palestinian territories (OPT).¹⁰ Similarly, 50% of the Arab Fund's grant funding to the OPT was channelled, not to government, but to NGOs.¹¹

It is likely that this policy shift was primarily driven by the increasing proximity of crises in the region, and pressure to respond with all forms of financing. In addition, it complements a general trend amongst the global international financial institutions to increase their grant support to the poorest countries, and to develop mechanisms for channelling emergency assistance in situations of conflict or natural disaster.¹²

This shift in the nature and purpose of aid resulted not only in the Funds channelling more funding to NGOs, but also in increasing proportions of government aid being channelled through alternative disbursement mechanisms in response to particular crises. Thus, in addition to the Funds, the Gulf donors also provided emergency aid directly to recipient governments and through local implementing partners. By the mid-1980s, Saudi Arabia was extending grants for economic and social assistance programmes to drought-affected countries in the Sahel, and has extended SR170 million in assistance to Sudan, Somalia and Chad in the form of cash, food, medical supplies and refugee shelter.¹³

Bilateral government aid has some similarities with the funds in its distribution. For example, OCHA's Financial Tracking System (FTS) shows 97% of Saudi's recorded donations since 2000 went to countries in the Middle East, North Africa or Asia.

However, whilst the bias in assistance from the funds tends towards Arab countries, the bias in bilateral aid would appear to be towards Islamic populations. Thus, of the 149 donations from Saudi Arabia recorded on FTS since 2000 (total value \$504 million), 92% went to countries with a population at least 75% Muslim¹⁴. Bilateral allocations have also tended to prioritise a single country for assistance each year. Thus, Saudi assistance focused on the OPT in 2001, Afghanistan in 2002, Iraq in 2003 and Darfur in 2004.¹⁵ It is not clear whether this single recipient country per annum approach is due to structural financing arrangements or operational constraints.

Saudi Arabia is also a long-standing contributor to some of the multilateral agencies. Here too, however, the trends in types of assistance and choice of disbursement mechanisms appear to be related. With the exception of UNHCR during the 1990–91 Gulf War and regular contributions to the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) from the early 1990s, contributions to WFP and other UN agencies dropped considerably during the decade and are only recently being revitalised. Saudi Arabia's donations to WFP averaged around \$3 million-worth of dates and about \$1 million of cash during the 1990s, compared with annual donations of \$27 million by 1986.¹⁶ It was suggested by one WFP representative that the decline from 1986 in part related to WFP's emphasis on development assistance at a time when the Gulf States were facing a growing number of crises within the region, so that priorities no longer matched.

Support for UN humanitarian and development organisations is also channelled through the Arab Gulf Fund for UN Development Organisations (AGFUND), established in 1981 to provide grants and emergency assistance specifically to UN agencies and NGOs in the fields of health, education, human development and disaster relief.¹⁷ In this sense, it is the outlier of the group of regional funds.¹⁸ The main group targeted by the AGFUND are mothers and children; to date, it has allocated around 40% of its resources to UNICEF for around 60 projects, with a cumulative contribution of \$60 million. It has also made several contributions to UNRWA¹⁹ and other UN agencies. Since its creation in 1981, the AGFUND has committed close to \$200 million in 125 countries.²⁰ To date, Saudi Arabia has contributed approximately 78% of the programme's resources.²¹

2.3 Volumes and types of aid

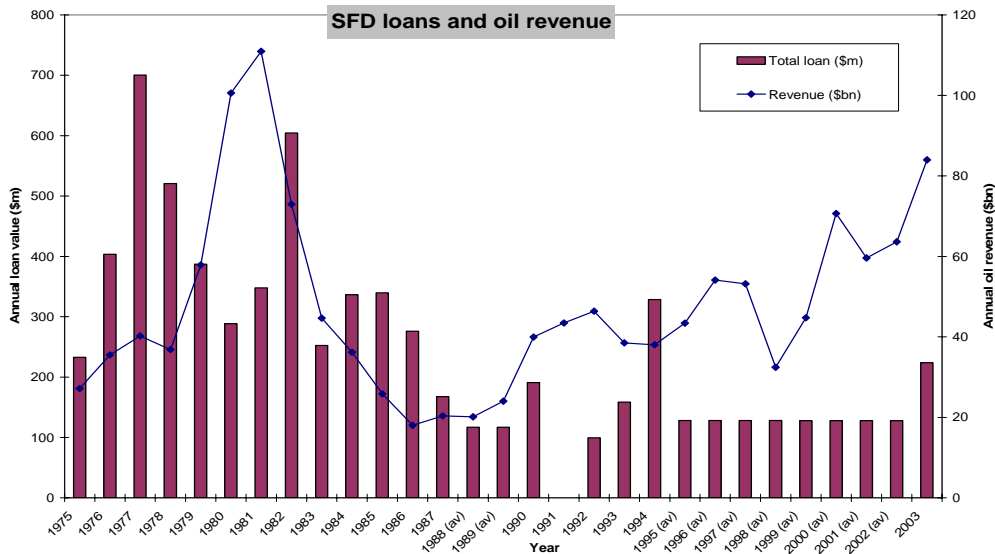
There are no centralised reporting mechanisms for ODA spend within each donor government in the Gulf. This poses obvious difficulties for calculating the overall volumes of assistance.²² Saudi official statements claim that, over the past three decades, its ODA has averaged around 4% of GDP,²³ and the UAE has stated its ODA at 3%. There are also additional contributions made in response to humanitarian crises, not identified in ODA reporting, such as the UAE's peacekeeping contributions in Kosovo.

Influencing factors in aid volumes

The link between oil prices and output and the volume of aid appears fairly self-evident, and is not surprising given the heavy dependence of the Gulf economies on oil revenues. Neumayer suggests that, on the basis of simple econometric modelling, there appears to be a clear 'dependence and strong sensitivity of total

amount of aid given towards the total revenue of Arab donors their natural resource extraction'.²⁴ This trend is further illustrated in the chart below.

Figure 1: SFD loans and oil revenue²⁵



The SFD was established in a peak year of oil exports. The chart shows that the SFD’s capital increased dramatically in the early 1980s and fell again throughout the 1990s. Following this pattern, SFD capital and loan disbursements are likely to show an increase from 2002.

The second major factor influencing volumes of assistance would seem to be regional stability. The decline in aid volumes in the early 1990s is likely to be linked to the costs and exogenous shock of the Gulf War,²⁶ particularly since no funds were disbursed in 1991. These factors in the volatility of aid volumes are not unique to the Gulf States.

However, the patterns in overall volumes of assistance may conceal other trends concerning the types and forms of assistance provided. In the 1991 Gulf War, for example, whilst the SFD appears not to have disbursed any new funds, the Saudi government increased its donations to UNHCR in 1990 and 1991, coinciding with the displacement of Kuwaitis during the Gulf War.²⁷ Similarly, contributions from *all* the funds for a number of crisis-affected countries in Africa, including Ethiopia, Eritrea and the DRC, dropped off from the mid-1980s to the mid-1990s.²⁸ At the same time, however, other forms of assistance began to increase. Support for refugee assistance was not confined only to neighbouring countries or Iraq. According to Saudi Arabia’s Ministry of Information, Saudi Arabia was also ‘greatly concerned with the problem of African refugees in Sudan and Somalia, and the victims of conflict in Chad’.²⁹ As well as bilateral assistance in the form of food, cash, medical supplies and shelter to the value of SR170 million, Saudi Arabia also contributed SR122.5 million to the first and second UN conferences for assistance to refugees in Africa.³⁰

The Gulf States also began to channel increasing volumes of assistance through their national Red Crescent Societies, as well as a number of charitable foundations established in the 1990s under the auspices of leading members of the royal families.

Whilst there appears to have been a trend towards increasing volumes of emergency assistance and a reduction in development assistance to crisis-affected countries, overall volumes of development funding did not appear to decline.³¹ This is also likely to be the case in relation to direct government funding. Development assistance involves long-term bilateral relations with many recipient countries. Since the decision-making structure is highly centralised in the Gulf States, pulling out of an aid relationship would involve asking a Sheikh to go back on his own decision, so that, unlike many DAC member countries, development assistance is not usually displaced by emergency aid, unless state channels are seriously eroded.

Unlike development assistance, emergency assistance has often included a considerable percentage of 'in-kind' contributions in the form of locally produced foodstuffs, medical supplies and equipment and transport.³² The self-reported valuations of in-kind contributions result in it being difficult to compare and rank volumes of assistance between donors, because of differing ways of measuring the value of the goods. Additionally, in-kind contributions may be of limited utility to recipient countries or multilateral agencies unless they are specifically tailored to the needs of beneficiaries.

Perhaps surprisingly, the share of assistance provided in-kind by the Kuwait Red Crescent Society has increased over the past few years. From entirely cash support in 1999, in-kind assistance increased to 4% two years later, 7.5% in 2003 (largely related to assistance in neighbouring Iraq, as well as to Zimbabwe) and to 14% in 2004 in response to Iraq and Darfur.³³

From the 1990s, a number of other trends in forms of assistance became discernible. The Kuwait Fund began to place a growing emphasis on technical assistance, particularly in support of existing or future loans, and with the aim of enhancing their effectiveness. This undoubtedly reflected a degree of disillusionment by the 1990s with development outcomes. In the UAE, a number of new initiatives have aimed at developing expertise in logistics, supply and procurement to support Dubai's capacity to function as an international hub for relief to crisis-affected countries in the Middle East and North Africa.³⁴ These trends are discussed further in Section 3.

2.4. Shifting trends in channels for disbursing aid and the expanding role of operational partners in international assistance

As the volume of emergency assistance from the Gulf States has increased, the role of operational partners has expanded, both in terms of their capacity to respond and the scope of their reach. The bulk of official humanitarian aid has been channelled through the national Red Crescent Societies (RCSs), and to a lesser extent through a number of charitable foundations established under the auspices of senior members of the royal families. Within the UAE in particular, a number of initiatives are underway aimed at increasing the engagement of the private sector in international assistance. Some funds, notably for refugee assistance, are also channelled through UN agencies. This section considers the relationship between the Gulf States and these operational partners, and their expanding role in international humanitarian assistance.

The Red Crescent Societies

Red Crescent Societies were established in Saudi Arabia and Kuwait in the 1960s, and in the Emirates in the 1980s.³⁵ They are the most important delivery mechanisms for humanitarian assistance from the region, and are playing an increasingly significant role in international assistance. It was suggested by many

interviewees that the preference for bilateral channels and use of national RCSs was at least in part related to the desire for visibility, and that the National Societies carried a kind of flagship status, so that their immediate presence in providing assistance to crisis-affected people was linked to national identity. However, the Red Crescents are not only National Societies but part of a broader international movement, and this has implications for what they can be understood to represent. Moreover, it does not explain the fact that their prominence *vis-à-vis* other organisations, especially local NGOs, has increased considerably since 11 September. The post-9/11 regulatory environment (discussed in more detail in Section 4) has introduced a number of changes which have directly impacted on the role of humanitarian organisations in the Gulf, particularly in terms of increased restrictions on local NGOs, and in some cases⁰ in their closure by the government.

This has had a two-fold effect: firstly, in shrinking the competitive environment; and secondly, in bringing the Gulf RCSs into an even closer relationship with government. The close relationship between the National Societies and governments is not new, nor unique to the Gulf States.³⁶ However, the extent of this shift suggests in the Gulf has made the Red Crescents by far the most important humanitarian delivery institutions for the Gulf's international assistance.

The relationship between Gulf RCSs and governments is close not just in terms of their role in supporting the state's welfare activities at the national and international levels, but also in the close personal ties which exist between the RCS and political leadership.³⁷

In addition, the relationships of the RCSs to their governments, the rest of the movement and the ICRC are less formalised in these younger members of the movement than, for example, in the longer-established Nordic Red Cross Societies. In some senses, the Gulf RCSs may be seen as a special case in terms of their relationships with both government and the rest of the movement.³⁸

Due to the closeness of the relationship between the RCSs and government in the Gulf in particular, there may be a tendency to assume mutual interests between the government and the national society's priorities in international assistance. A recent example of decision-making between the Kuwaiti government and Kuwaiti Red Crescent (KRCS) illustrates this point. In preparation for the war in Iraq, plans were made for the establishment of a Humanitarian Operations Centre (HOC) in Kuwait through which the US military and the Kuwaiti government would be able to provide services and attribute fields of competence to NGOs to provide humanitarian assistance in Iraq. In the initial plans, the idea was raised by the Ministry of Foreign Affairs as to the possibility of KRCS hosting the HOC. After consultation, the KRCS declined the offer.

This illustrates a number of points. First, that ultimately the RCSs in whatever country are members of an international movement, and the Gulf States have demonstrated a willingness to recognise the distinctive principles and operating guidelines of the Movement. However, in a way that is similar to the behaviour of DAC donors, at the political level aid responses are often instrumentalised to support foreign policy priorities, particularly in conflict-related crises. Neither the goals of humanitarian assistance nor the principles according to which it is disbursed can be assessed on the same criteria, so that circumscribing humanitarian as opposed to other political objectives would seem to be a prerequisite for donor accountability at the strategic level.³⁹

In recent years, and perhaps particularly given their post-9/11 expanded role, there have been increasing efforts on the part of both the ICRC and the Federation for greater dialogue with these national societies, to address certain trends.⁴⁰ At present, the RCSs have no disaster plans nationally and they are operating in regional and international spheres with little harmonisation with international tools. National Societies regularly act bilaterally, as well as through the IFRC and its appeals. RCSs are, however, expected to coordinate both with the Movement and with National Societies in the affected countries, rather than acting unilaterally. To date, this has not always been the case. And despite the ICRC's mandated lead coordination role in the field, the ICRC has been bypassed by the Gulf RCSs in some contexts.

Attempts at more effective harmonisation and coordination are being pursued primarily at the regional level. The Conference of Arab Red Crescent and Red Cross Societies, with its secretariat in Jeddah, is an entity independent of the Federation which aims to strengthen the representation of the Arab National Societies through promoting common positions on key issues, such as support to the Palestinian people, and ensuring effective representation within the Federation.⁴¹ A dialogue between the Gulf Cooperation Council (GCC) Red Crescents has been established to increase cooperation and coordination based on developing specific competencies. The chair of the GCC Red Crescents has agreed to form a new committee to coordinate the work of the member countries.⁴²

Local NGOs and charitable foundations

In addition to the national Red Crescent Societies, there are a number of national NGOs active in international assistance. In Dubai, the five biggest, including Human Appeal and the Sharjah Charity Establishment, are brought together under an oversight committee. This oversight is at the federal level, however, and does not include the two main Abu Dhabi charities or the Red Crescent. In Kuwait, there is a Joint Relief Committee, under the International Islamic Charitable Organisation, with oversight of the Kuwaiti NGOs active in international assistance, including the Kuwait Red Crescent Society.

There are also a number of charitable foundations which act as important conduits for both government and private donations.⁴³ The Zayed Bin Sultan Al Nahayan Charitable and Humanitarian Foundation, for example, established in 1992 by the then ruler of the UAE, supports a wide range of activities.⁴⁴ The Foundation's funds have a global reach.⁴⁵ The foundation is also committed to cooperating with similar charitable organisations towards common goals, including in areas which are remote from the Foundation's headquarters.⁴⁶

International organisations and UN agencies

Government aid is also channelled through the UNRWA, and this support appears to be increasing in the wake of accusations of links between Islamic welfare organisations and the military activities of the Palestinian group Hamas.⁴⁷ In 2004, the Saudi Committee for the Relief of the Palestinian People contributed \$6.3 million to WFP, making it the largest donor to WFP's operation in the Palestinian territories, ahead of the US, ECHO, Switzerland and Syria. In terms of government assistance, Saudi Arabia has donated cash and in-kind food commodities worth over \$409 million to the WFP since 1966, though the 2004 contribution represented for WFP 'the first significant cash donation since perhaps the 1980s'.⁴⁸

Clearly, there are a number of incentives for engagement at the multilateral level. The Zayed Foundation states that the foundation has sought to coordinate with ‘national and international organisations, in order to promote the presence of the UAE on all international charitable and humanitarian boards’.⁴⁹ Enhancing international visibility and profile, as well as the capacity to exert influence in international fora and decision-making processes, may also provide incentives for engagement with the multilaterals.

The ICRC’s regional office, originally set up in 1991 in Kuwait, is also orienting its focus towards establishing a more substantive dialogue with humanitarian actors in the region, beyond the initial aims of disseminating international humanitarian law (IHL) and developing its relations with donor governments. Whilst some progress has been made in establishing an effective dialogue, there has not been much progress in diversifying and expanding the ICRC’s support from the Gulf region.

Until quite recently, this was also the pattern for other international organisations. With the exception of MSF Dubai, there are very few INGOs with a presence in the Gulf – perhaps not least because this requires the sponsorship of a senior member of the ruling family.

By the same token, many of the UN agencies are seeking to develop closer ties with the Gulf States to encourage channelling of aid through the multilateral system, and have been active in establishing regional offices. Until very recently, this had been primarily for fundraising purposes but, particularly since 11 September and the growing number of crises in the region (especially Afghanistan and Iraq), there is also increased recognition by both parties of the need for greater dialogue and cooperation. This change from focusing specifically on fundraising was partly driven by previous unsuccessful attempts at fundraising in the region.

In the UAE, where very little aid is channelled through UN agencies, both UNDP and UNICEF representatives described their approach as being one of cooperation and facilitation, encouraging the UAE government to channel its resources through their agencies by offering their expertise and capacity in those countries in which the UAE wants to engage, so that they can work together, in addition to providing visibility for donor contributions when they occur.⁵⁰ WFP has similarly sought to demonstrate the relevance of its work to the UAE’s international assistance programme.⁵¹

In general, aid to the multilaterals is selective and in relation to specific objectives. They are not the first choice for Gulf aid. Whilst individual agencies are seeking to build relations with donors in the Gulf, underlying these relationships is a somewhat chequered history of relations between the Gulf States and the UN, including over sanctions against some Arab states and the UN Security Council’s position on the Israeli–Palestinian conflict.⁵²

There are a number of key interrelated points in relation to the above. First, the increase in overall humanitarian funding is largely accounted for by a small number of high-profile emergencies, which generated exceptional humanitarian responses, two of the largest of which were in the Middle East, namely Iraq and the OPT. This had two further implications. Whilst during the 1990s, humanitarian issues became more explicitly linked to efforts to enhance international peace and security,⁵³ for the Gulf States such issues were perceived primarily as *regional* security issues, so the logic for engaging with international organisations may

have been even weaker. Coinciding with these crises, the Gulf States developed their own capacity to deliver humanitarian aid. Even where maximising greater capacity to respond to such regional crises has formed a part of the incentive for Gulf states to support international organisations such as UNRWA, UNHCR and the ICRC, the emphasis on a few ‘mega’-emergencies meant that stable funding – let alone increased funding – was far from assured.⁵⁴

There is clearly some way still to go for relationships between the multilaterals and the Gulf, but some signs of strengthening ties are evident and some of these relationships are being formalised.⁵⁵ However, even in circumstances where UN agencies have agreements or receive regular funding, the government often chooses a for-profit company or national implementing partner for its aid delivery.

Table 2: Budget showing contributions to UN agencies and International Organisations 2002–2004 (US\$)⁵⁶

	Kuwait			Saudi Arabia			UAE		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
ICRC	0	1,939,184	n/a	195,015	402,677	n/a	99,804	0	n/a
IFRC	706,174	404,945	1,527,719	325,033	2,130,521	3,371,316	115,287	414,997	312,076
UNHCR	1,294,061	2,448,013	198,154	990,532	227,971	132,755	54,000	0	108,000
WFP	0	1,000,000	0	3,495,998	3,348,138	3,345,325	0	0	50,000
UNICEF	450,000	0	n/a	0	50,000	n/a	0	0	n/a
OCHA	0	0	n/a	0	0	n/a	0	0	n/a

The private sector

Engagement with the private sector is happening at two levels. First, the IFRC has been trying to use the increasing monopoly of the RCSs in international assistance to bring about a corresponding increase in private contributions. To this end, the IFRC organised a conference in Bahrain in 2004 aimed at trying to increase private sector contributions.⁵⁷

The private sector is not simply a source of funds, however, but an increasingly important part of the aid business. Dubai in particular is encouraging the involvement of the private sector in its efforts to promote itself as a centre for the business of aid and a hub for humanitarian logistics, transportation and communications. Following an 'Aid in Trade' initiative, Dihad was set up by the Dubai government as a conference and forum for humanitarian suppliers, procurers and agencies.⁵⁸

Related to this initiative is the newly created Dubai Aid City, which offers a tax free zone for humanitarian agencies to deal with procurement, supply, stockpiling and logistics. Dubai Aid City is encouraging UN agencies like UNICEF to base themselves in its offices and channel their logistics through Dubai. Sheikh Mohammed Bin Rashid Al Maktoum, who took the lead in establishing Aid City, also established a Dubai Humanitarian City, which currently has WFP, UNOPs and OCHA on its terrain. The specific competencies or differences between the two 'cities' is not yet clear, but the pattern would seem to conform to Dubai's approach to fostering economic development in other areas, where creating competition is seen to be central.⁵⁹ Whichever initiative flourishes, they have already achieved some success with UNICEF and WFP, the two largest UN logistical humanitarian agencies, both of which use Dubai for logistical purposes.⁶⁰

3. Aid structure and management

Unlike the Funds, official aid channelled directly from government tends not to be governed by a formal aid policy framework. There are no legislative or written policies governing the official aid programmes of the Gulf States, and few formal accountability mechanisms. Whilst the Gulf States, in the words of one interviewee, demonstrate ‘a consistent and generalised approach’ in their international assistance, there remains little by way of centralised governance over spending, or formalised frameworks regarding policy and practice.

3.1 Aid architecture

Aid management is divided between various government departments. Aspects of international assistance are handled by the Ministry of Foreign Affairs (and its Department for International Organisations or equivalent), the Ministry of Interior, the Ministry of Health and the Ministry of Finance. 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, also means that many initiatives are happening at the level of the individual Emirate.⁶¹

Another level of complexity is added by the difficulty in distinguishing between the public and private roles of individual members of the royal families, who play a pivotal role not only in government but in many of the Gulf’s charitable organisations.⁶² The blurring between official and private occurs not only in terms of decision-making and accountability but also in terms of a blurring of the lines between public and private donors.⁶³ Moreover, many of the Sheikhs contribute privately, as well as in their official capacity, to humanitarian appeals.⁶⁴

The variety of channels available means that it is difficult to get a clear picture of overall humanitarian spending, or of the funds allocated across different crises and sectors. A more accurate picture of global financial assistance would seem to be essential to efforts to reconcile resource flows with humanitarian need.

The fragmented aid architecture also means that there is no obvious focal point or mandated department responsible for coordination of the countries’ aid. OCHA does not have a presence in the region, and knowledge of the function of OCHA was limited. The role of the national Red Crescent Societies, as the most important channel for humanitarian response, is therefore central in this regard, and the increasing efforts over the past few years to strengthen the relationship between these national Societies, the Federation and the ICRC is a positive step.

3.2 Regulation and accountability

Following 11 September, the Gulf States have sought to exert tighter control over national charitable organisations in response to accusations that Islamic charities were funding terrorist and militant activities. This has further encouraged a trend towards professionalisation amongst local and national charitable organisations, including the Red Crescent Societies (discussed below). At the official level, it has resulted in a number of measures to tighten up the regulation and oversight of charities’ overseas activities. Whilst all of the countries in the Gulf have felt the pressures to regulate the activities of their NGOs and the flow of private funds to charitable activities, these pressures have been particularly acute in Saudi Arabia.⁶⁵

In June 2003, the Saudi Arabian Monetary Agency (SAMA) announced new regulations governing Saudi charities and welfare agencies, 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 banned from transferring funds abroad.⁶⁶

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.⁶⁷

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'.⁶⁸ Measures to forbid zakat collection boxes in mosques on the basis that such collections provided millions in untraceable cash has been one route taken by the Saudi authorities.⁶⁹ Given the religious imperative for charitable giving, the effectiveness of the new committees as the central channel for public donations is highly dependent on the trust of the public that their contributions will be used in such a way that their religious obligations (including the particular criteria for the spending of zakat) are met. Where such trust is lacking, alternative channels are likely to be sought. If these are pushed underground, there may be a risk that the clampdown on local charitable organisations will not have the desired regulatory effect.⁷⁰

There is a second and more pragmatic outcome of this regulatory process. In January 2004, a joint Saudi–US action designated four offices of one of Saudi Arabia's largest charities, Al-Haramain, as fronts for terrorist activity.⁷¹ At its peak, Al-Haramain operated branches in 50 countries. The charity's assets within Saudi Arabia were to be passed to the national commission. Following Al-Haramain's closure, many long-established Saudi NGOs appear to have been closed down, and given the size and scope of their operations, this is likely to have had considerable adverse effects on beneficiaries outside the Kingdom, including in Sub-Saharan Africa and South-East Asia.⁷²

Substituting international NGOs will not solve this problem. MSF Dubai, for example, has felt unable to accept zakat contributions because it cannot promise that zakat obligations will be met. The Saudi Red Crescent's international activities have not been stopped by the royal decree, and it has recently provided nearly \$11 million of basic humanitarian aid to Sudan.⁷³

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.⁷⁴ 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.⁷⁵

3.3 From charitable giving to the professionalisation of aid

Alleged links between Islamic charitable organisations and the funding of terrorist activities has led to increasing pressures for greater transparency. Under these pressures, there is a tendency for each charity to convey an image of itself as purely humanitarian, including those whose activities have a specific religious orientation or components. 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 Quran, are all labelled humanitarian. In doing so, the conception of 'humanitarian need' is widened from

that commonly understood by DAC donors,⁷⁶ to include those things which are needed to fulfil a person's religious obligations and sustain their spiritual life. In a sense, 'humanitarian' offers a much smaller category of charitable activity than 'Islamic', and it makes little sense to subsume the latter into the former. Definitional problems aside, the crucial point is that Islam, like many other faiths, is a powerful driver of charitable giving, both to the Muslim world and beyond. As such, efforts to improve understanding of the role and modalities of Islamic charitable organisations are vital.⁷⁷

Until recently, zakat donations provided the bulk of funding for Saudi NGOs. Zakat contributions also form a core part of the funding of the Gulf RCSs and independent INGOs, such as Kuwait's International Islamic Charitable Organisation. These organisations also benefit from an international network of support from Muslims in Western European countries and elsewhere. Such support can constitute a vital resource for crisis-affected populations, perhaps particularly in those crises where the 'West' has been slow to respond, or which are difficult for many operational agencies to access.⁷⁸

However, the obligation to give is simply that, and the injunction not to seek any other motives than fulfilling the charitable obligation, may have made questioning its use particularly distasteful. There is, however, an attempted shift under way from an emphasis on the religious obligation of giving to an emphasis on 'responsible' giving – such that the obligation does not end with coin on the plate. This can be seen both in the shift away from mosque collections and small-scale charitable organisations, and in the trend towards increasing professionalisation by many of the region's most important humanitarian organisations. It is in light of this that some have argued that greater guidelines and regulations 'would serve to remove the cloud of suspicion above the heads of Islamic social welfare organisations that execute their service mandates in a professional manner and neither support nor engage in illegal activities'.⁷⁹

There is also evidence of increasing support for regulatory (and political) reforms towards greater accountability from the public at large, perhaps particularly in Saudi Arabia, which has seen its own internal security threatened by militant terrorist activities. As Shobokshi notes, such 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'.⁸⁰

Increased scrutiny, however, does not stem only from negative attention on Islamic charitable organisations. In highly contested environments such as Afghanistan, Iraq or the OPT, the ability of Islamic NGOs to secure access and build trust with local populations has prompted greater attention to the way that Islamic NGOs are positioning themselves, in relation not just to regional but also to global issues and actors.

There would appear then to be some support for greater transparency, accountability and regulation of humanitarian organisations from across the spectrum. However, as mentioned above, the form which this has taken may be more a case of donors passing on responsibility in the shape of tighter regulation of charitable organisations than genuine moves towards more accountability in aid management.⁸¹ There are risks that excessive governmental control will jeopardise the capacity of humanitarian organisations to operate in a principled manner. Beyond this, there is the risk that such measures will serve effectively to end the operations of Islamic welfare organisations, on which vulnerable populations depend.⁸²

4. Drivers for international assistance and regional and international fora

The drivers for international response come from multiple sources. Whilst public opinion and media pressure undoubtedly play a role in agenda and priority setting,⁸³ the extent of this influence is difficult to gauge. This is particularly so where the agendas of concern overlap, as is the case in major high-profile disasters in neighbouring countries, such as Kuwait's response to the Iraq war in 2003.

4.1 Domestic political agendas and shifting forms of solidarity

Solidarity is a strong driver of international assistance, but the lines along which it is drawn may vary across organisations, people and time. For the UAE RCS, the guiding idea is that 'charitable donations must be free of any ulterior purposes or intent and given simply because there is a need and an obligation to share the suffering of others as part of our own humanity. This begins with our own country, then neighbours, and widens outwards'.⁸⁴

Since the Gulf RCSs receive a considerable amount of their funding through zakat contributions, being seen to respond to fellow Muslims, as well as the needy, orphans and prisoners of war, may be particularly important.⁸⁵ In the 2000s, the largest recipient countries of emergency assistance from the UAE Red Crescent Society were Palestine, Iraq, Afghanistan, Bosnia and Herzegovina and Kosovo,⁸⁶ each with significant or largely Muslim populations. Support for orphans, as well as family tracing programmes, has also formed a significant component of the work of the Gulf RCSs.

Given that the Gulf States are Islamic states, the obligation to assist fellow Muslims and those in need applies also at the official level. The Saudi ruling family, for example, rely to some extent 'on the support of the religious establishment and so are constantly reminded of their religious duty to provide aid for those in need'.⁸⁷

The IFRC is attempting to build on these concepts of solidarity, which act as important drivers of public support for international assistance, beyond neighbourhood and brotherhood to humanity as a whole, so that the forms of solidarity become more and more universal in supporting those in need.

Given that DAC donors also demonstrate particular geographical and political biases, the fact of varying solidarities may not in itself pose a problem for international assistance as a whole. There would, however, seem to be two key qualifiers to this. First, there needs to be greater transparency, information-sharing about aid volumes and allocations, and coordination at the international level if needs are to be met impartially across crises; and, secondly, a strict adherence to impartiality in the delivery of assistance *within a given context*. In general, supporting countries close to home is seen by the IFRC as a tool which the movement can build on to bring assistance to countries in the region as rapidly and efficiently as possible.

The tendency to provide a greater percentage of aid in-kind, rather than cash, has also influenced the regional bias of the Gulf RCSs' activities.⁸⁸ A push towards increasing cash rather than in-kind contributions seems appropriate, not least because without this, extending RCS support further afield may have the paradoxical effect of reducing the national Society's capacity to act independently by promoting greater reliance on government logistical support.

One of the difficulties of identifying, or relying on, solidarity is that these solidarities are not fixed and are subject to fluctuations over time which cannot be understood in isolation from the political context of the national Societies and their donors. Moreover, whilst the Gulf RCSs' role can be seen to have increased with particular humanitarian crises (Bosnia in 1995 for the UAE RCS; Turkey in 1999 for the KRCS), such an outpouring of solidarity depends also on an enhanced awareness of humanitarian need. Such awareness may be driven by the media and other organisations at the national and international level, as well as by the presence of large numbers of foreign workers in the Gulf. For the government and agencies alike, being seen to respond to pressures both from the international community, crises affecting the home-countries of migrant workers within the Gulf, and its own public, is perhaps an increasingly important driver. This may be evidenced in the extent to which both government and RCSs in the Gulf set store by being the first to respond; the tendency towards labelled relief supplies and high-profile air shipments; as well as by the hugely popular national telethons and the relative generosity of assistance to certain crises.

However, this does not determine the channels through which such funding will be disbursed, nor the form that assistance will take. Whilst the desire for visibility may be an important part of the preference for bilateral channels, the increased levels of regular support which UNRWA has received from Saudi Arabia and the Emirates over the course of the 1990s is related to a political-level shift away from seeing UNRWA as an agency of the West, and therefore the West's responsibility to fund.

Similarly, increasing levels of engagement with multilateral agencies in Dubai are at least in part related to an economic policy which recognises the benefits of Dubai becoming an international hub for the business of aid. This in turn is facilitated by the UAE's conscious efforts under Sheikh Zayed to create a favourable liberal environment for foreign investment, and to maintain a moderate stance in its international relations. However, within the Islamic world, there are competing and shifting alliances, identities and solidarities, as within any other religion or community, and attempts to simplify trends and influences should be done cautiously.

4.2 Foreign policy and regional cooperation

In addition to domestic political agendas and constituencies of support or solidarity, earlier analysts of Saudi Arabia's aid in the 1960s and 1970s have suggested that it followed foreign policy and geopolitical agendas, with the principal determinants being a desire to moderate anti-Saudi sentiment and to contain the spread of Communism.⁸⁹ Saudi support to Afghanistan following the Soviet invasion in 1979 could be seen as an attempt to aid the forces fighting the spread of communism. Saudi Arabia also sent significant amounts of aid to Oman and North Yemen in the 1960s and 1970s at a time when there were fears of communism spreading from South Yemen to neighbouring countries⁹⁰.

With foreign policy as a key determinant, this would imply that, as the threat of Soviet influence declined, it would be Arab rather than Islamic solidarity that would hold sway. This has been argued in relation to Saudi Arabia's assistance to countries such as Syria and Jordan, for example, which are neither particularly poor nor particularly Islamic.⁹¹ Low-income countries have received collectively only around 60% of the total loan disbursements of the SFD.⁹² Again, however, much of this disparity may be accounted for by the different forms, types and channels of assistance in response to crises (see Section 2).

There are limits to the extent to which official foreign policy dictates international assistance and solidarity, however. Aid to the OPT has been significant in volume and duration from all of the Gulf donors, and has increased since the start of the second Intifada. Whilst Saudi Arabia has responded to public pressures to support humanitarian assistance to the OPT, the Crown Prince has played a leading role in reversing Saudi Arabia's previous policy, which had denied the possibility of normalising relations with Israel, and in leading an international effort to promote Arab reform.⁹³ Clearly, there is a space in which public opinion and solidarity influences official aid irrespective of foreign policy concerns. At another level, however, it may suggest that maintaining good international relations may be as important a driver for international aid as solidarity in some contexts, and perhaps the more so in highly politicised environments. The UAE has maintained good relations with Western countries, meaning that its statements in relation to contested contexts such as Iraq, Afghanistan or Palestine tend to be heavily humanitarian in emphasis, as part of its efforts to maintain a consistently moderate stance, while at the same time displaying solidarity towards the suffering of neighbouring or Islamic people. In the UAE's case, this also means that there have been no significant changes in its foreign policy since 11 September.

As mentioned above, for the Gulf States engagement has primarily been at the regional rather than the international level. Over the past few decades, there have been steady moves towards greater regional cooperation in aid policy, both at the sub-regional level, through the Gulf Cooperation Council (GCC), and at the regional level, through the League of Arab States, as well as through the representation of the Arab Group at the UN

In addition to the efforts at greater regional coordination by the chairmen of the GCC Red Crescent Societies, 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 a rapid response to humanitarian crises.

The Arab League is also beginning to take a more active role in humanitarian affairs. The League's agenda has tended to be dominated by the Israeli-Palestinian conflict over the past decade, but a number of other crises have also gained its attention. In 1993, the Council of the Arab League passed a resolution outlining its commitment to providing material and moral assistance to Somalia (Resolution 5279). More recently, with a number of high profile crises in the region, from Afghanistan to Iraq to Sudan, the League has begun the process of establishing a new department for humanitarian affairs and emergency coordination within its Secretariat in Cairo. In 2004, the League took the unusual step of giving a strong recommendation to its member states to offer support for Darfur. This was the first time in over a decade that such an injunction had been made. Over the past few years, the League has also begun to develop closer and more formalised ties with international humanitarian organisations active in the region. Until recently, the IFRC had no agreed platform or mechanisms for cooperation with the League. The IFRC Secretariat and the League have now signed a Memorandum of Understanding, and the two organisations have begun to 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 an increasing incorporation of the humanitarian agenda into the League's work.

From the IFRC's perspective, this increasing cooperation represents an opportunity to promote humanitarian issues at the regional level. The RCSs also expect to be able to use such regional fora as a platform for negotiation with their own governments. This aspect of the development of regional policy and dialogue may be crucial for the development of the national Societies and their relationships with their own governments.

Conclusions and policy recommendations

Policy recommendations for Gulf donors

- for the increasing engagement of Gulf State donors in humanitarian debates in international fora and with other international humanitarian actors/organisations;
- for supporting moves towards greater regional cooperation in fora such as the Arab League and GCC in relation to aid;
- for less blanket regulation but more independent monitoring and regulation of charitable activities;
- greater transparency and accountability of official aid both in the interests of visibility and trust and improving performance and accountability of official aid;
- for greater clarity of respective roles and responsibilities, and the relationship between state and non-state humanitarian actors; these considered in light of principles such as the objective of neutrality ('to enjoy the confidence of all');
- for further consideration of the balance between and incentives for bilateral and multilateral channels.

Policy recommendations for international organisations

- for increasing engagement and dialogue with Gulf State donors, but not simply as potential revenue streams;
- for better understanding of aid culture and history, programmes and constraints;
- for technical assistance, particularly in increasing capacity for reporting;
- for policy at UN system level to support the efforts of individual agencies in developing closer relationships as well as formal agreements with Gulf States and their national and regional counterparts in international assistance;
- for work on developing and improving the image of the UN as a whole, including communication and fundraising better tailored to the local languages and cultures of the country or region.

Annex 1
Membership of key regional fora

League of Arab States

Algeria
Bahrain
Comoros
Djibouti
Egypt
Iraq
Jordan
Kuwait
Lebanon
Libya
Mauritania
Morocco
Oman
PLO
Qatar
Saudi Arabia
Somalia
Sudan
Syria
Tunisia
United Arab Emirates
Yemen

GCC

Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
United Arab Emirates

OAPEC

Algeria
Bahrain
Egypt
Iraq
Kuwait
Libya
Qatar
Saudi Arabia
Syria
United Arab Emirates

OPEC

Algeria
Indonesia
Iran
Iraq
Kuwait
Libya
Nigeria

Qatar
Saudi Arabia
United Arab Emirates
Venezuela

Annex 2

Membership of the Organisation of the Islamic Conference (OIC)

OIC member countries

Afghanistan (Founder)	1969
Albania	1992
Algeria (Founder)	1969
Azerbaijan	1991
Bahrain	1970
Bangladesh (Founder)	1974*
Benin	1982
Brunei Dar-us-Salam	1984
Burkina Faso	1975
Cameroon	1975
Chad (Founder)	1969
Comoros	1976
Côte d'Ivoire	2001
Djibouti	1978
Egypt (Founder)	1969
Gabon	1974
Gambia	1974
Guinea (Founder)	1969
Guinea-Bissau	1974
Guyana	1998
Indonesia (Founder)	1969
Iran (Founder)	1969
Iraq	1976
Jamahiriya (Founder)	1969
Jordan (Founder)	1969
Kazakhstan	1995
Kuwait (Founder)	1969
Kyrgyzstan	1992
Lebanon (Founder)	1969
Malaysia (Founder)	1969
Maldives	1976
Mali (Founder)	1969
Mauritania (Founder)	1969
Morocco (Founder)	1969
Mozambique	1994
Niger (Founder)	1969
Nigeria	1986
Oman	1970
Pakistan (Founder)	1969
Palestine (Founder)	1969
Qatar	1970
Saudi Arabia (Founder)	1969
Senegal (Founder)	1969
Sierra Leone	1972
Somalia (Founder)	1969
Sudan (Founder)	1969
Suriname	1996
Syria (Founder)	1970**
Tajikistan	1992
Togo	1997
Tunisia (Founder)	1969
Turkey (Founder)	1969
Turkmenistan	1992
Uganda	1974
United Arab Emirates	1970
Uzbekistan	1995
Yemen (Founder)	1969***

OIC observers

Countries:

Bosnia-Herzegovina
Central African Republic
Kingdom of Thailand

Muslim Communities:

Turkish Muslim Community of Cyprus
Moro National Liberation Front
(Philippines)

International and Regional Organisations:

United Nations
Non-aligned Movement
League of Arab States
Organisation of African Unity

* Bangladesh, as part of Pakistan, was one of the founders. It became full member after independence in 1974.

** Syria, as part of United Arab Republic (UAR), was one of the founders. It became full member after leaving the UAR in 1970.

*** Republic of Yemen was created in 1991 with the unification of Yemen Arab Republic and Democratic People's Republic of Yemen, both of which were founders.

Annex 3

Member countries of the OECD and the OECD-DAC

The 23 members of the DAC and their date of membership:

Australia: 1966
Austria: 1965
Belgium: 1961
Canada: 1961
Denmark: 1963
Finland: 1975
France: 1961
Germany: 1961
Greece: 1999
Ireland: 1985
Italy: 1961
Japan: 1961
Luxembourg: 1992
Netherlands: 1961
New Zealand: 1973
Norway: 1962
Portugal: joined in 1961, withdrew in 1974 and rejoined in 1991
Spain: 1991
Sweden: 1965
Switzerland: 1968
United Kingdom: 1961
United States: 1961
Commission of the European Communities: 1961

Member countries of the OECD and the dates they deposited their instruments of ratification:

Australia: 7 June 1971
Austria: 29 September 1961
Belgium: 13 September 1961
Canada: 10 April 1961
Czech Republic: 21 December 1995
Denmark: 30 May 1961
Finland: 28 January 1969
France: 7 August 1961
Germany: 27 September 1961
Greece: 27 September 1961
Hungary: 7 May 1996
Iceland: 5 June 1961
Ireland: 17 August 1961
Italy: 29 March 1962
Japan: 28 April 1964
Korea: 12 December 1996
Luxembourg: 7 December 1961
Mexico: 18 May 1994
Netherlands: 13 November 1961
New Zealand: 29 May 1973
Norway: 4 July 1961
Poland: 22 November 1996
Portugal: 4 August 1961
Slovak Republic: 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 4

Countries included under regional groupings in the Coordination Secretariat's financial data

Arab countries (22)	Africa (41)	Asia (36)	Latin America (24)	Other (6)
Algeria	Algeria	Afghanistan	Antigua & Barbuda	Albania
Bahrain	Benin	Azerbaijan	Argentina	Bosnia & Herz.
Comoros	Botswana	Bangladesh	Barbados	Bulgaria
Djibouti	Burkina Faso	Belarus	Belize	Cyprus
Egypt	Burundi	Bhutan	Bolivia	Lithuania
Iraq	Cameroon	Brunei	Brazil	Malta
Jordan	Cape Verde	Cambodia	Costa Rica	
Kuwait	Central Africa	China (PDR)	Cuba	
Lebanon	Chat	China (National)	Dominica	
Libya	Congo	Georgia	Dominican Rep.	
Mauritania	DRC	India	El Salvador	
Morocco	Ivory Coast	Indonesia	Grenada	
Oman	Equatorial Guinea	Iran	Guatemala	
Palestine	Eritrea	Korea (North)	Guyana	
Qatar	Ethiopia	Korea (South)	Haiti	
Saudi Arabia	Gabon	Kazakhstan	Honduras	
Somalia	Gambia	Kyrgyzstan	Jamaica	
Sudan	Ghana	Laos	Nicaragua	
Syria	Guinea	Malaysia	Paraguay	
Tunisia	Guinea-Bissau	Maldives	Peru	
United Arab Emirates	Kenya	Mongolia	St. Kitts & Nevis	
Yemen	Lesotho	Myanmar	St. Lucia	
	Liberia	Nepal	St. Vincent & the Gren.	
	Madagascar	Pakistan	Surname	
	Malawi	Papua New Guinea		
	Mali	Philippines		
	Mauritius	Western Samoa		
	Mozambique	Solomon Islands		
	Namibia	Sri Lanka		
	Niger	Tajikistan		
	Rwanda	Thailand		
	Sao Tome & Pincipe	Tonga		
	Senegal	Turkey		
	Seychelles	Turkmenistan		
	Sierra Leone	Uzbekistan		
	Swaziland	Vietnam		
	Tanzania			
	Togo			
	Uganda			
	Zambia			
	Zimbabwe			

**Annex 5
Tables**

Table 1: Top five recipient countries of assistance by fund and region (cumulative to 2003)⁹⁴

Fund	Arab (US\$m)	Africa (US\$m)	Asia (US\$m)	Latin America (US\$m)	'Other' (US\$m)
ADF	Syria (544) Oman (419) Morocco (346) Egypt (233) Sudan (200)	Eritrea (30) Seychelles (15) Mali (12) Senegal (11) Congo (10)	Pakistan (291) Bangladesh (65) Turkey (61) Kazakhstan (22) India (17)	n/a (0)	Malta (7) n/a (0)
KFAED	Egypt (1196) Syria (1077) Morocco (947) Tunisia (532) Jordan (455)	Tanzania (191) Senegal (190) Guinea (150) Ghana (122) Burkina Faso (108)	China (630) Bangladesh (389) India (324) Pakistan (309) Turkey (283)	Honduras (77) Argentina (27) Jamaica (32) Belize (30) Grenada (27)	Cyprus (90) Bosnia Herz (48) Bulgaria (40) Malta (29) Albania (28)
SFD	Yemen (430) Syria (424) Tunisia (363) Algeria (338) Egypt (336)	Senegal (237) Mali (148) Guinea (120) Kenya (107) Cameroun (71)	Turkey (378) Pakistan (361) Taiwan (282) Bangladesh (275) Indonesia (249)	Brazil (55) Jamaica (5) n/a (0)	Bosnia Herz (50) Malta (44) n/a (0)

Table 2: Arab Regional Development Institutions⁹⁵

Fund	Established	Key aims	Eligibility & total recipient countries	Types of assistance	Cumulative disbursements (at Dec 2002)
<i>Multilateral development institutions (financed exclusively or largely by Arab donor countries)</i>					US\$54 billion
Arab Bank for Economic Development in Africa (BADEA)	1973 Khartoum, Sudan	Arab aid to Africa; Cooperation between African and Arab countries	Non-Arab African countries (total)	Concessional loans; Technical assistance; SAAFA emergency aid	US\$1.3 billion
Arab Fund for Economic and Social Development (AFESD)	1971 Kuwait City, Kuwait	Financing economic and social development projects in Arab states	Member countries of the League of Arab States + other Arab states (total 21)	Public and private sector financing; grants	US\$8.6 billion
Arab Gulf Program for United Nations Development Organisations (AGFUND)	1981 Riyadh, Saudi Arabia	Financing the humanitarian and welfare aspects of development	UN agencies (total 17); international organisations (total 3); Arab NGOs (180)	Project financing in cooperation implementing agencies	US\$0.2 billion
Islamic Development Bank (IDB)	1975 Jeddah, Saudi Arabia			Loans; Technical Assistance; Trade Financing; Asset management; Waqf Fund operations	US\$18 billion
OPEC Fund for International Development	1976 Vienna, Austria	Promote cooperation & solidarity between OPEC members and developing countries	Non-OPEC developing countries	Loans; technical assistance; grants; emergency aid; other	US\$4.3 billion
TOTAL					US\$22 billion

Table 3: Sectoral distribution of financing operations by region (US\$m)⁹⁶

Region	Transport & Telecom.	Energy	Water & Sewerage	Agriculture & Livestock	Industry and Mining	Other ⁹⁷
Arab	7,525	10,850	3,651	6,101	6,290	4,048
African	3,413	1,306	820	1,769	583	1,706
Asian	2,695	5,822	537	1,674	2,958	1,779
Lat. Am.	341	121	86	126	0	316
Other	157	40	70	45	0	102
Total	14,233	18,139	5,164	9,716	9,831	7,951
%	22%	28%	8%	15%	15%	12%

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Notes

¹ The pledges ranked 9th, 23rd and 27th largest respectively. See <http://www.alertnet.org/thenews/newsdesk/L05533984.htm> at 10/01/05. This was against GDP rankings of 58th, 26th and 47th respectively. See <http://www.worldbank.org/data/databytopic/GDP.pdf> (2003 figures)

² Neumayer (2004).

³ KFAED started with an annual expenditure of around \$5–600 million (KFAED 2000).

⁴ This decision might have been driven by the fact that in the early 1980s, the Kuwait Fund's capital increased to around KD 2billion so that not only did its Charter have to be legally amended to double the Fund's authorised capital, but new avenues for loan disbursement and assistance needed to be found (KFAED 2000).

⁵ Saudi Arabian Information Resource (2004).

⁶ UNCCD (1998).

⁷ Data compiled from Coordination Secretariat (2004).

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- ⁸ ‘Arab Countries’ include all 22 member countries of the League of Arab States (listed in Annex 1). The definition means any Arab country regardless of region. These countries are excluded from the other/regional categories, so that, for example, ‘African’ means all countries within Africa which are not members of the League of Arab States. (See Annex 4 for a list of countries included under these regional categories.)
- ⁹ In Asia and Arab countries, the priority sectors have been energy, transport and telecommunications and industry and mining. In Africa, the emphasis has been on transport and telecommunications (36%), with 18% of overall financing going to Agriculture and livestock, 13% to the energy sector and 18% to ‘other’. In Latin American countries, 34% of assistance went to transport and communications and 32% went to ‘other’.
- ¹⁰ OPEC Fund - <http://www.opecfund.org/new/press/2004/pr04111.htm>.
- ¹¹ HPG interview with Arab Fund (November 2004).
- ¹² Harmer et al. (2004b).
- ¹³ Ain-Al-Yaqeen (2003).
- ¹⁴ Barasi (2005)
- ¹⁵ Barasi (2005).
- ¹⁶ Thurow (2004).
- ¹⁷ Coordination Secretariat: <http://www.arabaid.org/site1/agfund.html>.
- ¹⁸ The AGFUND is not included in the financing data compiled by the Coordination Secretariat.
- ¹⁹ Hansen (2001).
- ²⁰ The Fund spends \$3 to 4 million annually among the 17 UN agencies; UNCCD (1998) <http://www.unccd.org/FIELD/Multi/Arab/AGFUND/FUND.htm>.
- ²¹ Ain-Al-Yaqeen (2003).
- ²² In both UAE and Kuwait, there is no central point for reporting or monitoring aid spend across all parts of government. The UAE’s Ministry of Foreign Affairs, for example, only began recording its international assistance two years ago. Whilst the Saudi national committee has assumed much of this role since its establishment in 2004, it is not clear the extent to which this committee also reports on or channels the contributions of government officials either in their public or private capacity.
- ²³ See e.g. <http://saudiembassy.net/Focus/IN-FOCUS-2005/05-FOCUS-01-03.pdf>.
- ²⁴ Neumayer (2004), p. 289.
- ²⁵ Barasi (2004), Appendix 1.
- ²⁶ Neumayer (2004), p. 289.
- ²⁷ Barasi (2005), p. 46.
- ²⁸ The Coordination Secretariat (2004) reports that funding to Angola ceased between 1993 and 2001 and funding to Rwanda ceased between 1993 and 1998. Reasons are unclear.
- ²⁹ Saudi Arabian Information Resource (2004).
- ³⁰ Saudi Arabian Information Resource (2004).
- ³¹ Taking the cumulative disbursements of all 8 funds up to December 2003, only 29% of this total was disbursed between 1962 and 1984, compared with 71% between 1985 and 2003. This funding increased slightly during the 1990s and rose again significantly between 1999 and 2003. Coordination Secretariat (2004).
- ³² According to OCHA’s Financial Tracking System (FTS), of the total recorded contributions from Kuwait, Saudi Arabia and the UAE since 2000, 25%, 46% and 26% respectively were provided in the form of aid in-kind. Data compiled from: UN Office for the Coordination of Humanitarian Affairs (OCHA) (2005).
- ³³ Source: Kuwait Red Crescent Society.
- ³⁴ This is likely to be linked in part to the economic benefits of channelling what is in reality a rapidly expanding business in international relief through Dubai’s ports, warehouses and facilities, as well as raising the UAE’s international profile in emergency assistance.
- ³⁵ The Saudi Arabian Red Crescent Society was established as a charitable organisation in 1933, but received official recognition from the Movement in 1963 http://www.ifrc.org/cgi/pdf_profile.pl?saprofile.pdf
- ³⁶ The Saudi Red Crescent Society, for example, is financed by the government to run the Kingdom’s main ambulance network and is also responsible for the welfare of pilgrims on *Hajj* in close cooperation with the Ministry of Health. Barasi (2005), p. 41.
- ³⁷ The current President of the UAE RCS, for example, is the Deputy Prime Minister, Minister of State for Foreign Affairs and the son of the former ruler of Abu Dhabi, Sheikh Hamden bin Zayed. A number of interviewees suggested that the combined result of these links was to make the Gulf RCSs effectively function as the ‘hand of the government’ in international assistance.
- ³⁸ These relationships have become a subject of intensifying debate within the movement as a whole, see IFRC (2003) for further discussion.
- ³⁹ Collinson and Buchanan-Smith (2002), p. 2.
- ⁴⁰ It was suggested that during the past thirty years, the Gulf RCSs had a sense of being neither supported nor integrated into the movement as a whole, so that the IFRC’s strategy is first and foremost to reengage with these national societies, and to explore how the RCSs can become part of the international response of the movement in a more systematic, coordinated and effective way.
- ⁴¹ Benthall et al. (2003), pp.53–4.
- ⁴² In November 2004 a partnership meeting for the Gulf RCSs was held in Kuwait, which produced the Kuwait Disaster Management Initiative aimed at trying to harmonise the disaster management policies of the Gulf RCSs with the IFRC so they become part of the tools of the movement.
- ⁴³ Unlike the RCSs, such foundations are not governed by any international movement and their activities are less tightly proscribed.

⁴⁴ Activities ranging from the building of mosques, Islamic cultural and educational centres and the printing and distributing of the Quran, to setting up and supporting schools and hospitals, to offering scholarships and prizes for people 'working in the service of society and mankind', to the provision of relief to disaster-affected populations.

⁴⁵ To date, in addition to supporting projects in Arab countries, \$17 million or 19% of the Foundations' spending has gone to Africa; \$18 million or 18% has gone to Europe, America, Australia and New Zealand; \$16 million or 17% has gone to Asia.

⁴⁶ The Zayed Bin Sultan Al Nahayan Charitable and Humanitarian Foundation (2005).

⁴⁷ Saudi by 2002 had pledged \$5.8 billion to UNRWA for assistance to the Palestinian people (comprised of \$4.5 million annually in budget contributions and \$225 in exceptional donations). Saudi Arabian Information Resource (2004). Some of this funding has been channelled through the Saudi Committee for the Relief of the Palestinian People (SCRPP), which had disbursed an estimated total of US\$200 million by 2000 (World Food Programme 2004).

⁴⁸ Thurow (2004).

⁴⁹ The Zayed Bin Sultan Al Nahayan Charitable and Humanitarian Foundation (2005). The Zayed foundation is working with UNDP, for example, on projects in Somalia and a programme in Mauritania.

⁵⁰ UNDP in the Emirates has mobilised resources for itself, UNICEF and UNRWA for water and rehabilitation in Somalia, for example, and UNICEF is emphasising its advantage in sharing expertise and information towards developing a more coordinated and harmonised emergency aid programme between all the INGOs in the Emirates. Similarly WFP and UNDP, amongst others, have developed five country-strategy plans to coordinate with the Red Crescent Society in assistance to Palestine, Afghanistan, Iraq, Chechnya, Yemen and, more recently, in Darfur.

⁵¹ Thurow (2004).

⁵² Thurow (2004).

⁵³ Macrae (2002), p. 1.

⁵⁴ UNHCR Donor Relations and Resource Mobilisation Service (2003). The exception to this was probably Kuwait's support to UNRWA, which has been fairly consistent since the 1970s. This prompted a recognition that a more consistent and sustained effort to engage with a greater diversity of donors was required if the funding base was to be secured, and that to do so would require efforts beyond fundraising for specific crises within the region, to improved communication and efforts to build trust, effective dialogue and ownership.

⁵⁵ UNHCR, UNICEF and WFP have signed Memorandums of Understanding or other formal agreements with Gulf donors and with regional organisations such as the League of Arab States and the OIC.

⁵⁶ Data source: UN agency and International Organisation reports, collated by Tasneem Mowjee, Development Initiatives.

⁵⁷ As MSF has found in the UAE, however, there may be issues of principle in accepting funds from private sector donors and MSF has refused contributions from various companies including gold and diamond, tobacco and petrol companies due to their human rights record.

⁵⁸ It is testament to the size of the business that suppliers are charged one of the highest square metre fees for exhibition space of any international conference. HPG interview with Dihad (November 2004).

⁵⁹ Sheikh Mohammed is the crown prince of Dubai and is also the president of the Dubai Development and Investment Authority.

⁶⁰ Whilst UNICEF's regional office continues to be based in Saudi Arabia, it established an office in Dubai partly because it is the media hub for the region, from which UNICEF pursues its communications, advocacy and fundraising efforts.

⁶¹ The particular form which these take – for example, Dubai's emphasis on private sector development in relief supply, procurement and logistics – reflects the economic development priorities and assets of the particular Emirate.

⁶² The Saudi relief committees, for example, established to oversee public donations and charities involved in the provision of assistance to Afghanistan, Chechnya, Kosovo and the Palestinians, were established by the government and operate under the auspices of the Minister of Interior, Prince Naif, as the General Supervisor.

⁶³ WFP's \$6.3m donation from the Saudi National Commission for Charitable Work Abroad in 2004, for example, was recorded as a 'private donation' rather than government funding because it was channelled through the Committee, even though the government has to approve all allocations, including contributions to WFP. HPG Interview WFP UAE (November 2004).

⁶⁴ Donations from the Sheikhs to the UAE Red Crescent Society have been almost entirely in their private capacity, with only AED10 million provided from the government in 2004. This has been particularly the case in recent highly publicised telethons, with up to half of the overall funds raised coming from one or more senior members of the ruling family. For example, a recent UAE telethon to raise funds for UNICEF was organised in Dubai Aid City, established under the auspices of the Ministry of Commerce and the Crown Prince of Dubai. Sheikh Zayed's family contributed around 50% in their private capacities, and the money was channelled through the UAE Red Crescent Society in its unofficial capacity as the book-keeper for private contributions to international assistance.

⁶⁵ US pressure has been steadily increasing since September 11, but it was arguably not until terrorism became a national issue in the form of heightened concerns for internal security following a series of attacks in 2003 that the moves towards increasing regulation really took hold. The Gulf ruling families began to realise that it is not just about responding to external pressures, but in their own interests to control these organisations to protect the integrity and stability of their states.

⁶⁶ Independent Task Force on Terrorist Financing (2004).

⁶⁷ The new committees in some ways mirror the pattern of existing committees, such as the General Donation Committee for Afghanistan under Prince Salman, the Governor of Riyadh, but the purpose was no longer to solicit public donations so much as to regulate them.

⁶⁸ Associated Press (2004), quote by Adel Al-Jubeir, on a visit to Washington in June 2004.

⁶⁹ Zaitz (2004). The Islamic duty of zakat, or charitable giving, is one of the five central tenets of Islam.

⁷⁰ At a Conference on Humanitarianism and Islam, hosted by US State Department, in March 2005, this threat was acknowledged by US Department of the Treasury authorities, engaged in a dialogue on regulation with Saudi officials. In addition, US authorities acknowledged the negative impacts US regulatory practices were having on certain Muslim humanitarian NGOs operating in the US, despite little or no evidence of the NGO's behaviour regarding diversion/misuse of funds for other than charitable purposes.

⁷¹ Aufhauser (2004), p. 3.

⁷² Barasi (2005).

⁷³ The RCS does, however, need to seek government approval for their funding allocations and the transfer of funds [ICRC interview].

⁷⁴ In theory, the formal partnership agreements between UN agencies and donors in the Gulf and elsewhere 'provide a basis for strengthened mutual accountability. However most are one-sided, relating almost exclusively to the partner organisation. What accountability they impose on the donor tends to focus on its managerial responsibility as an enabling and funding institution'. Collinson and Buchanan-Smith (2002).

⁷⁵ Levitt (2004). In part, this is linked to issues of formal accountability within the political system as a whole. In the Gulf states, many of these issues are endemic to the political system in which members of the ruling family play a dominant role across all aspects of the country's political, economic and social life. Since the 1990s, and with renewed energy since September 11th, the Gulf states have been undergoing a gradual process of political reform towards progressively more open and accountable mechanisms of government. For example, UNDP's regional programme for the Arab states includes strengthening the capacity of legislatures and in Kuwait, this includes strengthening the liaison function of the Ministry of State for Parliamentary Affairs between the legislature and government ministries, as well as supporting the integration of women into the political process to achieve greater representation. UNDP (2000).

⁷⁶ The definition proposed by the DAC's sub-working group as part of the Good Humanitarian Donorship initiative suggested that 'Humanitarian action includes the protection of civilians and those no longer taking part in hostilities, and the provision of food and water, sanitation and health services and other items of assistance, undertaken for the benefit of affected people and to facilitate the return to normal lives and livelihoods. This also includes support for disaster preparedness (see Harmer et al. 2004a).

⁷⁷ The work of authors such as Jonathan Benthall and Jerome Bellion-Jourdan represents an important contribution in this regard (see in particular Benthall et al. (2003); Benthall (2003).

⁷⁸ In the OPT, for example, the Gulf States and the Palestinian expatriate community have together provided Islamic organisations with their major source of funds International Crisis Group (ICG) (2003), p. 5.

⁷⁹ International Crisis Group (ICG) (2003), p. 27.

⁸⁰ Shobokshi (2004), p. 13.

⁸¹ This behaviour is consistent with trends amongst DAC governments in the 1990s.

⁸² In the OPT, for example, it has been argued that 'given UNRWA's chronic funding shortages and the extremely limited excess capacity of secular NGOs, the role of Islamic organisations is vital and, in some instances, irreplaceable'. Such organisations have been estimated to provide at least 25% of the food and financial assistance in the West Bank and have operated in areas previously uncovered by social service providers and where their presence has often been unique. See International Crisis Group (ICG) (2003).

⁸³ For example, contributions to the tsunami response were significantly increased following criticisms in the Arab press that the pledges of the Gulf States were inadequate given the countries' wealth.

⁸⁴ HPG interview with UAE RCS (November 2004).

⁸⁵ The principle of zakat requires all Muslims to share a proportion of their wealth with those in need. The obligation begins with those in the immediate area and spreads outwards. Within that, there are eight categories of people eligible to receive zakat, three of which are non-Muslim or not exclusively Muslim: the needy, orphans (including children in a female-headed household) and prisoners of war.

⁸⁶ Red Crescent Society of the United Arab Emirates.

⁸⁷ In July 1992, a group of prominent Islamists launched a petition accusing the Saudi government of failing to support Islamic causes; the government responded with details of the al Sauds' spending on overseas aid. Barasi (2005).

⁸⁸ RCS interviewees acknowledged that transport costs were often prohibitive for activities further afield, or were dependent on the government providing planes for the delivery of relief cargo. The UAE RCS, for example, sent 32 planeloads of relief supplies to Iraq and 25 to Palestine, for which transport from the government was vital to RCS's operations and capacity. Whilst these costs may mitigate against direct shipments of supplies or personnel, they do not prevent cash contributions through the IFRC or the national Societies in country.

⁸⁹ Quant (1981), cited in Barasi (2004). Following heavy criticism from President Nasser of Egypt, for example, at the 1967 Khartoum conference, 'King Faisal made generous offers of aid to Egypt, Syria, Jordan and the PLO, representing the most fervent supporters of Pan-Arabism'.

⁹⁰ Barasi (2004)

⁹¹ Ayubi (1993), cited in Barasi (2004).

⁹² Barasi (2004).

⁹³ Freeman (2004).

⁹⁴ Data compiled from: The OPEC Fund for International Development (2003).

⁹⁵ Data compiled from: The OPEC Fund for International Development (2003).

⁹⁶ Coordination Secretariat (2004).

⁹⁷ Includes financing operations for support of National Development Institutions, Health, Education, Training, Housing, Tourism and Balance of Payments Support (Coordination Secretariat 2004).