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Inviting Non-DAC Perspectives to the Funding Gap Discussion

The Need for a Paradigm Shift

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The magnitude of the humanitarian funding gap raises major concerns regarding the viability of the aid system as we know it. It threatens millions of persons from having their most basic needs met, and their fundamental rights respected.

In May 2023, the European Council's Conclusions encouraged the EU and its Member States to "intensify their outreach to countries with the economic potential to assume a greater responsibility".¹ This paper provides initial insights into the approach of non-DAC States² to the evolution of humanitarian action in the past decade, as well as into the barriers to further engagement and the reasons for which these should be overcome. It is largely inspired by a first brainstorming session organised by the Egmont Institute and the Norwegian Refugee Council (NRC) in Brussels in January 2024, which brought together a wide range of experts and officials from European and international cooperation institutions.

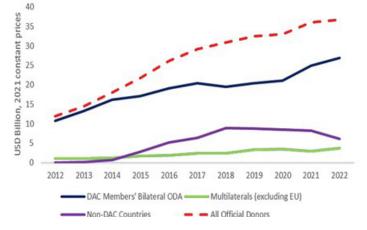


Figure 1. Humanitarian ODA by type of donor, 2012-2022 (OECD)



"85% of humanitarian institutional funding streams worldwide currently originate from 10 donor States"³ —
9 of them are members of the Development Assistance Committee (DAC) of the OECD.⁴

Beyond the usual reminder that the overall response relies on the generosity of a few countries, there is a concerning inquiry: if only 10 or 20 states largely fund humanitarian efforts, how do the other 180 nations contribute to international solidarity, and where does that effort fit in?

Over the past 20 years, humanitarian budgets have kept increasing and adapting to ever-growing needs, but this escalation has seen a gradual slowdown over the past five years, with limited opportunities for diversification. Donations from individuals are expected to slow down due to the projected global economic downturn in the coming years. Even though the private sector has the potential to help address global issues like climate change and social inequalities, it currently only provides around 3% of the overall humanitarian funding⁵ and cannot for now be relied upon as a viable alternative.

Encouraging DAC member states to maintain their commitment is essential and the most immediate way for the humanitarian sector to remain relevant. However, traditional donors are increasingly reluctant to meet these needs and, realistically, will not be able to fill the growing gap.

Over the past two decades, one of the priority responses to the funding gap has been trying to get "non-traditional donors on board", but with limited

success. This call has overlooked the fact that almost every country is already contributing to the global solidarity effort in its own way. Attempts to have them join the club have mainly failed, possibly because they do not see a benefit in a global system that mainly represents Western interests and does not give enough importance to their priorities. Small and medium countries have slim chances to see their priorities represented at a global level, and the incentive to contribute is lacking.

Figure 2. Evolution of top 15 humanitarian donors and their average contribution shares (non-DAC in red)⁶

	2006-2010		2011-2015		2016-2020		2021-2023	
1	United States	30%	United States	33%	United States	33%	United States	42%
2	EU Institutions	13%	EU Institutions	12%	Germany	12%	Germany	13%
3	United Kingdom	6%	United Kingdom	8%	EU Institutions	12%	EU Institutions	9%
4	Sweden	6%	Germany	5%	United Kingdom	9%	Japan	4%
5	Norway	5%	Japan	5%	Saudi Arabia	5%	United Kingdom	4%
6	Japan	4%	Sweden	5%	UAE	4%	Sweden	3%
7	Canada	4%	Norway	4%	Japan	3%	Saudi Arabia	3%
8	Netherlands	4%	Canada	4%	Sweden	3%	Canada	3%
9	Germany	3%	Saudi Arabia	3%	Canada	3%	Norway	3%
10	Saudi Arabia	3%	Switzerland	3%	Norway	3%	France	2%
11	Switzerland	2%	Netherlands	2%	Switzerland	2%	Netherlands	2%
12	Denmark	2%	Denmark	2%	Denmark	2%	Switzerland	2%
13	Spain	2%	UAE	2%	Netherlands	1%	Denmark	1%
14	Australia	2%	Australia	2%	Kuwait	1%	UAE	1%
15	Ireland	2%	Kuwait	2%	Australia	1%	Australia	1%

The movement needs to be reversed. For a truly global response to take shape, representatives of the global system need to actively, humbly, and genuinely show interest in other solidarity systems based on local or regional dynamics and diverse cultural backgrounds.

As number one humanitarian donor, the European Union is in a great position to initiate these vital and timely conversations. To that end, ahead of the European Humanitarian Forum 2024, the Egmont Institute and the Norwegian Refugee Council gathered 60 experts to discuss connecting global aid practices with South/South dynamics. The brainstorming session explored how to better connect the various international solidarity efforts, with the ambition to energise some of the discussions at the EHF24. The paper focuses on non-DAC States. It does not capture diaspora contributions or the potential of regional development banks.

A GLIMPSE AT SOME NON-DAC AID STRATEGIES

In 2022, non-DAC countries' contributions were estimated at 16.6% of the overall humanitarian ODA (Official Development Assistance) recorded by the OECD.⁷

It is challenging to generalise or categorise among non-DAC donor countries; they have diverse characteristics and labelling their approach as a 'non-DAC model' oversimplifies their unique traits. Moreover, the approaches, strategies, and structures of some of these donors have undergone considerable changes over the last decade.

The terms "non-traditional" or "emerging donors" can misrepresent some countries that have been contributing for decades. "Non-Western" brings an obvious cultural bias to the analysis. "South/South" is probably one of the best ways to describe alternative solidarity efforts from the global aid system. However, the generic term of **non-DAC countries** will be used here to emphasise the need for a different approach.

Among some of the most obvious non-DAC contributors, **Gulf States** have changed their foreign aid policies since 2005.⁸ In 2021, the UAE had a 74.2% increase, and Saudi Arabia had an 86.7% increase in humanitarian donations, making them the largest contributors in terms of percentage growth among major donors. The decline in recorded funding since 2022 however suggests Gulf donors are shifting towards a pragmatic, transactional model, directly

selecting projects and implementing them through state bodies, the private sector, and smaller local organisations they have always been comfortable with. If confirmed, this move could also reflect a reaction to a perceived double standard from DAC countries in the implementation and the defence of principled humanitarian aid.⁹

Since the early 2000s, **India** managed to transition from being one of the largest aid recipients to becoming a significant donor.¹⁰ Traditionally displaying a narrative of respect for partner states' sovereignty and South-South cooperation, and suspicious about the Western and current global humanitarian aid system, it has privileged bilateral and regional approaches rather than relying on multilateral funding channels.¹¹

Figure 3. Evolution of top 10 non-DAC humanitarian donors and their average contribution (USD) per capita¹²

	2006-2010		2011-2015		2016-2020		2021-2023	
1	Saudi Arabia	12,37	Saudi Arabia	18,25	Saudi Arabia	32,40	Saudi Arabia	28,74
2	UAE	31,32	UAE	29,71	UAE	93,84	UAE	38,90
3	Kuwait	17,41	Kuwait	78,92	Kuwait	69,92	Somalia	7,54
4	Russia	0,22	Qatar	67,40	Qatar	24,45	Pakistan	0,32
5	Sudan	0,73	Russia	0,29	China	0,03	Kuwait	15,44
6	Türkiye	0,29	China	0,02	Russia	0,19	Haiti	3,37
7	China	0,01	Brazil	0,14	Pakistan	0,09	Qatar	12,95
8	India	0,01	Pakistan	0,12	Haiti	1,19	Honduras	2,60
9	Iraq	0,36	Oman	5,19	Bangladesh	0,07	Colombia	0,51
10	Kazakhstan	0,63	Türkiye	0,13	Somalia	0,77	Ethiopia	0,18

Around the same time, **Brazil** also transitioned from being a recipient country to a significant donor. In 2010, it became one of the top 10 contributors to the UN World Food Programme (WFP), ranking sixth in support of the International Strategy for Disaster Reduction (ISDR).¹³ In 2019, it initiated an inter-ministerial "Working Group on international humanitarian cooperation" aimed at providing bilateral aid upon explicit requests, or in response to UN humanitarian appeals.¹⁴ Additionally, it became a member of the Good Humanitarian Donorship club. Despite a significant drop in its recorded annual support since 2016, its renewed push for stronger South-South cooperation¹⁵ and its most recent involvement in enforcing a humanitarian pause in Gaza¹⁶ might signal a revival of Brazil's presence on the multilateral scene.

From 2013 to 2018, **China**'s average annual foreign aid expenditure was around US\$7.0 billion, an

increase of almost 50% compared to the period 2010-2012.¹⁷ China's humanitarian aid provision, led by the International Development Cooperation Agency (CIDCA - 2018), occurs mainly on a bilateral basis.¹⁸ The 2019 COVID pandemic, however, pushed China towards multilateral funding channels, resulting in an expansion of humanitarian aid overseas, including through UN agencies and multilateral diplomatic engagements.¹⁹ Nonetheless, Chinese aid continues to differentiate itself from DAC donors by not referring to itself as a "donor", but rather as a South-South cooperation partner, integrating most of its humanitarian programs into the Belt and Road Initiative.²⁰

These few examples are far from being representative of the obviously numerous and diverse strategies adopted by non-DAC States. Bilateral support contributes in various ways to the global aid system and remains the main conduit for South-South cooperation. However, numerous initiatives, some more successful than others, are emerging across the globe. One could notably mention the rebranding of the BRICS's New Development Bank, or regional solidarity systems around disaster risk reduction, such as the neighbourhood cooperation agreements between Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.²¹

TIME FOR A NEW APPROACH

The 20 countries constituting the global aid system cannot pretend to capture the entirety of the relief effort. Evidently, the bulk of it is provided locally and spontaneously through relatives, social fabric, or community-based organisations. To fully capture the extent of solidarity would mean including efforts at local, provincial, and national levels. However, it is currently challenging to track such a broad range of initiatives with the available tools. But even narrowing the focus to international cooperation, the present view of humanitarian funding might not accurately represent the support from non-DAC countries: the reporting system may be at fault. Many observers would argue that both OECD's Creditor Reporting System (CRS) and OCHA's Financial Tracking Service (FTS) only capture a portion of their contributions. In all fairness, both these tools were not built for this specific purpose. Prospects of improvements in the reporting of funding streams, driven by the International Aid Transparency Initiative (IATI) and by the Grand Bargain's 8 + 3 template, are facing challenges in gaining widespread acceptance outside of DAC members and affiliates (multilateral organisations and private foundations).

Clinging to the humanitarian imperative as a banner of righteousness in international relations is causing increasing doubt worldwide. In recent years, the inconsistent aid responses and political actions against violations of International Humanitarian Law (IHL) in Syria, Ukraine, or Gaza have fuelled fierce criticisms highlighting perceived double standards. This narrative, very popular among the BRICS, also highlights the inconsistencies in promoting principled humanitarian aid while using the humanitarian imperative narrative as a foreign policy tool during heightened tensions or strained diplomatic relations. An example is the questionable use of the Responsibility to Protect (R2P) framework in Libya, suggesting that, ostensibly, humanitarian policies may serve the strategic interests of a select few. The GCC has also noted the double standards on migration, between the treatment of those arriving via the Mediterranean and those fleeing Ukraine.

But humanitarian professionals should not undervalue themselves either. The sector is increasingly questioning itself, pondering whether it is 'broke, broken, or should be broken'. This introspection is both healthy and necessary, especially considering the current pressures on international relations and multilateralism. This meets the sector's own need to address challenges related to decolonisation and effectiveness. Yet, who would invest in a system described as broken, apart from its initial backers? Despite undeniable flaws, the current framework has notable achievements, such as the significant decline in disaster and famine-related deaths globally over the last 50 years. While these successes cannot be attributed solely to humanitarian efforts, they are strong evidence of the benefits of an at least partially functional multilateral system.

On a similar note, one might question whether the "global collapse" approach used by most humanitarian agencies to help short-term fundraising imperatives could be counter-productive in involving a broader range of donors. Non-DAC donors may be hesitant to support a system that 'keeps insisting it's on its last legs'.²² Taking a more balanced approach, objectively presenting both the sector's strengths and weaknesses without relying on doomsday rhetoric, would likely facilitate a more composed engagement with external contributors on necessary adjustments.

'Engaging' is indeed another challenge: there is no established space to seek common ground and cooperation. Despite the existence of various formal and informal international platforms addressing global humanitarian issues, including from a donor perspective (Grand Bargain, Good Humanitarian Donorship group, ECOSOC's Humanitarian Segment), the presence and active engagement of non-DAC donors remain uncommon. With the exception of Saudi Arabia's RIHF, the UAE's DIHAD, and Qatar's WISE (focusing on education), most first-tier humanitarian fora are held in or led by DAC States.

Political, economic, and geopolitical global platforms such as the G20, which has connections to non-DAC countries, especially the BRICS, have limited coverage of humanitarian affairs. This is also true for regional platforms such as ASEAN, OIG, GCC and UNASUR: their underutilisation is a missed opportunity as these platforms play a significant role in discussions on climate change, another global priority.

The BRICS Summits are no exception. While the humanitarian question is included in discussions, it mainly focuses on the need for political solutions to ongoing conflicts, rather than a coordinated approach to the sector.²³

WHERE TO START, HOW TO FOLLOW-UP: AN IMPORTANT ROLE FOR THE EU

Better understanding and acknowledging South-South dynamics. DAC States should aim for a deeper analysis of the variety of trends and foreign policy agendas behind other international solidarity efforts: not everything is 'Belt and Road'-minded.

• Recognising the presence of other logics that are valid and essential to the collective relief effort is a first step. The EU should encourage Southern partners to develop and refine their narratives at the discussion table, and over time could identify a few items that might complement, if not inform, its own humanitarian narrative and implementation considerations.

• Improving the tracking of non-DAC aid funding is a complex issue that would require a methodological overhaul of existing initiatives (IATI, FTS). Many aid data specialists acknowledge that more could be done by improving collaboration with the planning or budget ministries of recipient countries. The inherently bilateral character of non-DAC aid implies that these ministries are more directly involved and likely to have records.

• Research and strategic analysis need a refresher. Much of the existing literature from institutions and think tanks on this subject is a decade old, dating back to when GCC countries and a few others were being pursued as the new golden geese. Since then, a significant number of non-DAC donors have either redefined or are in the process of redefining their engagement with the humanitarian system. Investigating the shifts in their narratives and strategies is critical.

The EU as a convening power. It may be hazardous to expect non-DAC countries to initiate this dialogue on humanitarian aid: the self-reflection on the current limits of the system and the need for reform is not theirs, but ours. It is therefore only natural that the process starts from our side. In a recent address to the European Parliament's Committee on Development (DEVE),

Minister Caroline Gennez, representing the Belgian presidency of the EU, highlighted the importance and opportunity of the EU consolidating its role as a reliable partner: neither dominant nor dominated. In a world plagued by geopolitical tensions, the EU could and should push the humanitarian conversation with non-DAC counterparts.

For that work to really take off and rapidly bear fruits, actors eager to invest time and resources in a dialogue will need to:

• Establish a network of relevant and informed contacts within and surrounding non-DAC actors. While engaging with diplomats and officials is a formal and essential step here, it should be supplemented by involving other elements of their civil society, such as think tanks, prominent figures from solidarity initiatives, and parliamentarians.²⁴

• Set formal exchanges during high-level convening moments supported by continuous informal exchanges between international agencies, donors, and non-DAC representatives at a global level and in the field. One goal is likely to foster a sense of ownership among non-DAC countries. This involves identifying, beyond financial contributions, the extent of their involvement in humanitarian diplomacy.

Change paradigm and reverse dynamics. Part of the reflection should be about finding ways to **shift the narrative from a funding gap to an assistance and protection gap.** In 2023, at least 120 million persons were assumedly left with no assistance,²⁵ the global aid system unable to reach them. This is notably due to its incapacity of mobilising the necessary funds, but also to the growing suspicion vis a vis a system promoting Western interests and values.

All the main (Western-based) donors and operators recognise the importance of localising and decolonising aid, without genuinely discussing what that entails. The decolonisation process should not simply channel European funds to local NGOs: this would be progress within the same paradigm. What needs to be acknowledged is that most of the relief efforts are taking place outside of the global aid system.

The real shift that needs to happen is to reverse the dynamic and to initiate a movement from the global aid system towards South/South dynamics.

CONCLUSION

As highlighted in previous policy notes addressing the funding gap,²⁶ the current humanitarian narrative has been challenged in various ways. This introspection of the system is commendable and necessary to grasp why it doesn't appeal to most countries worldwide. The dynamic should be reversed: from aspiring to attract new contributors to reaching out and coordinating with a variety of complementary aid approaches, adapted to cultural and political sensitivities. This move aims to steer clear from what is increasingly perceived as a Western diktat.

The European Humanitarian Forum (EHF) was created with the ambition to bring humanitarian issues to the attention of political leaders, while convening beyond the usual humanitarian crowd. It also has the potential to bring together non-DAC countries and present their viewpoints to the representatives of the global aid system, provided the narrative employed to attract them is reviewed. By doing so, the forum can showcase and send an important signal in favour of a more inclusive and comprehensive approach to international relief efforts.



Endnotes

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- 23 XV BRICS Summit Johannesburg II Declaration (2023) <u>BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable</u> <u>Development and Inclusive Multilateralism</u>
- 24 Initiatives like "Parliamentarians For Global Action" have effectively utilized the influence of legislative members to generate momentum among executive counterparts on issues like climate action and human rights
- 25 This figure represents solely the difference between the 245 million individuals targeted for assistance and the total of 363 million people identified as in need in the revised Humanitarian Needs Overview (HNO) of November 2023. It excludes those not having received assistance due to HNO's final funding coverage of 35% (as of February 2024). Data is sourced from the OCHA (2024) <u>Global Humanitarian Overview 2024</u> – <u>Results from 2023</u>
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