

# Saudi Arabia as a Humanitarian Donor: High Potential, Little Institutionalization

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# Imprint

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# Abbreviations and acronyms

AGFUND.....	Arab Gulf Program for Development
CERF.....	Central Emergency Response Fund
DAC.....	Development Assistance Committee
DI.....	Development Initiatives
DPA.....	UN Department of Political Affairs
ECOSOC.....	Economic and Social Council
FAO.....	Food and Agricultural Organization
FTS.....	OCHA Financial Tracking Service
G77.....	Group of 77
GA.....	United Nations General Assembly
GAO.....	Government Accountability Office (US)
GHD.....	Good Humanitarian Donorship initiative
ICRC.....	International Committee of the Red Cross
IDP.....	Internally Displaced People
IFRC.....	International Federation of Red Cross and Red Crescent Societies
IIRISA.....	International Islamic Relief Organisation
MOF.....	Ministry of Finance
NGO.....	Non-governmental organization
OCHA.....	UN Office for the Coordination of Humanitarian Affairs
ODA.....	Official Development Assistance
OECD.....	Organization of Economic Cooperation and Development
SFD.....	Saudi Fund for Development
SR.....	Saudi Riyal
UN.....	United Nations
UNHCR.....	Office of United Nations High Commissioner for Refugees
UNRWA.....	UN Relief and Works Agency for Palestine Refugees in the Near East
WAMY.....	World Assembly for Muslim Youth
WFP.....	World Food Program
\$.....	United States Dollar

# 1 Introduction

Saudi Arabia has emerged as the world's largest donor of humanitarian assistance outside the Western states, traditionally the members of OECD Development Assistance Committee (DAC). In many recent natural disasters, the country's contributions far exceeded those of any traditional donors. In 2007, in response to Cyclone Sidr in Bangladesh, which killed more than 3,000 people and left millions homeless, Saudi Arabia gave Bangladesh \$158 million for humanitarian purposes, compared to \$20 million from the United States and less from the United Kingdom (Smith 2010). Following the Haiti earthquake in 2010, the Saudi Kingdom made \$50 million available to the Emergency Response Fund, a pooled funding mechanism set up by the United Nations. Saudi pledges for the ongoing response to the floods that ravaged huge swathes of Pakistan in 2010 amount to \$220 million - surpassing the pledges of all European donors taken together (\$209 million) (Saudi Ministry of Interior 2010 and Smith 2010). In 2008, Saudi Arabia provided \$500 million in cash to the World Food Program, the largest contribution in the Program's history.

For development and humanitarian aid to the Arab and Muslim world, Saudi Arabia is the undisputed leader. Between 1975 and 2005, total Saudi aid to developing countries amounted to \$90 billion or 3.7% of its annual gross domestic product (GDP), far higher than the UN 0.7% of GDP target for development assistance and four times the average achieved by OECD-DAC countries. Saudi Arabia also helps finance many key regional development funds and instruments.<sup>1</sup>

The Kingdom's munificence notwithstanding, Saudi Arabia's record in international humanitarian assistance leaves much to be desired. The country's actual capacities hardly match its growing roles and commitments. It lacks a coherent and organized humanitarian aid framework and there is no central agency to coordinate and supervise relief operations. Instead, we find a multiplicity of actors often working chaotically and at times at cross-purposes. There is a dearth of permanent and professional staff able to respond swiftly and effectively to natural or man-made disasters. The modalities for monitoring and evaluation remain nascent. Moreover, cooperation and coordination with other actors in the international humanitarian assistance network – other donor governments, global bodies, and non-governmental organizations – is weak. Saudi Arabia has yet to put its stamp on this network. Aside from its financial contributions and assistance in kind, it is widely seen by many of these actors as a laggard, not a leader.

Saudi Arabia has yet to develop a clear policy or strategy for humanitarian assistance. Saudi conceptions of and motivations for humanitarian aid remain

<sup>1</sup> For example, Saudi Arabia provides 27% of the budget of the Islamic Development Bank, 15% of the Arab Monetary Fund, 30% of the OPEC Fund for International Development and 25% of the Arab Bank for Economic Development in Africa. (Saudi Fund for Development 2009).

poorly understood – in no small part because little effort has been made to communicate them to the outside world. The country has hesitated to seize numerous opportunities to enhance its international reputation by publicizing its efforts to succor the world’s afflicted. Whether intended as such or not, Saudi humanitarian assistance is a formidable source of “soft power” – a means of winning hearts and minds – that would be the envy of any other country. Yet, ironically, for the numerous reasons underscored in this study, it is a power that the Kingdom has not adequately comprehended, let alone fully exploited.

The present study is part of a research project on non-Western donors of humanitarian assistance at the Global Public Policy Institute (GPPi).<sup>2</sup> The objective of this study is to develop an in-depth understanding of the norms, foreign policy priorities, modalities and operational procedures that characterize Saudi Arabia’s humanitarian assistance. More specifically, the study aims to address the following broad questions:

- How does Saudi Arabia see its humanitarian role? What norms, ideas and foreign policy interests form the basis of its humanitarian engagement?
- How does Saudi Arabia conduct its humanitarian activities? What approach, thematic and regional focus has the country chosen and how does it participate in the traditional international humanitarian system?
- What are the enabling factors and obstacles to enhanced cooperation in international humanitarian aid efforts?

Due to a lack of scholarly research on Saudi Arabia’s humanitarian aid and poor access to data, the authors have relied on three sources of information to prepare this paper. First, they conducted more than 40 in-depth interviews with policy makers, academics, and international humanitarian and development practitioners inside and outside of Saudi Arabia (in person in Riyadh and Kuwait). Second, they drew on reports by international organizations, Saudi governmental organizations and NGOs. In the absence of a central system to formally report Saudi humanitarian contributions, they used OCHA’s financial tracking service (FTS) for quantitative data on Saudi aid, complemented by data from interviews and media reports.<sup>3</sup> This data, however, is incomplete because Saudi Arabia does not report all its contributions to the financial tracking service.

The study faced further limitations. Results and findings of this study are based on preliminary, inconclusive evidence that must be substantiated by additional research. Accessing data from official sources – if existent – was difficult. Moreover,

<sup>2</sup> Information about the project and other publications can be found at: [http://www.gppi.net/approach/research/truly\\_universal/](http://www.gppi.net/approach/research/truly_universal/)

<sup>3</sup> The paper takes into account developments until January 2011; the last interviews were conducted in December 2010.

the study was based mostly on small samples of respondents' perceptions and attitudes and might thus be subject to problems of selection bias and social desirability.

This report is organized into six sections. The first part introduces the study's scope and objectives. The second provides a glimpse of the Saudi humanitarian aid record and the country's conception of humanitarianism and aid modalities. The third part identifies the key actors and institutions involved in aid decision-making and implementation, including an assessment of the various factors that have inhibited effective aid implementation so far. The fourth section seeks to describe the nature of Saudi Arabia's relationship with the multilateral humanitarian system. The fifth chapter attempts to explain the motives and considerations that inform Saudi humanitarian aid decisions and programs. In conclusion, the last section discusses measures that international multilateral organizations, Western donors, and Saudi Arabia might consider enhancing the effectiveness and efficiency of aid implementation and foster better cooperation.

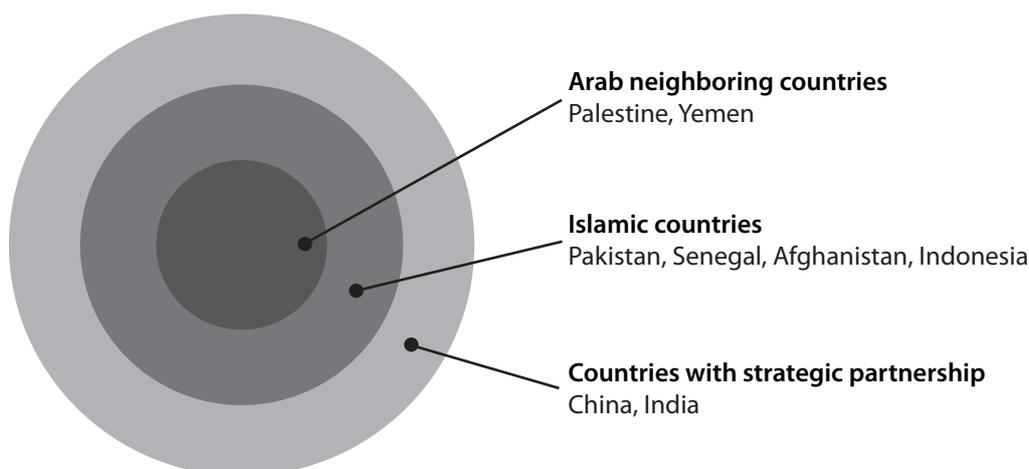
## 2 Saudi Arabia's humanitarian assistance at a glance

### 2.1 Geographic patterns of Saudi aid practice

The full scale and scope of Saudi Arabia's humanitarian assistance is difficult to trace. Saudi aid is delivered to more than 80 countries through a range of governmental, semi-governmental, and private mechanisms and channels, both bilateral and multilateral, yet little is reported internationally or even to a national agency within the country.

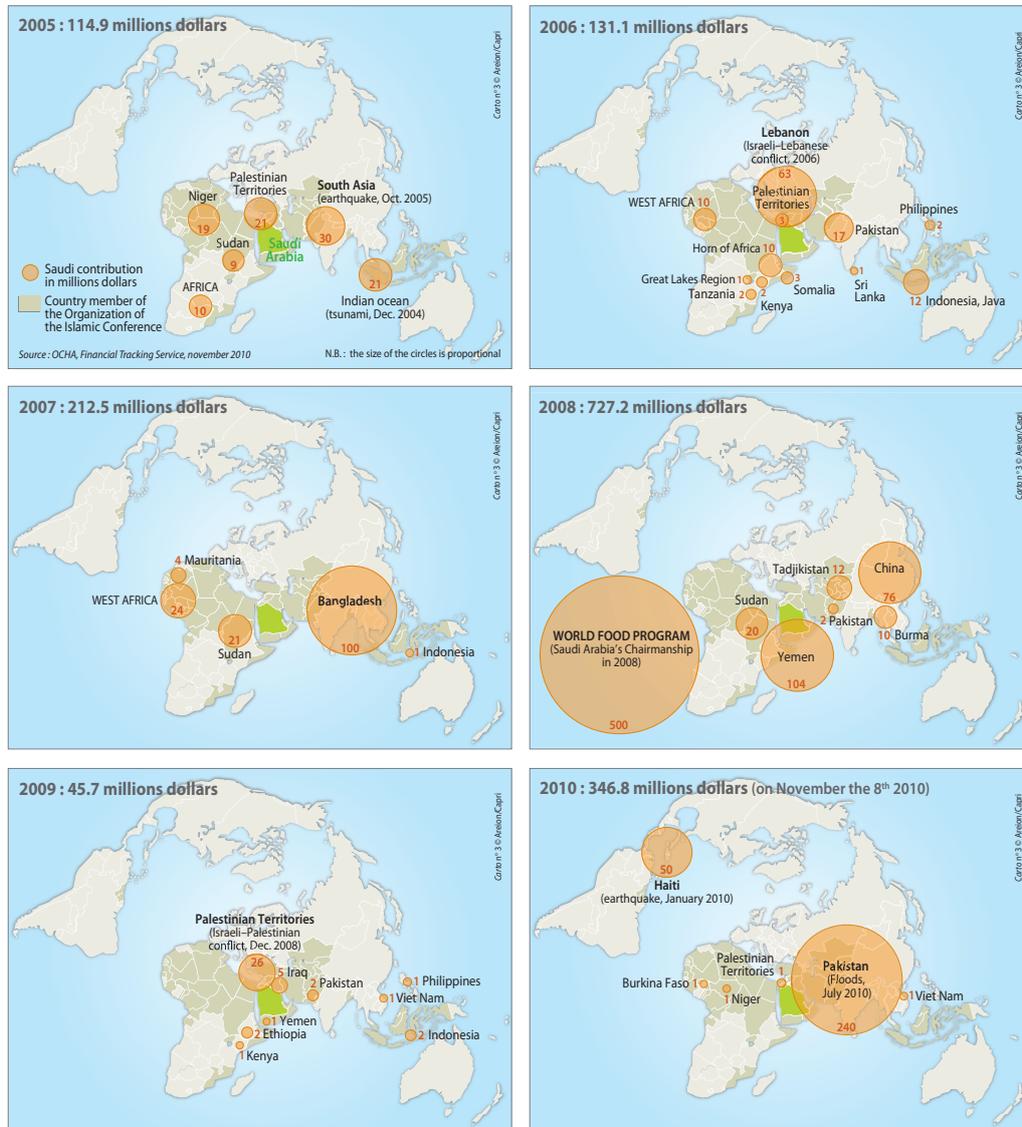
Historically, a large portion of humanitarian aid has apparently gone to countries in the Arab and Muslim world and to a lesser extent to other Asian and African countries. This pattern is particularly strong with respect to aid raised and delivered by non-governmental and semi-governmental organizations and public relief campaigns which, though set up by official bodies, receive donations from private citizens and businesses.<sup>4</sup> Government aid, on the other hand, is not limited to the Arab and Muslim world and extends to countries or regions deemed strategic partners. In recent years and with increased acknowledgement of the Kingdom's global economic and political importance, Saudi Arabia has started to engage in many regions that do not fit the profile of its traditional aid recipients. Haiti is a good example of this emerging trend.

#### Illustration 1: the different categories of Saudi recipient countries



<sup>4</sup> Private and corporate contributions to the 962 Saudi charities – of which 18 operate internationally – and non-governmental organizations are a major source of humanitarian assistance and account for the bulk of funds dispensed by those organizations.

### Illustration 2: Saudi Humanitarian Aid from 2005-2010



Source: FTS, Carto no3 © Areion/Capri

## 2.2 Saudi Arabia's conception of humanitarian assistance

Saudi Arabia does not have a clear policy to govern its humanitarian aid and distinguish it from other development and charitable activities. In the current international system, humanitarian assistance is usually defined as “the aid and action designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies” (Global Humanitarian Assistance 2010), while long-term aid is considered development aid. In Saudi Arabia, this distinction is less pronounced.

Overall, the Kingdom's approach towards humanitarian assistance appears to blend opportunity and reactivity. Interviewees from international humanitarian and development institutions gave varying interpretations of why and how Saudi Arabia provides humanitarian aid and thus perceived its actions as incoherent. Conscious of the growing international attention to their humanitarian efforts, Saudis have recently started to react to criticism of incoherence and regional bias by emphasizing the principled nature of assistance in various official and non-official statements. A recent article in the official newspaper *Al Hayat* portrays Saudi Arabia as the "Humanitarian Kingdom," stressing that the Kingdom sees humanitarian assistance as a moral obligation based on humanitarian principles (Al Hayat 2010). When the Kingdom emerged as the biggest single contributor to the 2010 Haiti Emergency Response Fund with its \$50 million donation, the UN Secretary General's Special Humanitarian Envoy on Aid in the Middle East, Abdulaziz Arrukban, said that Saudi Arabia "stands ready and prepared to support people in need of humanitarian assistance on the basis of core humanitarian principles and regardless of nationality, race or religion" (Binder, Meier, Steets 2010).

The Kingdom's recently increasing communication about its humanitarian assistance can also be attributed to a new heightened sense of confidence and national pride in its growing regional and global economic influence. This especially follows the inclusion of Saudi Arabia in influential policy-making institutions such as the Group of 20 (G20) leading industrialized and emerging economies. Humanitarian assistance is an area where this self-perception and influence can be manifested and realized.

## 2.3 Preferred aid modalities

The nexus between public and private sources leads to a range of institutional mechanisms and priorities that Saudi Arabia uses to provide humanitarian assistance.

For official assistance, the government has preferred bilateral arrangements – at least until recently – for three reasons. First, the Kingdom traditionally emphasizes foreign policy notions of sovereignty and territorial integrity of nation states. To avoid any moves that could be seen as potential interference in a country's domestic affairs, Saudi Arabia often steers clear of multilateral mechanisms and stresses that the affected areas' sovereign governments should define aid requirements and needs. Second, dealing directly with governments strengthens bilateral ties between the Kingdom and the recipient country – an opportunity that would be diluted using multilateral channels.

Access to and familiarity with the recipient country also plays a role. Over the years, Saudi organizations – in particular the Saudi Red Crescent, a main agent of official relief efforts – have developed considerable geographic and cultural familiarity

in certain regions and experience dealing with local authorities. In Lebanon, the occupied Palestinian territories, Senegal, Sudan, Pakistan and Indonesia, aid is implemented using Saudi hardware and staff in coordination with the Saudi embassies and relevant local agencies in the affected country. This enables Saudi authorities to exercise more oversight over how funds are spent.

Finally, much of Saudi aid is provided in-kind. Cash-based donations seldom go to bilateral government-to-government assistance, with two notable exceptions being the floods in Yemen (\$100 million in 2008) and Cyclone Sidr in Bangladesh (\$100 million in 2007). On the other hand, most of the Kingdom's contributions to international humanitarian appeals by the United Nations are made in cash. In-kind donations, as will be discussed below, are usually delivered by Saudi aid organizations and purchased from local markets depending on availability.

## 3 The Saudi humanitarian aid structure: decision-makers, implementers, strengths and weaknesses

The Saudi humanitarian aid scene is fragmented and complex, which makes understanding its decision and operation structures more difficult. Still, two broad groups of actors shape humanitarian aid implementation in Saudi Arabia: those who help make aid decisions and those who implement them. The former includes the Royal leadership and powerful ministries like Interior, Finance, and Foreign Affairs. The latter includes organizations like Saudi Red Crescent (SRC), Saudi relief campaigns and committees, the Saudi Fund for Development and religious charities and non-governmental organizations. The distinction between decision-makers and implementers, however, is not clear because both are sometimes involved in each other's work. Below we describe these loose categories. The discussion also details the range of roles and activities these institutions engage in.

### 3.1 Decision-makers

The Saudi royal family is heavily involved in ordering and overseeing humanitarian assistance. At the center of decision-making is the Royal Court, the Office of King Abdullah, the highest authority in making or initiating major donations by the government or public relief campaigns. The Saudi Red Crescent, a member of the International Red Cross and Red Crescent movement and the main institution for delivering assistance, is headed by Prince Faysal bin Abdulla. Saudi public relief campaigns and committees are under the supervision of Prince Nayef, the Minister of Interior and Deputy Premier. Prince Saud Al Faisal heads the Ministry of Foreign Affairs, which advises the Royal leadership on where and how to deliver humanitarian aid. Most of the private foundations that have a strong presence outside of Saudi Arabia were established by royal decrees for members of the Royal family such as the Prince Sultan Bin Abdelaziz Foundation and Alwaleed Bin Talal Foundation.

#### The Royal Court and the Ministry of External Affairs

The Royal Court is the equivalent of a presidential office. Both the head of the Royal Court and his deputy hold the rank of minister. The Royal Court has advisors who follow major events and media reports, assessing world politics and suggesting actions to the King. Several foreign affairs advisors in the Royal Court are specifically assigned to matters relating to humanitarian assistance. The current Saudi Ambassador in Washington, Adel Al Jubeir, previously held this position.

Advice and proposals for taking action also emanate from the Foreign Affairs Ministry, which Prince Saud Al Faisal heads. Saudi ambassadors around the world raise urgent humanitarian needs to the attention of the King and the Royal Office via the Foreign Affairs Ministry, as for example during the Somali refugee crisis in Kenya, a country not usually on the radar of Saudi foreign policy. The ministry also often coordinates bilateral aid implementation with the country's embassies around the world. Saudi ambassadors serve as "the government's credible sensors and assessors of emerging needs in affected countries and make recommendations to the Ministry of Foreign Affairs and the Saudi Royal Court," said a former official at the United Nations.

### **The Ministry of Interior**

In the last ten years, the Ministry of Interior, headed by Prince Nayef, has played a major role as the "gate-keeper" for humanitarian assistance, organizing and supervising aid that goes outside the Kingdom. After September 11, 2001, the ministry imposed strict reporting rules on all Saudi humanitarian organizations operating abroad. Rules related to the banking activities of charitable organizations in Saudi Arabia were first adopted in 2003 and updated in December 2008. In 2005, the government of Saudi Arabia established the Saudi Financial Investigation Unit (FIU), a part of the Ministry of Interior. The Saudi FIU receives and monitors aid transaction reports on who gives donations, where they go, who delivers them and how and to whom. However, the FIU does not maintain a permanent registry of transactions, since the main goal is monitoring financial transaction as opposed to tracking humanitarian aid. As of July 2009, the Saudi government has not approved any direct transfer of funds from Saudi charities to charitable activities outside Saudi Arabia (US GAO 2009: 35). Instead, such contributions now have to go through closely monitored public committees or the Red Crescent Society. In 2003 Saudi Arabia established a National Commission for Relief and Charity Work Abroad. As of this writing, however, the Commission was still not fully operational (US GAO 2009: 3).

The measures adopted by Saudi Arabia seem to have created disincentives for private giving. Many private humanitarian funding sources have dried up as affluent individuals and firms hesitate to give, fearing charges of supporting groups or causes that can be linked to terrorism and Islamic fundamentalism (Kroessin 2007; Barasi 2005). This has also caused resentment among some Muslims who "felt deprived and persecuted for fulfilling their religious obligations of giving while their counterparts from other faiths are free to give as they wish", as one official at a major non-government humanitarian aid agency put it.

### **The Ministry of Finance**

The Ministry of Finance is responsible for implementing humanitarian assistance decisions authorized by the royal leadership. The Ministry allocates funds to

the budgets of regional and international organizations like the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) and the Saudi Red Crescent (SRC). Apart from financial transactions, the Ministry also organizes the delivery of in-kind relief to affected countries by coordinating with other relevant ministries like Health and Social Affairs. The Ministry used to have its own storages for certain kinds of relief materials (e.g., tents). Recently, however, it has started to rely on the Saudi Red Crescent for delivery of in-kind aid, recognizing that humanitarian aid is a specialized function in which the Ministry does not have much capacity.

## 3.2 Fundraising mechanisms and implementing institutions

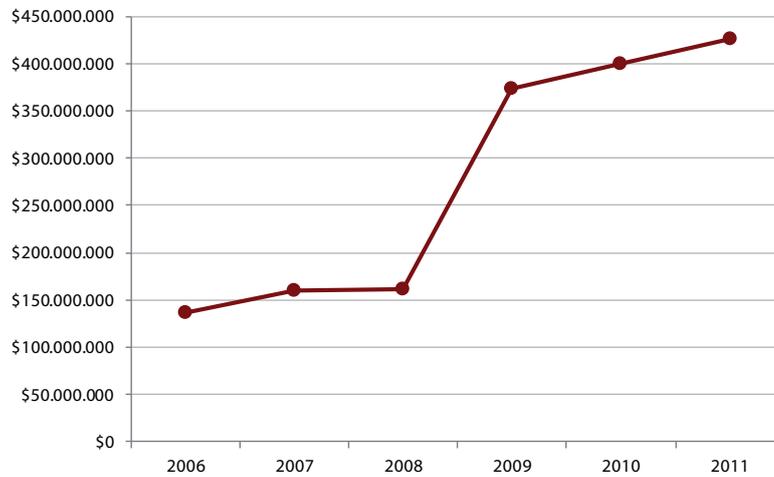
A multitude of institutions – governmental, semi-governmental, and non-governmental – implement Saudi aid with little coordination among them.<sup>5</sup> The Saudi Development Fund or the Saudi Red Crescent Authority are considered government actors. Semi-government mechanisms include Saudi public relief campaigns, initiated by the Royal leadership and supervised by the Ministry of Interior, raise funds from the Saudi public and implement aid. Finally, organizations like the International Islamic Relief Organization (IIROSA), the World Association of Muslim Youth (WAMY) and other charities represent the diverse non-governmental sector in the Kingdom.

### The Saudi Red Crescent Authority

The Saudi Red Crescent Society (SRC), founded in 1963 and part of the international movement of the Red Cross and Red Crescent, is the primary and probably the most professional organization through which the Saudi government implements its humanitarian assistance. The SRC has a particularly strong relationship with the government – especially when compared with Red Cross and Red Crescent societies in other countries – and is even considered a government agency. Since 2006, its president is Faysal Bin Abdullah, one of King Abdullah's sons, who holds the rank of Minister. Government funds and private contributions finance the organization's budget. The official contributions to the organization (for operations in Saudi Arabia and abroad) rose from \$373 million in 2009 to \$433 million in 2010 (Saudi Embassy in Washington, 2010a and Saudi Gazette 2010). Operations abroad account for most of the increase. Although the SRC's priority is domestic healthcare including the welfare of pilgrims on Hajj, the organization's humanitarian aid operations in countries like Sudan, Pakistan and countries affected by the 2005 Indian Ocean tsunami has expanded in recent years.

<sup>5</sup> Except for the oversight by the Ministry of Interior described in 3.1., there is no framework for interaction between governmental and non-governmental actors.

### Illustration 3: Saudi budget allocations to the Red Crescent Authority for operations in Saudi Arabia and abroad



Source: Saudi Ministry of Finance, 2011

### Saudi Public Campaigns and Relief Committees

A Saudi public campaign is a nationwide fundraising instrument that mobilizes domestic opinion around a popular cause and raises funds from private sources. A campaign lasts from several days to weeks or even months. The role of the Royal Court is critical as no public campaign can be organized without a political decision and official announcement – a practice tightly followed after 9/11. The King generally authorizes the campaign and orders the establishment of a relief committee to run it, under supervision of the Ministry of Interior. Governors of all regions in Saudi Arabia set up subcommittees to collect donations from citizens and local businesses. As of 2010, the total value of aid generated by Saudi public relief committees and campaigns exceeded \$388 million.

#### SAUDI PUBLIC CAMPAIGNS CONTRIBUTIONS BY RECIPIENT COUNTRY AND AMOUNT

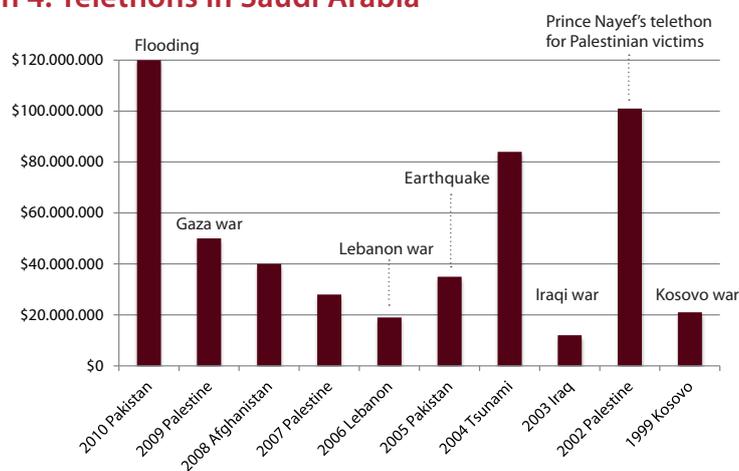
Saudi Relief Committee for Palestinians	\$217 Million
The Saudi Charity Campaign for the Relief of East Asian Earthquake & Tidal Waves Stricken Victims in Indonesia and Sri Lanka	\$86 Million
The Saudi Public Campaign for Lebanese People Relief	\$20 Million
Gaza	\$44 Million
Saudi Relief Committee for Pakistan	\$120 Million

Source: From various articles from the Saudi Press

Saudi Public Campaigns represent a distinctive form of resource mobilization as they are “semi-public, semi-private, joint-up mechanisms,” a pattern non-existent in the Western world where governments do not mobilize private donations from average citizens and businesses. They are “true and unique representations of the centrality of charitable giving in the Saudi culture”, said a Saudi humanitarian aid expert. Because resources generated through public campaigns come from private citizens in the Kingdom who want to give to countries with strong cultural or religious ties, public campaigns are usually established only for nearby Arab or Muslim communities in countries like Palestine, Lebanon, Pakistan, and Yemen. Disasters in those countries get more attention in the Saudi media, which additionally influences donor behavior.

A public campaign usually starts with a TV telethon to which the King and several senior princes make a personal donation. Once the fundraising phase is completed, the committee that manages the campaign also engages in aid implementation. Resources generated by public campaigns are spent to buy relief goods (food, medical equipment, temporary shelters, tents etc.) or financial assistance for affected families. They can, however, also take the form of longer-term assistance (e.g. reconstruction of hospitals, mosques or water plants) or scholarships for students. Depending on the urgency, proximity, and familiarity with the affected country, aid is either channeled through the Saudi Red Crescent, bilaterally or through an international organization embedded locally such as UNRWA in the Palestinian Territories. Some of the contributions flow as direct funding to local Red Cross/Crescent Societies in affected countries. The tendency to opt for direct delivery reflects a desire to keep administrative costs low while ensuring that the relief is recognized by the recipients as coming from the Saudi people. As one of the campaigns’ officials stated, “the mechanisms are lean and unstructured and done by unofficial staff and passionate street volunteers to avoid bureaucratic red tape and high administrative costs. We are also obliged to express the wishes of the Saudi people to have their aid delivered to the intended people.”

#### Illustration 4: Telethons in Saudi Arabia



Source: Robyns, de Geoffroy (2009), updated with press reports

## Royal Foundations

In addition to donations collected by Saudi public campaigns, some members of the Royal Family have their own charity organizations. Those active abroad include the Alwaleed Bin Talal Foundation and the Prince Sultan Bin Abdelaziz Foundation. Both provide humanitarian assistance, although little is known about their activities and priorities.

The Alwaleed Bin Talal Foundation's annual budget for humanitarian and development aid totaled \$100 million in 2010. Its activities cover a large geographic area from African countries (Guinée-Bissau, Kenya, Gambia, Senegal) and the MENA region (Tunisia, Morocco, Egypt, Syria, Lebanon) to Asia (Cambodia, Bangladesh, Indian Ocean rim). The foundation provides direct bilateral contributions to targeted communities in these countries and channels additional funds through the United Nations (WFP), NGOs (Oxfam) and other foundations (e.g. the Carter Foundation). Princess Ameerah Al Taweel received the Special Humanitarian Award on behalf of the Alwaleed Bin Talal Foundation during the Arabian Business Achievement Ceremony in Dubai in November 2010 (Arabian Business 2010). At this occasion, she stated that the Bin Talal Foundation's mission was to "contribute irrespective of religion, nationality or ethnic origin."

The Sultan Bin Abdulaziz Al-Saud Foundation, a charity with an independent legal status, was established by royal decree in 1995. Its namesake is the Saudi Crown Prince and Defense Minister. According to its website, its vision is "to become a leading charity organization and effectively participate in serving the community from a humanitarian side in such a manner that deserves the name of the Founder and Guardian of this Organization." Humanitarian assistance projects include a medical center in Pakistan.

In 2010, Prince Khaled bin Abdullah bin Abdelaziz Al-Saud announced the creation of the King Abdullah International Foundation for Charity and Humanitarian Deeds. Prince Khaled, one of the sons of King Abdullah and the new Deputy President of the Foundation's board of trustees, said its goals include the provision of relief services and aid (Saudi Embassy in D.C. 2010). The Foundation supports various activities in multiple sectors "to promote religious education, education, public health, and humanitarian resources around the world" (KSU News 2010). This lack of specialization and focus is a common feature of many Saudi aid organizations.

## The International Islamic Relief Organization (IIROSA)

The International Islamic Relief Organization (IIROSA) is the most prominent non-governmental charity in Saudi Arabia. It was founded by the Saudi-based Muslim World League in 1979 and implements a range of relief, health care, educational, economic and social development projects outside the Kingdom, mostly in Islamic countries.

Post-9/11 regulations have had a major effect on the organization. IIROSA is still blacklisted on the UN Security Council's list of organizations suspected of supporting terrorism. At the same time, ironically, the organization also implements projects for UNHCR, UNRWA and WHO and has consultative status at the United Nations Economic and Social Council (ECOSOC). IIROSA is actively seeking to broaden and deepen cooperation with other international organizations as part of a new strategy to improve IIROSA's international image.

## The Saudi Fund for Development

The Saudi Fund for Development (SDF), established in 1974, is equivalent to a ministry of development and cooperation for Western donors. It focuses mainly on development activities (infrastructure accounting for 60% of lending), but the Saudi government is increasingly tasking the Fund to implement disaster relief projects and negotiate cash contributions to United Nations organizations. This is part of a trend to entrust humanitarian activities to those organizations that the Saudi government considers more competent and sophisticated to handle the complexities of international work (GHA, 2010).

### **The 2010 Pakistan Floods**

#### **An illustration of the public-private nature of Saudi giving**

The Saudi response following the 2010 floods in Pakistan exemplifies the Kingdom's unique mixture of private and public funding mechanisms.

Saudi Arabia responded vigorously to the floods in Pakistan, as humanitarian values of solidarity and humanity converged with strategic interests. Pakistan is a strategic ally of Saudi Arabia and preserving stability in the country is crucial. In addition, the Pakistani community in Saudi Arabia is estimated at 1 million people. With expectations therefore both inside and outside the Kingdom high, Saudi Arabia activated all possible aid channels.

On 17 August 2010, King Abdullah launched the Saudi campaign for Pakistan that would be named after him, and set up a Relief Committee for Pakistan headed by Prince Turki, in charge of civil defense. The top three political figures of Saudi Arabia, namely King Abdullah, Prince Sultan (Crown Prince, First Deputy Prime Minister, and Defense Minister) and Prince Nayef (Second Vice-Deputy Prime Minister and Interior Minister) started the campaign

by donating \$5.3 million (SR20 million), \$2.66 million (SR10 million), and \$1.33 million (SR5 million) respectively (Al Riyadh 2010). All 13 regional governors in Saudi Arabia were instructed to set up subsidiary committees to collect donations and encourage businessmen and citizens to participate actively. A campaign named after King Abdullah provides a strong incentive to give. It was highly publicized, and a number of Pakistani figures publicly praised Saudi Arabia's generosity and commitment. In the Saudi press, articles highlighted the importance of the Saudi donations and depicted the Kingdom as the "avant garde" of the humanitarian donors (Arab News 2010). Within days, the campaign collected more than \$120 million.

In addition to the campaign donations, official government contributions amounted to several hundred million dollars. The Saudi Royal Air Force delivered \$100 million of direct relief supplies via airlift to Islamabad. The Saudi Ministry of Finance recently transferred about \$270 million to the Saudi Development Fund, half of which is apparently going to be spent on humanitarian aid and recovery activities in Pakistan, according to interviewees.

The floods also prompted the Saudi government to move forward an earlier \$100 million pledge for humanitarian aid to UN organizations in Pakistan that Riyadh had made before the disaster (Arab News 2010). The Saudi Development Fund is responsible for negotiating the details of these cash contributions with individual agencies. It is the first instance where the Saudi government mandated the SDF to negotiate such a large contribution with UN organizations. The SDF signed a series of memorandums of understanding with different UN organizations and UN OCHA, signed between June and October 2010. On 22 June 2010, the World Refugee Day, the Saudi Fund for Development pledged \$23.3 million to UNHCR. As of mid-December 2010, agreements had yet to be reached with the FAO and UNDP and the \$1M originally pledged for OCHA's operations in the field had yet to be disbursed. Two reasons explain why the UN has not been able to sign the agreement text proposed by Saudi Arabia. First, the agreement included requirements which needed the UN Controller's approval, and second, an OCHA project, related mainly to coordination was not "tangible" enough for the Saudi side. Whether or not the negotiations

will continue depends largely on whether the Fund's requirements for greater transparency, efficiency, and accountability are met. The SDF sent a delegation to Islamabad that examined the projects and approved only those which were clearly beneficiary-related (i.e. WFP, UNICEF, UNHCR with tents, blankets, food etc), while OCHA, IOM and Habitat, whose projects were considered more of an "enabling environment" type, were left to be negotiated at the capital level.

Taken together, these contributions from public and private Saudi sources amount to approximately \$500 million, thus exceeding many individual Western donor commitments. In the words of one analyst, "at a time when the international community is being criticized for failing to respond quickly enough, Saudi Arabia's aid could prove vital." (Global Humanitarian Assistance, 2010).

### 3.3 Shortcomings of the Saudi humanitarian system

Saudi Arabia reveals a puzzling dilemma of a powerful donor in both commitment and financial resources that does not have sufficient human and administrative capabilities to deliver aid in a coherent manner. It lacks an efficient and effective system to coordinate its immense humanitarian activities, assess their impact, and position and communicate them strategically to further the country's international standing. This is in large part due to three challenges.

#### A fragmented system

The Saudi humanitarian aid implementation system is inherently fragmented and incoherent. There is a high level of duplication and overlap as multiple organizations work in the same location and deliver the same goods without knowing what others do. A Saudi expert in humanitarian activities explained:

"The organizations often deliver the same relief as little coordination and specialization exists... There is no well-functioning central agency to coordinate humanitarian efforts and supervise implementation. The Red Crescent can play that role given its permanent status and long experience in the field and its membership in the International Federation of the Red Cross and Crescent Societies. Another alternative would be to establish a new organization as an umbrella for all humanitarian assistance efforts."

The situation is better for development cooperation, where some level of coordination and evaluation exists due to the Saudi Development Fund's central role. Even here, though, different assistance institutions tend to compete and work alone to protect their achievements from being watered down and lumped into unrecognized collective action.

### **Lack of professionalization**

A major weakness of the Saudi humanitarian aid structure is the lack of professional and permanent staff. Saudi Arabia has not managed to develop the needed capacities as its humanitarian assistance activities exploded in recent years. The Kingdom's institutions often find it hard to deal with the complex international humanitarian system and its organizations. Some personnel lack the confidence, language skills, and professional attitudes to operate and collaborate globally. Poor professionalization can be attributed to the lack of well-established policy frameworks, limited exposure of staff, poor training, unattractive salaries and an unclear career path. This explains the reliance on volunteers or part-timers to implement aid, especially in public relief campaigns and non-governmental organizations.

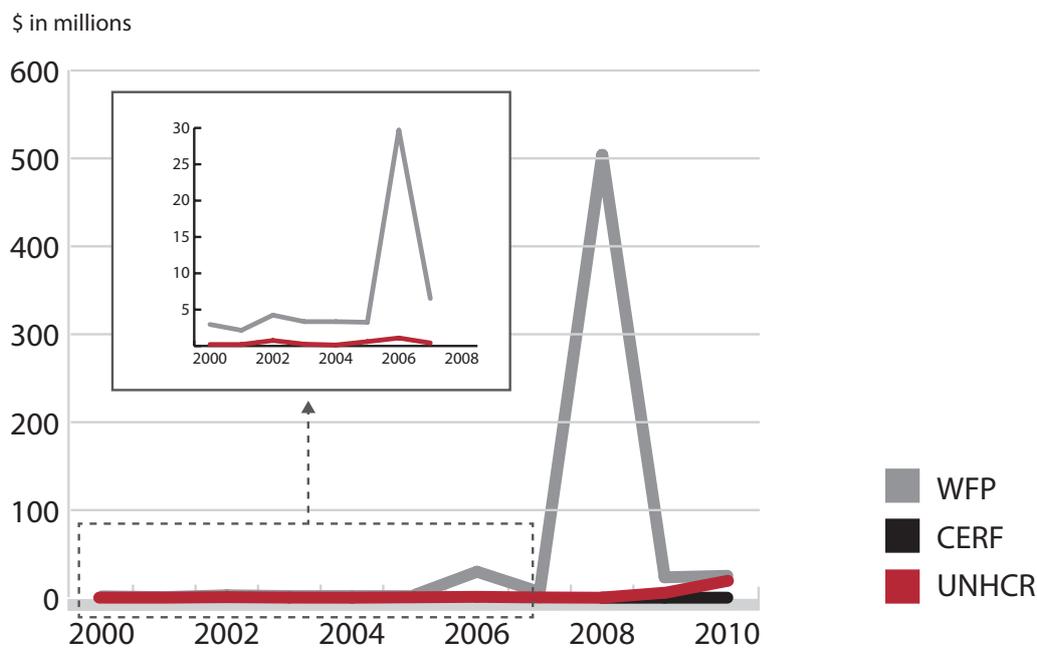
### **Accountability and reporting mechanisms**

The Saudi system lacks a mechanism to assess the effects of its humanitarian assistance, or even simply keep track of all the contributions. According to one former UN official, "since the 1970s, the Kingdom spent over US \$90 billion in humanitarian aid in more than 80 countries with little records or disclosure." Until recently, many Saudi humanitarian organizations failed to understand the potential of showcasing humanitarian aid for their international reputation. This was mainly due to the Saudi tradition of discretion and modesty about giving as well as a lack of available data on actual contributions. As a former UN official put it, the Saudis "do little to assess the impact of humanitarian assistance on them and on recipients."

## 4 Saudi Arabia and the international humanitarian system

Although Saudi Arabia delivers most of its aid through bilateral channels, it also makes substantial multilateral contributions. The Kingdom is one of the largest donors to the UN Relief and Works Agency for Palestine Refugees (UNRWA) and provided \$500 million in cash to the World Food Program in 2008, the biggest contribution in the Program's history. Saudi Arabia's \$50 million to the UN Emergency Response Fund in Haiti, discussed below, and its aforementioned pledges to several United Nations organizations in Pakistan are two more examples of the Kingdom's commitment to multilateral assistance.

**Illustration 5: Saudi donations to UNHCR, CERF and WFP (2000-2010)**



Source: authors, based on FTS data

Contrary to what Saudi Arabia's large contributions suggest, a great deal of ambiguity and mutual misunderstandings impair confidence, cooperation and coordination with the international humanitarian system. Interviews and literature reveal conflicting perceptions and assessments of aid policy from both domestic players within Saudi Arabia and those working in the international arena. If the international humanitarian system wants to keep and expand engagement with the Kingdom, it needs to better understand the perspectives held within Saudi Arabia.

One factor explaining Saudi Arabia's preference for directly implementing its humanitarian aid is a perceived lack of oversight over multilateral contributions

(c.f. box on Pakistan on p. 17). UN organizations are seen as reluctant to respond to the accountability demands put forward by Saudi funding agencies.<sup>6</sup> “ Saudis prefer much oversight and feedback and dislike being seen as a milking cow that is forgotten after they give aid,” one Saudi observer said.

Many Saudi interviewees described United Nations aid institutions as political and bureaucratic organizations that “receive much but deliver little.” Another widely held attitude is that “the priority of international organizations is to sustain themselves as organizational survival and continuity is a major characteristic of its bureaucracy.” The cost of channeling money through these organizations is perceived as high. Some Saudi policy makers resent that most of the funds go to staff costs and consultants who are mostly from Western countries. “Local staff hardly gets anything from these funds compared to expensive Western workers depriving the local community of much needed employment opportunities. The UN is seen as unnecessary middleman”, stated a Saudi observer of charitable and humanitarian efforts. Also, the value of expenditures for humanitarian coordination – which can actually reduce overall costs – is not recognized. High administrative costs are a major concern especially for faith-based charities as religious rulings stipulate that administrative costs should not exceed 18%. Saudi organizations that receive zakat and charitable donations say they keep transaction costs low by avoiding multilateral channels and going directly to the affected area.

A related view is that the DAC donor countries dominate the humanitarian system and influence its standards and norms. As a result, other providers of humanitarian assistance “have been isolated in one way or another from the system and its process of humanitarian standardization and integration” (GHA Report 2010: 43). This creates a feeling that emerging donors are expected to play by the existing rules and that the humanitarian system and its organs are “arrogant and unwilling to engage on an equal footing.”

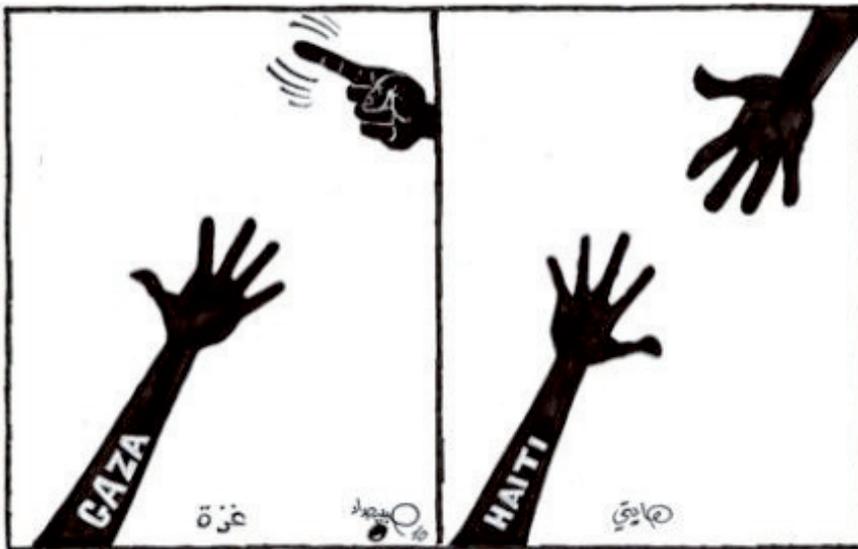
There is also wide public concern over what many see as the international system’s double standards, a resentment stemming largely from tight controls and perceptions following 9/11. The statement of one senior NGO official illustrates this view: “When Saudi charities give to Muslim communities like Gaza or Sudan, they are suspected of funding terrorism. When Western donors give to similar crises, they are given the benefit of the doubt. Muslim charities are also closely monitored and in some cases hindered, while other faith-based charities are free to operate anywhere in the world and often even provided with support and protection.”

As a result, religious symbols and attitudes often become a determining factor. For example, although professional circles in the Kingdom view the International Committee of the Red Cross (ICRC) as one of the most professional and reliable

<sup>6</sup> Saudi accountability demands require clear documentation of concrete steps including: thorough needs assessment by both recipient and donor, number of beneficiaries, what is provided by whom, and how and where the donations will be publicized.

humanitarian organizations, the Kingdom cannot provide funds directly to the ICRC or national Red Cross societies because the Saudi public associates the cross in the logo negatively with Christianity. The Kingdom evades this problem partly by channeling funds to Red Cross societies through the Saudi Red Crescent or multilateral programs.

The case of Gaza illustrates the problem of perceptions. When the international media and governments around the world rushed into Haiti after that country's earthquake disaster, the Saudi press used the event to contrast the international community's responses to human suffering in Haiti and Gaza. A caricature in the 18 January 2010 edition of *Al-Hayat*, a widely read Arab international newspaper, expressed a perception widespread in the Arab world:



## 5 Explaining aid motives

A diverse set of values, norms, circumstances, and interests influence Saudi Arabia's decisions on scope and distribution of humanitarian aid. The extent and relevance of these considerations vary from one crisis to another and from one recipient country to another. To understand the way Saudi Arabia decides on humanitarian aid, we need to examine some of these considerations.

### Humanitarian Principles

Like many Western donors, the Saudi government and Saudi citizens reason that their humanitarian aid is decided on the basis of need regardless of who the recipients are. But in some international circles, there is a perception that Saudi Arabia decides what countries to help solely according to cultural and religious considerations. Although the majority of Saudi aid goes to Muslim or Arab countries, Saudis increasingly reject the claim that their aid is solely driven by religion or strategy, arguing that Muslim countries are also those where needs from international humanitarian crises are highest. Data on recent global trends in DAC and non-DAC donor humanitarian aid contributions supports this argument. In 2008 and 2009, six of the top ten recipients of DAC donor humanitarian assistance were in Islamic or Middle Eastern countries – Sudan, Afghanistan, the occupied Palestinian territories, Iraq, Lebanon, Indonesia (GHA Report, 2010). In the same period, Islamic or Arab countries received the biggest share of humanitarian aid from non-DAC donors, of which Saudi Arabia is the top donor with 51% (GHA Report, 2010).

Saudi overseas development assistance activities are spread more widely than its humanitarian aid. Most Saudi development aid goes to poor countries not necessarily part of the Arab or Islamic world, including Cameroon, Gambia, Malawi, Niger, Nepal, Jamaica, Burkina Faso, Sri Lanka, and Kenya. The Saudi Fund for Development charter explicitly requires the institution to decide on the basis of needs, rather than other considerations (SFD Annual Report 2010).

### Charitable giving as *zakat* and *sadaqa*

Underlying religious and cultural norms influence how states and citizens give charitably. The principle of charitable giving is firmly enshrined in Islam, which emphasizes humanitarianism in various forms such as *zakat* and *sadaqa*. *Zakat* is one of the religion's Five Pillars and a requirement for all believers. *Sadaqa* means “to give away and realize ones' faith by action” and is strongly encouraged by the Prophet Muhammad's sayings such as “charity is due upon a person on every day that the sun rises” (Kroessin, 2007).

While sadaqa is a voluntary, non-fixed amount of charitable giving, usually for sudden unforeseen crisis, zakat is obligatory and represents a continuous activity where, every year, 2.5% of one's wealth should be given away to charity. This religious imperative has been a powerful motivator for charitable giving in Saudi Arabia. A major factor in making the Islamic world the recipient of zakat humanitarian assistance is the guidance that zakat ought to be based on solidarity with the poor and needy in Muslim and neighboring communities as a priority. This explains why most of the aid projects of non-government organizations like the IIROSA and semi-government relief campaigns, which receive zakat and sadaqa donations from private sources, is channeled to Islamic countries or faith-based causes.

## History and destiny to lead the Muslim world

Fulfilling and maintaining its role as the leader of the Islamic World is a key foreign policy priority of Saudi Arabia. The Kingdom hosts the two holy sites in Islam, Makkah and Madinah, and also headquarters the Organization of the Islamic Conference (OIC), the second largest inter-governmental organization after the United Nations. The OIC includes 57 Muslim states spread over four continents. This historical-cultural dimension also means that all members of Islamic faith place high expectations in the Kingdom. Saudi Arabia receives requests from Islamic countries not only in times of humanitarian disaster, but also for development needs such as building an airport in Senegal or roads in Yemen. The Kingdom responds to such demands not least to defend its status as leader of the Muslim world against other claimants, most importantly Iran.

## Soft power

Apart from religious and historical factors, Saudi Arabia's important and growing presence in the international arena as the world's largest producer of oil, the biggest economy in the Middle East and a member of the G20 often compels the Kingdom to engage in addressing world problems. Humanitarian aid is a key way for the country to assert and exercise its growing international influence, especially in areas outside the Muslim and Arab countries, for example Kenya, Nepal or Haiti.

After 9/11, the Kingdom has also seen humanitarian assistance as part of its new strategy and goal of promoting dialogue among religions and cultures. King Abdullah launched an "Initiative for Interfaith Dialogue" calling "leading faiths to defeat extremist viewpoints, find common cause and foster a spirit of peace" (Saudi Embassy in Washington, 2008).

### The Case of Haiti

Five days after the earthquake hit Haiti, many international media outlets criticized Saudi Arabia's belated response to the disaster. The Los Angeles Times, for example, pointed out that "contrary to Qatar, Iran or Jordan, Saudi Arabia could not resolve itself to give something to Haiti" (LA Times 2010). Saudi Arabia reacted fast and provided \$50 million to the United Nations Emergency Relief Fund for Haiti. There was no public campaign to raise money, as Haiti is not part of Saudi Arabia's various circles of influence (Muslim countries, Arab countries, strategic partners) and the Kingdom does not have strong bilateral relations with Haiti. However, Saudi Arabia is a close ally of the United States in a number of humanitarian crises (Afghanistan, Pakistan) and Washington had a strong interest in Haiti. This can explain the Saudi Ambassador in Washington's central role in alerting the Saudi Royal Court. In absence of bilateral relations between Saudi Arabia and Haiti, the easiest way for Saudi authorities to give was through the United Nations. Contributing to a pooled fund is not a practice Saudis are familiar with. The case illustrates the Kingdom's interest in showing to the world that it extends its humanitarian commitment beyond the Muslim or Arab world. The Saudi Ambassador to Washington, Adel Al Jubeir stressed on 27 January 2010 that "the Kingdom's contribution to alleviate the suffering of the people of Haiti is in accordance with its historical policy of helping those in need" (Saudi Embassy in Washington 2010).

## External and Internal Security

External security is another factor explaining Saudi aid. Saudi donations to the United Nations High Commissioner for Refugees (UNHCR), for instance, often correspond to regional crises that create influxes of refugees. Examples include the 1980s Iran-Iraq war and the Iraqi invasion of Kuwait in 1990 (Barasi 2005). The most striking contemporary example is Yemen, which currently receives large portions of its humanitarian aid from Saudi Arabia. At the 2006 Yemen donor conference, the London Consultative Group Meeting, the Gulf States – prominently Saudi Arabia – accounted for \$2.7 billion or 47 percent of the funding pledges. The assistance pledged is largely a response to the recent conflict between the Yemeni government and rebel groups in the Saada governorate in northern Yemen close to the Saudi border. Yemen is also facing a security challenge associated with the rising profile of Al Qaeda, which has expanded its activities there in recent months, targeting oil infrastructure and foreign interests (World Bank 2008).

Internal security and cohesion is another motivation for Saudi giving. A salient characteristic of Saudi Arabia's demography is the size of the expatriate population, estimated at 30% of the total. Most foreign workers come from low-income countries such as Bangladesh, India, Pakistan, the Philippines and Indonesia. They usually have families back home. For the Saudi authorities, participating in relief efforts in their countries of origin helps ease tensions that might exist with the expatriate population. Most foreign workers in Saudi Arabia are from countries affected by the 2004 Indian Ocean tsunami - Indian workers are estimated at 1.8 million; Indonesians at 1.2 million (Jakarta Post 2010); Bangladeshis at 200,000. These communities were a main reason for the Saudi campaigns to help those affected by the tsunami and the 2010 Pakistan floods.

## 6 How to achieve better cooperation: the way forward

*Saudi Arabia stands ready and prepared to support people in need of humanitarian assistance on the basis of core humanitarian principles and regardless of nationality, race or religion.*

Abdulaziz bin Mohamed Arrukban, United Nations Secretary-General's Special Humanitarian Envoy (OCHA 2010)

Saudi Arabia's recent rise as an important player in international humanitarian assistance is firmly established today. Its humanitarian aid is an important element of addressing the world's pressing humanitarian needs and a formidable source of soft power for the Kingdom - a means of asserting itself as a key global economic and political player. Still, the lack of a coherent and well-articulated humanitarian aid policy rather detracts from the country's status. This ambiguity and subsequent misperceptions prevent the Kingdom, and in many ways the world, from realizing and maximizing its humanitarian aid potential.

However, there are signs that Saudi Arabia is beginning to grasp its key role in international affairs and align itself closer with what is commonly known as the international humanitarian system. Saudi Arabia's vital role in the world food crisis (2008), Haiti (2010) and Pakistan (2010) can in part be seen as a new way to position the Kingdom in the existing international regime in a more principled, impartial manner. As one official of an international humanitarian organization pointed out, "The Saudis want to show that they support more than just Muslim countries. They have understood that they could gain international recognition in doing so. This is also to counter and change the perception by Western donors that Saudi Arabia is mostly involved with Muslim countries."

All players in the international humanitarian system, Saudi Arabia included, can further enhance cooperation by considering several steps.

### **Multilateral organizations could weigh the following:**

- Engaging Saudis as an equal partner. Approaching Saudi Arabia only for money will not serve to build and sustain mutual trust and cooperation. Multilateral organizations should give Saudi Arabia a better say regarding political issues. This also entails a stronger engagement with Saudi advisors, princes, ambassadors, businessmen, and key relief organizations and charities including religion-based ones to foster a better understanding of the organizations' goals and approaches to international humanitarian assistance.

- Increasing the number of Saudi nationals working in the international development and humanitarian system. Saudi nationals continue to be significantly under-represented in most international organizations and NGOs in spite of the Kingdom's major contributions to these organizations. Raising the number of Saudi staff would not only reduce misconceptions but also help improve credible cooperative relations between the Kingdom and multilateral organizations. It would also enable Saudi Arabia to strengthen its local institutional and human capacities through the transfer of knowledge and professionalism, currently a weakness of the Saudi humanitarian system.
- Establishing a permanent presence of international humanitarian and development institutions in Saudi Arabia. Interviews with Saudis reveal some degree of discomfort and dissatisfaction toward regional offices or conferences of international organizations being located in smaller Gulf states but not in Saudi Arabia. "The United Nations and the World Bank are located in the U.S. because it is the most influential player and funder of these organizations. Saudi Arabia is one of the top players in humanitarian aid and development assistance. It should be treated as such and global organizations should have a presence here", said one expert interviewed. Saudis seem more willing to cooperate with organizations present in Saudi Arabia, such as WFP (which received \$500 million in 2008, the largest donation in its history) and UNICEF.
- Exchanging and sharing best practices and experiences with Saudi Arabia. Saudi Arabia has many lessons to offer in the field of mass management and logistics issues through decades of experience managing the human influx of the Hajj pilgrimage, for instance.
- Addressing the perceived transaction and administrative costs by increasing transparency of allocations in pooled funding mechanisms and speeding up disbursements to recipients. Saudi decision-makers still believe bilateral transactions yield better results. Multilateral organizations should be more transparent about pooled funding mechanisms and show Saudi decision-makers that some transaction costs, for example for coordination, are necessary to make the system more effective by reducing duplication.
- Reinvent a new credible system of donor cooperation that takes into account the views and orientations of emerging economies and donors. This would address the growing concern about the international system being wholly influenced and dominated by traditional donors.

### Western donors can look at the following steps:

- Launching an informed and rational debate about the Muslim charity sector, as Islamic NGOs and charities should be seen as partners. There are 962 charities in Saudi Arabia, about 18 of which operate internationally. Engaging rather

than excluding them from the mainstream humanitarian system would be an important step toward building trust and continued aid giving and cooperation in aid delivery (Kroessin, 2007). In the ODI Humanitarian Exchange magazine, Kroessin argues that “the terrorist threat is real, yet Islamic charities are not guilty by default. Nonetheless, both the lack of support for Islamic charities to help them address their shortcomings in transparency and accountability and the rhetoric about their funding for terrorism continues – apart from a small number of notable exceptions. Their vilification must end, and they must be helped to better engage with the mainstream humanitarian community, since their contribution to relief and development is considerable. Any further fallout from the ill-directed ‘War on Terror’ will only make the problem more deep-rooted, whilst the victims of today’s greatest evil, poverty, remain unaided” (Kroessin 2007).

- Revise perceptions of the nature and motives of Saudi humanitarian aid. Although Saudi Arabia has moral obligations to help Islamic communities given its leading position in the Islamic world, its humanitarian activities have been extended to include all affected countries and regions, a reflection of a strategic commitment to humanitarian principles. This may not necessarily apply to faith-based organizations that receive donations from private citizens and firms who usually give on the understanding that assistance will go to humanitarian causes in Islamic communities, but is clearly a priority of the Saudi government.
- Giving Saudi Arabia the visibility and recognition it deserves in international media and conferences. This will also help Saudi efforts to mitigate the negative impacts on its international image, especially in the aftermath of 9/11. Maximizing visibility, however, should be balanced with preserving modesty.

**Saudi Arabia should evaluate and fix its aid architecture. The following measures are recommended:**

- Articulating a clear and comprehensive policy for humanitarian assistance and improve its policy-making process and evaluation in the relevant ministries and agencies. A better system for collecting, analyzing and reporting data is necessary.
- Enhancing cooperation and coordination with international multilateral organizations. This should include an open dialogue of conflicting or false perceptions from all sides. Saudi Arabia needs cooperation to ascertain its growing international standing.
- Formalizing and strengthening the role of the National Commission for Relief and Charity Work Abroad which may take over all aspects of private aid operations. The Saudi Ministry of Information announced its establishment in 2004, but the commission has yet to become fully operational and there

are still no precise details about how it will function. Other Gulf states have recognized the need for such bodies - the United Arab Emirates established an Aid Coordination Office in 2009. Qatar began restructuring its humanitarian aid bureaucracy by setting up the Qatar Authority for Charitable Activities in 2008.

- Building a more sophisticated and professional humanitarian aid bureaucracy. Saudi Arabia can no longer afford to make large contributions without proper institutional infrastructure and qualified staff. In addition, jobs in the humanitarian system should be permanent and attractive to locals with the right attitudes and commitment to humanitarian principles. Other Gulf countries like Qatar and the United Arab Emirates recently moved in this direction by providing comprehensive training on various skills needed to operate in the international level including crisis and disaster management as well as skills in communicating with international media.
- Building a better public relations and media apparatus to communicate effectively at the international level, as other Gulf countries do.

These measures can further develop and strengthen the humanitarian aid architecture of Saudi Arabia and provide new opportunities for multilateral cooperation in the future.

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