

## ROUNDTABLE SUMMARY

# GULF COUNTRY DONORSHIP: OPPORTUNITIES AND CHALLENGES FOR INTERNATIONAL COOPERATION



(Pictured Left to Right: Professor Sultan Barakat, HE M. Khalifa J. Al-Kuwari, & Dr. Sara Pantuliano)

This document summarises discussions at a roundtable organised by the Overseas Development Institute (ODI) and the Center for Conflict and Humanitarian Studies (CHS) at the Doha Institute for Graduate Studies in Doha, Qatar, on 12 December 2016. The discussion was chaired by Professor Sultan Barakat, Director of the Center for Conflict and Humanitarian Studies at the Doha Institute for Graduate Studies, and Dr Sara Pantuliano, Managing Director at the Overseas Development Institute.

The day opened with a keynote speech by HE Khalifa J. Al-Kuwari, Executive Director of the Qatar Fund for Development, on Qatar's role as a humanitarian donor. The discussion, convened under the Chatham House Rule<sup>1</sup>, explored the institutional and policy shifts in the development and humanitarian donor landscape in the Gulf; the Gulf countries' role in responding to major crises in the region; and, finally,

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<sup>1</sup> When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. - See more at: <https://www.chathamhouse.org/about/chatham-house-rule#sthash.CjVSd6dH.dpuf>



opportunities and challenges for Gulf donors in global international cooperation. Following the plenary discussion, participants were divided into two break-out groups, one looking at opportunities and challenges for international cooperation for the Gulf donors from their perspective, and the second looking at the subject from the DAC countries' perspective. Both groups then reconvened to share insights and reflections on how coordination between various donors can be made more effective and impactful.

### **THE IMPERATIVE OF GULF DONORSHIP**

There is an imperative to strengthen cooperation between Gulf and international donors.

**First**, because Gulf donors have a shared history and culture with many of the countries unwarily facing developmental and humanitarian crises. This solidarity manifested itself in the allocation of 62% of all Gulf aid to Arab countries in the period between 1970 and 2008, while Asian and African countries received 21% and 15% respectively. Gulf Cooperation Council (GCC) states also strongly supported the reconstruction of Bosnia. In 2014, driven by conflicts in the Arab region, Middle Eastern donors increased their contributions by 120% over 2013.

There are challenges facing Gulf donorship, including dependence on oil, which has resulted in fluctuating funding; limited coordination between Gulf donors; the lack of regional exchange of best practices, experiences and data; and weak technical support for grant-making, inadequate in-house capacity and weak governance mechanisms.

**Second**, because of persistent shortfalls in global development and humanitarian assistance. Gulf donors' contributions are critical to fill this gap. While the volume of international humanitarian assistance continues to grow, there is still a significant deficit as a result of growing humanitarian needs globally and specifically in the wider Middle East. In 2014, for example, an estimated \$24.5 billion was provided, a 19% increase from \$20.5 billion in 2013. Funding to UN-coordinated appeals rose by 41% in 2014 compared to 2013. Despite these significant increases, there was still around a 40% funding shortfall overall.

The volume of funds Gulf donors are able to allocate to humanitarian and development assistance is substantial. In 2016, increases in giving from within the



Middle East exceeded counterparts in the U.S., Asia and Europe, where levels stayed the same. According to the 2016 BNP Paribas Individual Philanthropy Index, there was a significant rise in the sums given by Arab donors. One UNDP study reports that, in 2014, Saudi assistance amounted to \$14.5 billion in gross terms, equivalent to 1.9% of the Kingdom's Gross National Income (GNI) and far exceeding the 0.7% of GNI target set by the United Nations. As a percentage of GNI, Saudi Arabia ranked first among nations in 2014.

## **GULF DONORSHIP REVISITED: MYTHS AND REALITIES**

Through the roundtable discussion, a number of myths about Gulf donorship were unpacked and debunked. They include:

**Gulf donors are 'new' donors** – While Gulf donors are often referred to as 'new' or 'emerging' donors, they are, in fact, quite old donors. Gulf countries such as Kuwait, Saudi Arabia and the United Arab Emirates have been important actors in aid since the 1970s. Data points towards contributions from the Abu Dhabi Fund for Development, Saudi Fund for Development, Saudi Arabia's Department of Finance and the Kuwait Fund for Development.

**Gulf donors are largely philanthropic and un-institutionalised** – While there is a lack of clarity on governance and decision-making structures, Gulf donors have developed a number of key institutions. One example of an Arab regional financial institution, the Arab Fund for Economic and Social Development (the Arab Fund), based in Kuwait, was established in the 1970s. The Fund focuses on funding economic and social development by financing public and private investment projects and providing grants and expertise.

Gulf donors have also developed mechanisms to coordinate aid at the regional level. In 1975, the Gulf States established the Coordination Group of Arab National and Regional Development Institutions as the umbrella organisation for coordinating Gulf aid to eight multilateral and national organisations.<sup>2</sup>

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<sup>2</sup> The eight are the Islamic Development Bank Group (ISDB), the OPEC Fund for International Development (OPEC Fund), the Arab Fund for Economic and Social Development (AFESD), the Arab Bank for Economic Development in Africa (BADEA), the Gulf Arab Programme for UN Development



There have also been a number of institutional developments to enhance the transparency and coordination of funds at state level. In 2008, the UAE established the Office for the Coordination of Foreign Aid (OCFA), and in 2010 it reported whole-of-government aid data to the OECD DAC. Gulf donors are also diversifying their assistance and expanding its geographic reach: in 2012, for example, the UAE disbursed \$1.43 billion through 43 donor entities, the private sector and individuals in 137 countries.

Gulf donors have also defined a sectoral focus. The Qatar Fund for Development, for example, supports developing countries with an emphasis on education, health and livelihoods.

**Gulf donors only fund projects within the Arab region** – Although the Arab World remains an area of priority, Gulf donors have long gone beyond their region to reach beneficiaries across all continents. This shows the importance Gulf countries place on building bridges between their people and people in need in conflict-affected and disaster-stricken countries around the world. Gulf assistance has reached Japan, Nepal, Haiti and even Italy and the United States.

**Gulf donors have not contributed assistance to refugees** – Gulf States have provided humanitarian assistance (bilateral and multilateral) for refugees. Kuwait, Saudi Arabia, the United Arab Emirates and Qatar are among the top-ten countries giving aid to Syrian refugees.

## OPPORTUNITIES FOR COLLABORATION

**Existing Arab donor networks and platforms** – A number of formal, non-profit, international networks can provide opportunities for collaboration on grant-making in the region. The GCC, a powerful union of the six Gulf States, has been instrumental in coordinating humanitarian responses. The Global Donors Forum, a biennial meeting of the World Congress of Muslim Philanthropists intended to promote effective giving and forge strategic partnerships for social investments, can be expanded further. The partnership between the Doha Institute and the Overseas Development Institute may also

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Organizations (AgFund), the Saudi Fund for Development, the Abu Dhabi Fund for Development (ADFD) and the Kuwait Fund for Arab Economic Development (KFAED).



provide opportunities to share knowledge and best practices to state donors in meeting humanitarian and developmental challenges through the Center for Conflict and Humanitarian Studies. These platforms are all spaces where a north-south community of practice can debate policy, capacity and comparative advantages within the humanitarian sector. More support is needed to position them as the place where the Arab aid policy debate is conducted.

**Cultural and social contiguity** – Participants argued that the cultural familiarity across Gulf countries is an asset and a platform that can enhance cooperation, priority setting and sharing of expertise.

## CHALLENGES FOR COLLABORATION

**Secrecy** – While the institutionalisation of aid seems to be increasing, funds can still be administered without any disclosure to the public. This is partly because of Islamic teaching and the emphasis on discretion when giving charity, so much so that ‘the left hand would not know what the right is doing’. Also partly due to the absence of public systems of accountability, this has resulted in the low visibility of Gulf donors within the overall global donor landscape.

**Trust** – Gulf donors prefer not to fund international organisations because of procedural complexities, slow decision-making and expensive overheads. Gulf donors often find themselves cast into the role of ‘cash cows’ and are rarely included in project design or decision-making. Arab donors, participants argued, prefer to have their own NGOs deliver assistance on their behalf rather than cooperate with the slower bureaucracies within international organisations.

**Governance** – Although Saudi Arabia’s King Salman Center for Relief and Humanitarian Aid was established about a year ago, it has yet to be given a clear governance structure. An abundance of funds without clear strategies and systems renders the Kingdom’s humanitarian engagement opaque to the public.

**Competition** – Participants mentioned that one hurdle to cooperation between Gulf and international donors is the environment of competition rather than



collaboration within the Gulf donor landscape, and the failure to prioritise real and perceptible impact.

## RECOMMENDATIONS

**Emphasising prevention** – Gulf donors and their international counterparts should collaborate on developing a toolbox to help prevent conflicts and disasters, rather than merely responding to them. The type of aid that donors have given fits bets with the paradigm of prevention.

**Promoting triangular cooperation and honest dialogue** – Despite the existence of multiple Arab and international non-profit platforms for donors, such as the Arab Foundations Forum (AFF) and the World Congress of Muslim Philanthropists (WCMP), meetings of donors often emphasise differences in power and influence, rather than capitalising on comparative advantages and creating the space for dialogue. Gulf donors are at times regarded as less sophisticated than their Western counterparts. Triangular cooperation between Gulf donors, Western donors and countries affected by crises was suggested as one way forward. A more asset-based approach that emphasises the comparative advantages of each party was also suggested as a means towards better collaboration between donors.

**Promoting local and in-house expertise in grant-making** – Participants highlighted the need to foster local expertise and capabilities in grant-making in the Gulf, instead of relying on international and Western experts. An ideal model of Gulf grant-making would learn from best practices from the West, while maintaining the social, historical and cultural specificities of giving in the Arab region.

**Addressing the data problem** – Lack of data is an obstacle to collaboration in humanitarian response. Sharing data on how priorities are set, as well as lessons learned based on opportunities and challenges within the Arab humanitarian donor sector, can help create an institutional memory for humanitarian aid for the region.

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