Emerging and Traditional Donors and Conflict-Affected States: The New Politics of Reconstruction

Agnieszka Paczynska
School for Conflict Analysis and Resolution, George Mason University/Stimson Center

Changing Landscape of Assistance to Conflict-Affected States: Emerging and Traditional Donors and Opportunities for Collaboration Policy Brief #1

November 2016

Introduction

Over the past two decades there have been significant shifts in international economic dynamics and a gradual restructuring of global political relationships and collaborations. Emerging powers such as China, India, Brazil, and Arab Gulf states have become much more important investors and diplomatic and trading partners for countries affected by fragility, violence, and conflict. They are also playing a much more prominent role in international peacekeeping and in providing development and humanitarian assistance to countries in the Global South. Despite the recent slowdown of economic growth in China, Russia, and South Africa, the political and economic crisis in Brazil, and the July 2016 attempted coup in Turkey, there is little reason to expect that this trend will not continue over the long term.

The growing importance of these emerging donors raises a number of questions: What are the reasons for their expanding involvement in conflict-affected states and in supporting post-conflict reconstruction? What are the policies they pursue in these contexts? How does their assistance differ from or resemble that offered by traditional donors, such as the United States, United Kingdom, or the European Union? Do emerging and traditional donors collaborate and coordinate their assistance in these settings and if not, are there opportunities for deepening that collaboration? This series of policy briefs, Changing Landscape of Assistance to Conflict-Affected States: Emerging and Traditional Donors and Opportunities for Collaboration will explore these questions. The series is part of a multiyear collaborative project, Emerging Powers in Post-Conflict and Transitional Settings: the New Politics of Reconstruction, directed by Dr. Agnieszka Paczynska (George Mason University/Stimson Center) and funded by the United States Institute of Peace. This first policy brief provides the conceptual framework for understanding the changing landscape of donor assistance to conflict-affected states. The authors of the other policy briefs are all practitioners who have worked in conflict-affected states.
Collectively they will explore how individual emerging donors, including China, South Africa, Brazil, and Turkey, have engaged with conflict-affected states and consider possible areas of collaboration between traditional and emerging donors.

Who Are the Emerging Donors?

Emerging donors’ assistance is of course in many cases not new. China started providing foreign assistance in 1950, Russia in 1955, Brazil in 1960, and South Africa in 1968. Nonetheless, these donors are now playing a much more significant role in assistance provision than was the case in the past and the volume of assistance has grown significantly.

There are differences in traditional and emerging donors’ humanitarian and development assistance provision, including assistance to conflict-affected states. First, how emerging donors define, disburse, and report aid is significantly different. Unlike traditional donors, emerging donors frame their assistance in language that prioritizes solidarity, sharing of development experiences, and mutual support. They are also committed to the principle of noninterference in internal affairs of other states and eschew aid conditionalities. In fact, most prefer to avoid using the terminology of assistance and tend to see themselves as “providers of South-South cooperation” that is beneficial to all the participants. Because of this framing, they describe themselves not as donors but rather partners. They also do not refer to conflict-affected states as fragile, a term often used by traditional donors. This different approach reflects the emerging donors’ own histories of exploitation by colonial powers. Many of them have been in the past or continue to be conflict-affected states themselves. These experiences with their own internal, often violent, conflicts shape how they conceptualize relationships with states affected by violence. As de Carvalho and de Coning put it, “emerging donors share a common experience, as states who are ‘on the outside looking in,’ and as such they articulate an alternative vision of a multilateral system that is strongly rule based, so as to constrain the ability of the stronger states to dominate the system.” Despite these similarities between emerging donors, their policies and strategic objectives, economic interests, assistance provision philosophies, and priorities are diverse. Likewise, the reasons for their engagement with conflict-affected states are also varied and often resemble those of traditional donors since they reflect security, economic, and political interests.

Although few of the emerging donors are members of the Organization for Economic Cooperation and Development Donor Assistance Committee (OECD DAC), some – and in particular Kuwait, Saudi Arabia, Turkey, and the United Arab Emirates – do share their assistance data with the DAC. Others, like China, Brazil, India, and South Africa, do not. At the same time, assembling accurate figures of their assistance is challenging because they conceptualize assistance differently, and in particular because the partnership agreements tend to involve a mix of aid, investment, and trade relationships, and because some emerging donors do not provide assistance through a single government agency.
Although traditional donors still provide more aid overall than emerging donors, the volume of assistance over the last decade has rapidly increased. For instance, between 2000 and 2009, South Korea’s development assistance (excluding bilateral debt relief) grew from $233.31 million to $825.8 million, or more than 250 percent. Its bilateral assistance to Sub-Saharan Africa grew especially rapidly, increasing by 465 percent. By 2010, its development assistance amounted to $1.2 billion. Turkey’s development assistance between 2002 and 2012 increased from about $73 million to $3.3 billion. Brazil’s bilateral and multilateral aid, according to some estimates, reached $1 billion in 2010. India’s assistance increased 400 percent between 2004 and 2014, reaching $6 billion by 2015. China’s worldwide pledged aid grew from $1.7 billion to $189 billion annually between 2001 and 2011, according to one estimate.

Initially, emerging donors’ assistance focused primarily on their immediate geographic region. Thus, Russia focused in particular on Central Asia countries that used to be part of the Soviet Union; India funneled much of its assistance to Afghanistan, Sri Lanka, and Nepal; Brazil was an important actor in reconstruction of Haiti; South Africa concentrated the overwhelming majority of its aid in Sub-Saharan Africa and, in particular, the Congo; and the Arab Gulf countries prioritized assistance to Somalia, Sudan, and the Occupied Palestinian Territories. China, on the other hand, focused on other countries in Asia, such as Myanmar and Cambodia.

Over the past decade or so, most emerging donors have looked to expand their reach, paying greater attention to countries outside of their immediate geographic neighborhood and looking to establish a more global presence. India, Brazil, Turkey, the Arab Gulf states, and, in particular, China have significantly expanded their footprint in Sub-Saharan Africa. The Arab Gulf states also provide assistance to conflict-affected countries with large Muslim populations outside of the Middle East, for instance Bosnia-Herzegovina and Tajikistan.

As emerging donors expanded their development and humanitarian assistance, including to conflict-affected states, many traditional donors expressed concerns about the consequences of the greater involvement of these donors. In particular, traditional donors were worried that emerging donors were less concerned with respecting environmental, labor, and human rights standards. They also perceived them as less interested in promoting democratic norms and therefore potentially reinforcing authoritarian regimes. Likewise, traditional donors were concerned about emerging donors’ approach to peacebuilding and peacekeeping and whether, “given their positions as potential challengers of the status quo, will they buy into the existing rules and practices (“norm-followers”), will they significantly shape them (“norm-settlers”), or will they contest them (“norm-breakers”) as they become real stakeholders in the Western-dominated liberal peacekeeping-peacebuilding realm.”
Indeed, there are differences in how the emerging donors conceptualize assistance to conflict-affected states and how they approach peacekeeping operations when compared with traditional donors. However, as the policy briefs in this series will highlight, there are also significant differences among the emerging donors themselves. At the same time, despite these differences, the policy briefs will point to collaborations that are already being forged among the donors and other opportunities for further developing collaborations among traditional and emerging donors.

Emerging Donors and Conflict-Affected States

Emerging donors have been forging partnerships outside of the OECD framework and are now playing a much more significant role in development and humanitarian assistance provision. In 2004, for instance, the India-Brazil-South Africa (IBSA) Dialogue Forum established the IBSA Facility for the Poverty and Hunger Alleviation (IBSA Fund) aimed at strengthening South-South cooperation and disseminating best practices in promoting development and fighting poverty. More recently, with the establishment of the Beijing Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB), emerging donors are focusing on providing alternative sources of development and infrastructure financing to those available through West-dominated financial institutions. The NDB is operated by Brazil, Russia, India, China, and South Africa (BRICS) and is set up “to foster greater financial and development cooperation” between the five. Unlike the World Bank, where votes are weighed according to the capital share the member state provides, every member of the NDB will have one vote and none will have veto power. The BRICS see this bank as providing an alternative source of financing so that countries do not need to only rely on the World Bank and the International Monetary Fund.

Despite these collaborative ventures, however, emerging donors are not developing a unified alternative to the liberal peacebuilding model. Their policies and strategic objectives, economic interests, assistance provision philosophies, and priorities are diverse. India focuses primarily on infrastructure development, education, and health, as well as technical cooperation. Brazil tends to target agricultural development, especially leveraging its expertise in tropical agriculture, and provides technical training, as well as public health. South Africa often supports government capacity development projects and democracy promotion. China emphasizes infrastructure development; Turkey, humanitarian assistance and developing social infrastructure; while Russia primarily supports health, education, and food security projects. Arab Gulf states, and, in particular, Kuwait, Saudi Arabia, the United Arab Emirates (UAE), and Qatar, have tended to support infrastructure development and reconstruction projects.

Historically, most of the assistance from Arab Gulf states has been provided in the form of soft loans and grants and has been administered either directly to governments or through regional financial institutions and national funds.
There are both formal governmental institutions as well as more informal organizations through which assistance is channeled. The former category includes such institutions as the Kuwait Fund for Arab Economic Development, Abu Dhabi Fund for Development, and the Saudi Fund for Development. In the latter are various “quasi non-governmental and ad hoc donor institutions, which while formally private, disburse assistance from and in the name of the state.”

The key objective of Arab Gulf states’ assistance—in particular, assistance to other countries in the Middle East and North Africa region—is to stabilize conflict-affected states and to limit the spread of conflict. Qatar, for instance, sees such assistance as part of its growing regional political ambitions, public diplomacy and soft power outreach. However, despite providing assistance to conflict-affected states, Arab Gulf donors tend to avoid using the term “peacebuilding,” viewing it as problematic and implying interference in internal affairs of other states.

India’s assistance policies are embedded within its broader foreign policy objectives that place primary emphasis on maintaining the country’s strategic autonomy, respecting sovereignty of other states, and focusing on strengthening South-South cooperation. Over the last decade, its development assistance has increased rapidly, including to conflict-affected states. However, despite India’s long history of providing peacekeeping troops to various United Nations operations and its growing funding to conflict-affected states, India does not distinguish between overall development funding and assistance for post-conflict reconstruction and does not employ the language of state fragility so common among traditional donors. India prioritizes consolidating peace, rebuilding trust in the state, and strengthening governance through such activities as training of civil servants. Although India has begun providing more funding to countries outside of its geographic region, assistance to neighboring states still dominates. It is, for example, the fifth-largest bilateral donor to Afghanistan. This focus reflects India’s concerns with regional instability and the potential negative consequences of that instability to its economic growth and domestic security. Unlike South Africa, India does not promote democratic reforms, seeing this as interference in other countries’ domestic affairs.

Some emerging donors—in particular, India—have long provided a significant number of peacekeeping troops, over the last decade. However, one of the key recent changes has been these donors’ growing involvement in United Nations peace operations. For instance, between 2001 and 2010, Brazil, China, India, and South Africa’s combined share of deployed personnel in these operations has increased from 5 percent to 15 percent. They have also increasingly participated in operations outside of their immediate geographic region. At the same time, emerging donors are increasingly looking to shape the peacebuilding and peacekeeping policies of the United Nations Peacebuilding Commission, where they are playing a key role.
Despite this growing involvement, however, emerging donors remain wary and ambivalent about the more ambitious peacebuilding interventions, believing that such interventions have often been an opportunity for traditional donors to impose Western visions of neoliberal order on weak states.\textsuperscript{28}

Most emerging donors, as their interactions with and engagement in states emerging out of conflict have deepened, have also begun to more explicitly articulate their views on the relationship between security and development. Furthermore, these approaches seem to also be shifting over time, often in response to the experience of engagement in conflict-affected states and the need to adjust policy preferences to the realities on the ground. China, which initially appeared to largely think of security and development as separate and distinct categories, has moved toward more explicitly linking the two.\textsuperscript{29} Its growing engagement with conflict-affected states has also begun shifting its views on noninterference. While noninterference remains China’s official policy, it has increasingly engaged in international mediation efforts, for instance in Darfur. In 2012, a new “Initiative on China-Africa Cooperative Partnership for Peace and Security” was introduced. It provides funds to “help strengthen Africa’s indigenous capabilities for maintaining peace and security” and has become part of the Forum on China-Africa Cooperation (FOCAC).\textsuperscript{30}

Brazil and South Africa are also making these linkages more explicit. Brazil’s policy sees a need to balance development, peace, and solidarity. Its approach to conflict-affected states over the last two decades has been characterized by its attachment to the principles of sovereignty, nonintervention, and noninterference. Although it has provided assistance to conflict-affected countries, it has not publicly supported OECD’s agenda on statebuilding and peacebuilding in fragile states.\textsuperscript{31} However, since the beginning of the 2000s, Brazil has led the peacekeeping operation in Haiti (under Chapter VII of the U.N. Charter), expanded its involvement in Guinea-Bissau – where its assistance has linked development and security and where it has promoted political reconciliation – and been increasingly engaged in often-contentious development projects in Africa, thus taking on a more assertive role.\textsuperscript{32}

South Africa, drawing on its own experience with transition from apartheid to democracy, is especially interested in accelerating socioeconomic development and promoting reconciliation. It has focused much of its assistance in supporting post-conflict peacebuilding, with mixed results, in Burundi, the DRC, and South Sudan. Unlike many other emerging donors, South Africa has not shied away from promoting democratization and political reforms in countries emerging out of conflict. However, its role has been relative modest since it is itself a post-conflict country with meager resources. It has thus preferred to work within multilateral institutions and international partnerships to advance its objectives of post-conflict reconstruction.\textsuperscript{33} Turkey’s assistance to fragile states has increased from $94 million in 2004 to $1.5 billion in 2012, an increase of 1,540 percent.\textsuperscript{34}
In other words, two-thirds of its foreign assistance targets fragile states, with funds flowing to such conflict-affected states as Afghanistan, Pakistan, Kyrgyzstan, Iraq, Myanmar and Somalia. Turkey views this humanitarian assistance as stemming from its Islamic values and argues that it is “undertaken for the ‘love of God and with no hidden agendas’” and is thus apolitical and done in close collaboration with local actors in recipient states.\(^\text{35}\)

Russia often competes with other emerging donors – in particular, China, and to a lesser extent, India – over influence in Central Asia. It has a two-tiered aid policy. The first is directed at the global level and predominantly takes the form of modest contributions to multilateral aid disbursement mechanisms. The second focuses on Russia’s near abroad, especially on Central Asia and the Caucasus. Here, development assistance is clearly an instrument for the promotion of Russia’s national and security interests. It provides aid primarily on a bilateral basis and often comes, unlike in the case of other emerging donors, with political conditionalities designed to promote Russia’s geostrategic interests. Like India, it is concerned about regional conflicts affecting its domestic security. It therefore provides assistance to neighboring authoritarian states to ensure stability and to manage transnational threats that could spill over to Russia.\(^\text{36}\)

Although traditional donors regarded them with unease, emerging donors’ growing international role translated into an invitation for them to participate in debates about international cooperation, coordination, and aid effectiveness. While they remained wary of OECD-generated development assistance frameworks, emerging donors nonetheless have been involved in some of the debates about reforming how development assistance is provided. For instance, the 2005 Paris Declaration on Aid Effectiveness that emerged out of an international forum attended by both donors and recipient countries “promised a revised aid system, with commitments to improve ownership, alignment, harmonization, results and mutual accountability.” A number of emerging donors, including Saudi Arabia, Kuwait, South Africa, Brazil, China, and Turkey, participated in the forum. This meeting was followed in 2008 by the Accra Agenda for Action in which again both traditional and emerging donors participated.\(^\text{37}\) Most emerging donors are listed as adhering to both the Paris Declaration and Accra Agenda.\(^\text{38}\) However, they have not endorsed the New Deal for Engagement in Fragile States adopted during the 2011 Busan conference on aid effectiveness.\(^\text{39}\) Brazil, China, and India did sign on to the Busan Partnership for Effective Development Cooperation but only after “demanding the insertion of language distancing non-OECD donors from concrete commitments.”\(^\text{40}\)

South Africa and Indonesia have been invited to participate as observers in the OECD Working Party on Aid Effectiveness, and China and Brazil in the OECD-sponsored International Dialogue on Peacebuilding and Statebuilding (IDPS), which provides a forum for discussions with the G7+ group of fragile states, donors, and civil society groups. Despite these invitations, emerging powers have been absent from deliberations of the International Dialogue on Peacebuilding and Statebuilding.\(^\text{41}\)
In September 2015 the international community formally adopted the Sustainable Development Goals (SDGs) at the United Nations meeting in New York City. The SDGs formally replaced the Millennium Development Goals and represented a shift in how development at the global level was conceptualized and signaled a shift in the relationship between Global North and Global South. In particular, the debates around the content of SDGs indicated the growing importance of emerging donors in the debates about global development architecture. At the same time, they also exposed the significant differences among traditional and emerging donors.

The debates within the Open Working Group that developed the SDGs were often quite contentious, with sharp divisions around such issues as reproductive rights, climate change, rule of law, sustainable consumption, and modes of implementation, among others. These conflicts mirrored the broader divide in how traditional and emerging donors, as well as recipients of aid, view the global development architecture. In particular, the attitudes about the appropriate relationship between assistance and good-governance conditionalities continue to diverge between traditional and emerging donors, with the former favoring them and the latter continuing to view them as unnecessary and an unwelcome interference in domestic policies.

One of the key contentious issues in the negotiations around the SDGs was Goal 16: Peace, Justice and Strong Institutions. The goal explicitly linked issues of economic development and the reduction of violence. For many at the negotiating table – in particular, those from the Global South – there were deep concerns that the linking of development and security would inevitably lead to the securitization of the development agenda, “with aid being used to advance the national security agenda of particular States, rather than to promote development for people.” There were also concerns about the framing of this goal providing an opportunity for some donors to violate recipient countries’ sovereignty. And there were concerns that “peace-related targets could translate into new aid conditionalities.”

In other words, although the emerging donors participated in many of the forums where new aid architecture was being developed, provided funds to various multilateral organizations for both development and humanitarian assistance, and contributed increasing numbers of troops to United Nations peace operations, this did not imply that they shared similar understanding about the security-development nexus as do traditional donors.
Conclusion

Emerging donors are playing a much more significant role than just a decade ago in providing humanitarian and development assistance, including to countries affected by conflict. While initially most emerging donors channeled assistance primarily toward their immediate geographic neighborhood, over time their reach expanded and assistance now goes to a broader array of states. They frame their relationships with recipients of aid in collaborative terms that eschew the notions of hierarchy they see in traditional donors’ engagement with developing countries.

When it comes to engagement with conflict-affected states, emerging donors, like traditional donors, are interested in supporting poverty-reduction and encouraging conditions favorable to foreign direct investment. However, they are much more focused on technical assistance rather than capacity building and their funding tends to be bilateral and not directed at civil society organizations, something that traditional donors do. On the other hand, emerging donors do not favor conditionalities and tying assistance to good-governance reforms or environmental policies, although some – like Brazil and South Africa – do support strengthening democratic practices. Emerging donors’ assistance to post-conflict states is also shaped by their own history of exploitation by colonial powers as well as of internal conflict – some quite recent, as in the case of South Africa; or ongoing, as in Russia and Turkey. However, despite emerging donors cooperating in a variety of international forums, the differences among them are also significant and they are not developing a unified, alternative model to the liberal peacebuilding model promoted by traditional donors.

Finally, although emerging and traditional donors alike see a link between security and development, profound differences remain in how that linkage should be understood. While there are also differences among emerging donors in how they conceptualize the relationship between security and development, one of the common concerns is about securitization of development policies and seeing poverty as the sole cause of global conflicts.

As emerging donors expand their engagement with conflict-affected states and become more active in peacekeeping operations, new opportunities will emerge for forging collaborative relationships among traditional and emerging donors in these contexts. This policy brief series will explore how different emerging donors are conceptualizing their relationship with states affected by conflict and the potential areas of collaboration among donors.
Agnieszka Paczynska is an associate professor at the School for Conflict Analysis and Resolution, George Mason University, and nonresident fellow at the Stimson Center in Washington, DC. Dr. Paczynska is the director of the United States Institute for Peace-funded two-year project Emerging Powers in Post-Conflict and Transitional Settings: the New Politics of Reconstruction and the editor of the policy brief series Emerging Powers and Conflict-Affected States: Opportunities for Collaboration. She also serves on the board of trustees of Saferworld USA. Together with Susan Hirsch, she is series co-editor of Studies in Conflict, Justice, and Social Change, Ohio University Press. She has observed elections in Afghanistan, Egypt, and Liberia, been a conflict analysis consultant for the U.S. State Department, USAID, and Marine Corps Combat Development Command, and conducted conflict assessments, including in Liberia, Tanzania, and Tajikistan.

Her research focuses on the relationship between economic and political change and conflict, development and conflict, security-development nexus, post-conflict reconstruction policies, and the relationship between globalization processes and local conflicts. Her recent work has focused on the Middle East, Africa, and Central Asia. She is the author of State, Labor, and the Transition to a Market Economy: Egypt, Poland, Mexico and the Czech Republic (Penn State University Press, 2013, updated second edition) and co-editor of Conflict Zone, Comfort Zone: Pedagogy, Methodology, and Best Practices in Field-Based Courses (Ohio University Press, forthcoming 2017), and is the author of numerous articles and book chapters. Dr. Paczynska has worked at the American University in Cairo, Warsaw School of Economics, Search for Common Ground, and the Brookings Institution. In 2008-2009 she was a Franklin Fellow working in the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) at the U.S. Department of State.

1. Agnieszka Paczynska is an associate professor at the School for Conflict Analysis and Resolution, George Mason University, and nonresident fellow at the Stimson Center in Washington, DC. Dr. Paczynska is the director of the United States Institute for Peace-funded two-year project Emerging Powers in Post-Conflict and Transitional Settings: the New Politics of Reconstruction and the editor of the policy brief series Emerging Powers and Conflict-Affected States: Opportunities for Collaboration. She also serves on the board of trustees of Saferworld USA. Together with Susan Hirsch, she is series co-editor of Studies in Conflict, Justice, and Social Change, Ohio University Press. She has observed elections in Afghanistan, Egypt, and Liberia, been a conflict analysis consultant for the U.S. State Department, USAID, and Marine Corps Combat Development Command, and conducted conflict assessments, including in Liberia, Tanzania, and Tajikistan.


16 The India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) - IBSA Trust Fund (http://ssc.undp.org/content/ssc/library/solutions/partners/expo/The_India__Brazil_and_South_Africa_Facility_for_Poverty_and_Hunger_Alleviation__IBSA_Fund____IBSA_Trust_Fund.html).


18 As Kundapur Vaman Kamath, the director of NDP, put it, “Our objective is not to challenge the existing system as it is but to improve and complement the system in our own way.” BBC News, July 21, 2015 (www.bbc.com/news/33605230).


20 The levels of assistance provided by Bahrain and Oman are small.

21 Barakat and Zyck, 10.


24 Sherman, et al., 2011, 3.

25 Mullen, 2016.


27 Ibid, 11.

28 de Carvalho and de Coning, 4.


35 Tank, 2016.


38 A full list of countries adhering to both can be found at http://www.oecd.org/dac/effectiveness/countriesterritoriesandorganisationsadheringtotheparisdeclarationandaaa.htm.
Fritz Nganje. “Southern Voices: Two-Way Socialization Between Traditional and Emerging Donors Critical for Effective Development Cooperation,” Africa Close Up, January 6, 2014, Woodrow Wilson International Center for Scholars (http://africaupclose.wilsoncenter.org). The Peacebuilding and Statebuilding goals that form the New Deal focus include: legitimate politics (foster inclusive settlements and conflict resolution); security (establish and strengthen people’s security); justice (address injustices and increase people’s access to justice); economic foundations (generate employment and improve livelihoods); and revenue and services (manage revenue and build capacity for accountability and fair service delivery), European Commission, Conflict, Fragility and Development.


For a full list of participating countries, see http://www.pbsbdialogue.org/en/id/participating-countries-and-organisations/.


Ibid.
Changing Landscape of Assistance to Conflict-Affected States: Emerging and Traditional Donors and Opportunities for Collaboration Policy Briefs are part of a multiyear collaborative project, Emerging Powers in Post-Conflict and Transitional Settings: the New Politics of Reconstruction, directed by Dr. Agnieszka Paczynska (George Mason University/Stimson Center) and funded by the United States Institute of Peace.