

Between caution and controversy: lessons from the Gulf Arab states as (re-)emerging donors

Bessma Momani and Crystal A Ennis

University of Waterloo & the Balsillie School of International Affairs

Abstract *The history of Gulf donorship, its trajectory and underlying motivations, continues to be an understudied aspect of foreign aid. While the Gulf Arab states are not new donors, their manner of regional coordination, branding, and aid management are distinct. Often helping fellow countries of the South, particularly Arab and Muslim countries, these countries have moved towards stronger private sector involvement and into social spending programmes. Owing to their oil wealth, Gulf Arab states' are increasingly generous and yet they are also cautious after 9/11 about how and by whom their aid is channelled. Nevertheless, with oscillations in oil prices, continued controversy over rising Islamism post-Arab-Spring, the future of Gulf aid remains a valuable subject of study.*

Introduction

It has become fashionable of late to refer to the Gulf Arab states as part of a group of 'emerging' or 'non-DAC [Development Assistance Committee]' donors (Manning 2006; Kragelund 2008). Whether the classification of the Gulf Arab states as members of a rising donors group is accurate remains debatable. Having been donors since the first oil boom, the Gulf Arab states—Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and the United Arab Emirates (UAE), all members of the Gulf Cooperation Council (GCC)—have arguably re-emerged on the development aid scene.¹ Their combined experiences over the last 40 years, coupled with their contemporary reassertion in global affairs, may provide some lessons to other rising donors, specifically Brazil, India and China (the BICs). It could be argued, in fact, that the Gulf Arab states' recent development assistance has strengthened their global role whilst contributing to the shift of political and economic power away from the West towards the East and South. In this article, we assess the nature of the GCC states as 'Southern' aid donors in light of the heightened global attention towards emerging economies like the BICs.

In framing this discussion, we are mindful of the similarities and differences between the GCC states and other rising donors. First, like the BICs (Brazil, India,

¹ This article specifically looks at the six member states of the GCC: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. We use the terms 'Gulf Arab', 'GCC' and 'Gulf' in reference to this subregion of the greater MENA region. Although we acknowledge that Iran and Iraq are part of the geographic Gulf region, we are specifically examining the Gulf states that currently retain membership in the GCC.

and China), the Gulf Arab countries have an established history of being active donors in the South. Though the term 'emerging donors' suggests otherwise, the Gulf Arab states and the BICs are neither 'recently arrived' nor 'newly emergent' foreign aid providers. Second, unique to the Gulf, changes in levels of Gulf aid commitments have generally mirrored oil price trends. Aid contributions, therefore, dramatically declined in the 1980s and 1990s. The continuation of rising or declining aid levels corresponding to movements in energy and related commodity markets can be expected in the future. In contrast, the BICs' cycle of aid flows does not appear to be vulnerable to the vicissitudes of world energy markets. Third, the motivations and modes of assistance both groups provide to Southern countries have evolved in response to divergent global and regional pressures. Pressures that are unique to the Gulf donors include mounting Western suspicion of the sources and direction of Gulf, and particularly Muslim, aid. This has become especially significant in the post-9/11 world, with the concomitant negative association of Gulf money with extremism in the 'war on terror'. As well, an increase in domestic and intra-regional expenditure to respond to the unrest sweeping the region over 2011–2012 may arguably tighten GCC states' international aid purse further. It is, however, too early to assess the impact of the 'Arab Spring' on GCC aid practices. These pressures, combined with monetary constraints as a result of the recent financial crisis, have prompted the Gulf states to become more cautious donors. They have, furthermore, undertaken rebranding initiatives to both improve their international image and raise the profile of their aid in the international sphere.

This article is organized into three themes: the origins, mechanisms and lessons of Gulf aid. The first section discusses the history of Gulf donorship, its trajectory and underlying motivations. The second section focuses on regional donor coordination in the Gulf and draws lessons from Gulf aid management for the BICs. Third, and finally, the article explores the positive branding initiatives undertaken by the GCC states to enhance their donor reputations. This article ultimately argues that the Gulf Arab states are generous yet increasingly cautious re-emerging donors to the global South. As for other rising donors, there is a strong domestic and regional impetus to help fellow countries of the South. Despite this, Gulf governments need to consider world energy pricing and are restrained by a web of controversy and caution in the management, coordination and prevailing perceptions of their donations in the international community.

Development assistance in a shifting global landscape

'Official development assistance' (ODA) refers to grants, loans or technical assistance from a government sector or agency provided to developing countries and multilateral development organizations with the aim of promoting economic development. In cases where the assistance is a loan, a portion of the loan should involve at least a 25 per cent grant (Paul and Pistor 2009, 1). Some governments use the term 'international aid' in broader reference to any international assistance spending, including that allocated to national development agencies (Paul and Pistor 2009). In this article, we refer to foreign aid, development aid and development assistance in loose and interchangeable terms. A dearth of financial reporting, a lack of definitional coherence both inside and among the countries

under examination, and the difficulty of disentangling official government aid from personal donations from heads of state mean that relying on one rigid term and definition would restrict the analysis of aid stemming from the GCC region. We discuss these problems in more detail in the pages that follow. A recent paper by Debra Shushan and Christopher Marcoux arrived at similar conclusions. Their discussion of the opaqueness of Arab aid, which problematizes the lack of transparency and inconsistency in record-keeping, applies to Gulf Arab aid as well, a subset of the larger category (Shushan and Marcoux 2011).

As noted in the introduction, the (re-)emerging donors discussed in this special issue are a topic of growing interest in today's shifting geo-economic landscape. Particularly as we see the balance of global power being disaggregated away from the West, questions concerning the motives, ambitions and strategies of emerging economies recur. Development aid remains one of these particularly controversial issues. As Ngaire Woods noted several years ago, 'emerging economies are quietly beginning to change the rules of the game ... increasing their aid to poorer countries ... [and] giving aid on terms of their choosing' (Woods 2008, 1205). It is not only their lack of membership in the Organization for Economic Cooperation and Development's (OECD's) DAC that has induced fear in the 'Western' observer, but also that the generosity of these non-DAC donors (like the Gulf states and the BICs) threatens the influence of the DAC group. Several DAC members have raised concerns about a potential lack of commitment to environmental protection as well as disregard for global standards that would restrict aid to 'rogue states' (Woods 2008, 1206–1208; Naím 2007). One must ask, however, whether these concerns are valid or merely reflect the sense that the geo-economic balance of power is shifting away from primarily Western and neoliberal development models.

Global attention has been particularly focused on the BRICS since a Goldman Sachs report coined the term in 2001 (O'Neill 2001).² Yet since this time, and especially in the last several years, the Gulf Arab states have also been garnering significant global attention. Far beyond their partnership in the so-called 'war on terror' waged by the United States (US) after 9/11, the Gulf states' financial acumen, big sporting club purchases, Qatar's FIFA (The International Federation of Association Football) 2022 bid win and the (often questionable) role of these states in the revolutions of the Arab Spring have underlined the significance of analysis of this region. Still, little is known about the donorship practices of the GCC states. With some notable exceptions (Shushan and Marcoux, Neumayer, Villanger), few scholars have dealt with the region's role as an aid donor in the current shifting global order. This article contributes to this nascent body of literature on Gulf donors and, taken together with the illuminative chapters on the BRICs (Brazil, Russia, India and China) in this special issue, contributes to the larger debate on the role of 'emerging' or non-DAC donors.

Initiating a dialogue on re-emerging donors like the Gulf Arab states along with analysis of the BICs, also simultaneously new and old participants in the donor community, allows some cross-pollination of experiences and potentially mutually beneficial lessons. Just as the strategies that lend success to GCC donors may be insightful to the BICs, so too may those practices that have raised alarm

²The Goldman-Sachs acronym 'BRICs', of course, also includes Russia as a re-emerging economy.

and damaged reputations. As these emerging economies make waves in the international arena and interact more frequently with established norms and institutions, they may find it in their interest to adopt established normative practices. However, they may also find it in their interest to introduce new norms into the global political economy. Increasingly we are seeing bits of both in international diplomacy. Amitav Acharya has cautioned those who expect 'ideas and institutional-building models successful in one part of the world to be replicated elsewhere', noting that

[I]nstitutional change brought about by norm diffusion is likely to follow a progressive and evolutionary trajectory through the localization of international multilateral concepts, without overwhelming regional identity norms and processes. (Acharya 2004, 270)

Indeed, as the global order readjusts to what is arguably a transitional stage, emerging economies are likely to learn from each other's experiences in measuring the costs and benefits of adopting global, predominately Western, norms against the costs and benefits of pursuing new paths and agendas.

The origins of Gulf Arab states as donors

With the domestic nationalization of the oil industry during the 1960s, the Gulf Arab states rapidly gained a large amount of national wealth in a short period of time. The 1970s oil boom led to a dramatic increase in petrodollars, setting the stage for the Gulf to play a more decisive role in development cooperation. Along with other Organization of Petroleum Exporting Countries (OPEC), the Gulf Arab states were blamed for the escalation of balance-of-payments deficits and other economic woes of their Southern neighbours arising from the 1973 oil embargo. While OPEC surpluses in 1974–1976 were roughly US\$142 billion, developing country deficits reached around US\$80 billion. (Simmons 1981, 11–14) Gulf governments hoped that increases in foreign aid would serve the dual purpose of alleviating deficit concerns and mitigating criticism of the Arab world's confrontation with Israel (Simmons 1981). Mindful of how they were perceived by the international community, and specifically Southern states, the Gulf Arab countries started to channel funds carefully through bilateral agencies and multilateral institutions.

From the 1980s through the 1990s, Gulf Arab foreign aid declined as oil revenues decreased. For example, development aid as a percentage of gross national product (GNP) of the Gulf Arab states decreased from 12.48 per cent in 1973, at the height of the oil boom, to 5.94 per cent in 1978 and 2.38 per cent of GNP in 1985 (Nonneman 1988, 133). Moreover, beginning in the early 1990s the broader Gulf region underwent economic restructuring in response to declining state incomes and rising security expenses, including footing the bill of the 1991 Iraq–Kuwait war. This war encouraged many Gulf countries to become more isolationist and concerned about their internal security. As a consequence, Gulf foreign aid commitments remained low throughout the 1990s, even lower than in the 1980s (See Table 1).

Even as oil prices started to climb again in the late 1990s and early 2000s, Gulf states remained hesitant to increase their aid levels. This was especially true immediately after the events of 9/11, as the foreign aid of Gulf Arab states to countries like Pakistan and Taliban-controlled Afghanistan came under increased

Table 1. Gulf Arab foreign assistance (billions of US dollars)

1970–1974	1975–1979	1980–1984	1985–1989	1990–1994	1995–1999	2000–2004	2005–2008
1.5	6.4	6.5	3.1	2.6	1.3	3.0	3.1

Source: Adapted from MEEES (2009); amounts indicated are for the duration of the period noted.

scrutiny, especially from the West. A continued resurgence in oil prices beginning in the early 2000s and the desire of the Gulf states to counter the negative country and regional branding that resulted from 9/11 have, however, brought about cautious increases in Gulf aid contributions. Oil revenues soared during ‘the second oil boom’ of 2003–2008, as oil prices rose from US\$20/barrel in 2001 to US\$60/barrel in 2006 and to US\$140/barrel by mid-2008. Overall, this has translated into vastly improved economic indicators throughout the GCC. The GCC’s gross official reserves increased substantially from US\$53.5 billion in 2003 to US\$67.8 billion in 2005, leapt to US\$388.4 billion in 2007, and leapt again to an estimated US\$514.3 billion in 2008 (International Monetary Fund (IMF) 2008, 61). The surge in oil revenue has facilitated a corresponding rise in Gulf Arab foreign aid—although not quite back to the highest levels seen in 1975–1980. Hence, we would classify the GCC states as ‘re-emerging’ though still somewhat ‘cautious’ donors (see Table 1).

It should be noted, however, that the figures above are probably estimates, as hard data on the foreign aid contributions of the individual GCC countries are not reported publicly, and many of the GCC states do not regularly report the results of their tracking of aid funds. It is quite likely that the above data underestimate the total amounts of Gulf aid. For instance, the above data do not account for the contributions of Gulf rulers and members of the royal families to charitable organizations (discussed below).³ The Gulf countries are not part of the OECD’s DAC, whose member countries are obligated to publish yearly ODA statistics, but three of the largest Gulf Arab donors have reported some of their foreign aid contributions in recent years (see Table 2).

Foreign aid amounts reported by GCC states are routinely well above the target of 0.7 per cent of GNP set by the United Nations (UN) General Assembly in 1970, reinstated by the Brandt commission in 1980 and underlined by multiple UN initiatives since (UN Secretary General 2006; Quilligan 2002). Some Saudi officials have recently stated that their ODA amounts to four per cent of their gross domestic product (GDP); in comparison, OECD donors contributed 0.31 per cent of their gross national income (GNI) on average in 2008. To further illustrate the magnitude of Saudi foreign aid, the OECD also estimates that Saudi contributions of US\$5.56 billion in 2008 exceeded the combined foreign aid of 15 of the 23 DAC countries (OECD 2010). Emphasizing that Saudi contributions far exceed the DAC’s 0.7 per cent target, a tribute to King Fahd indicates that,

In the twenty years from 1973 to 1993, despite considerable variations in national revenues and many competing demands, the Kingdom of Saudi Arabia provided 5.5% of its Gross National Product in overseas aid. Given that the United Nations has suggested 0.7% as the lower limit for donor countries, the Kingdom’s contribution has been outstanding. (King Fahd bin Abdulaziz 2006)

Emirati officials have also stated that the UAE contributes approximately three per cent of GDP to foreign aid (Cotterrell and Harmer 2005, 9). A 2009 report by

³ The lack of data available from the Gulf Arab states is well known among regional researchers, and was discussed at length by Shushan and Marcoux (2011) in relation to aid data. In 2008, the former director of the UN Millennium Campaign, Salil Shetty, was quoted in an article as decrying the lack of ‘clear numbers’ on aid contributions from Gulf Arab states, noting, ‘it’s very opaque. There needs to be more transparency’ (Abocar 2008).

Table 2. Net foreign aid assistance of select Gulf Arab donors (millions of US dollars)

	2004	2005	2006	2007	2008
Kuwait	160.9	218.5	158	110.1	283.2
Saudi Arabia	1734.1	1004.8	2094.7	2078.7	5564.1
UAE	181.4	141.3	218.8	429.4	88.1

Source: Adapted from OECD DAC statistics.

the UAE government estimates UAE foreign aid for 2009 as nearing one per cent of GNI, and has committed to begin reporting to the OECD DAC in 2012 (UAE Office for the Coordination of Foreign Aid 2009).

It is important to note that, based on the available data, the Gulf donors contributed less foreign aid during the second oil boom of the 2000s than during the first oil boom of the 1970s. It seems that Gulf states are currently contributing about half as much (proportional figure) as they did from 1975 to 1980. One research team has put the estimate as low as a tenth of what they contributed 30 years ago (Barakat and Zyck 2009). The release of a World Bank report has provided helpful data on overall Arab foreign aid. Although average Arab foreign aid consistently exceeded the UN target prior to 2000, this report places Arab foreign aid figures below 0.7 per cent of GNI from 2000 to 2008, but still significantly above that of DAC countries (see Figure 1). According to the same report, however, the three largest Arab state donors, Kuwait, Saudi Arabia and the UAE, have donated an average of 1.5 per cent of GNI between 1973 and 2008. Therefore, while the Gulf Arab states have traditionally been generous donors, this generosity has declined over the years.

Existing explanations for these relatively lower levels of aid point to an increase in aid delivery through multilateral channels, an increase in non-Arab aid being spent in the Middle East and North Africa (MENA) region possibly lessening the perceived need for aid, and increased government expenditure

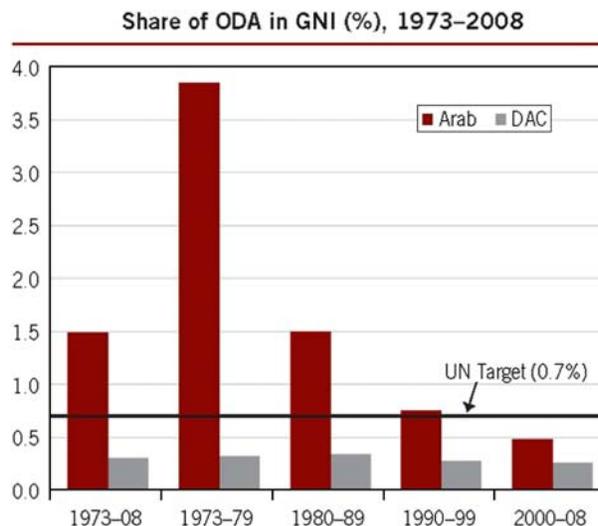


Figure 1. Arab versus DAC foreign aid as a percentage of GNI. Source: World Bank (2010).

(Shushan and Marcoux 2011). Along with these factors, current trends may also be attributable to the desire on the part of the Gulf states to be more careful and cautious in controlling their international image, or international 'brand'. The governing authorities of the Gulf states are aware of the negative attention they received in the aftermath of 9/11, when some commentators linked their aid contributions to the funding of 'extremist' foreign Islamic movements. The Gulf authorities have henceforth been cautious about controlling the international image of their aid contributions (Cooper and Momani 2009).

Image consciousness combined with rising domestic expenditure hold significant explanatory value for understanding Gulf Arab aid as well as financial decision-making more broadly. Although much rentier state literature suggests that Gulf states are largely impervious to domestic societal pressures (see for example Beblawi and Luciani 1987) the aid slowdown suggests that some Gulf states have had to respond to growing demands from their citizenry on how public finances are spent. This involves strategic decisions between foreign aid contributions versus whether and how much to invest at home in order to create long-term investment vehicles, including instruments such as sovereign wealth funds (Saidi 2009). Moreover, during periods of unrest, rentier states like those in the Gulf historically respond by increasing domestic spending to buttress their political position (Lawson 2005).⁴

Gulf donors in the rising donor mirror

Like that of the BICs as rising donors, the aid of the Gulf states is rooted in their self-identification with the disadvantaged countries of the South. As the former senior manager of the Abu Dhabi Fund noted in 1979: 'You have to have been here [in the UAE] ten years ago to know how we feel . . . we did not have any streets, any schools, any kind of infrastructure at all. People walked around barefooted. Life was very poor. All this is still very fresh in our minds, so we feel it is our duty to help other people now that we are in a position to do so' (*Saudi Aramco World* 1979). Despite the rapid increase in their oil wealth throughout the 1970s, Gulf citizens and leaders remained keenly aware of their countries' former underdeveloped position in the global economic system. This awareness seems to have continued into recent history. Abdlatif Y Al-Hamad, head of the Coordination Group of Arab National and Regional Development Institutions (to be discussed in detail below), notes,

Coming from developing nations themselves, Group members have a unique perspective on the problems associated with development. They have a deep understanding of the basic issues and problems facing their partners and are particularly attuned to their needs. (Al-Hamad 2003, 9)

⁴In just the last year, we have also seen funding packages *within* the GCC. Specifically, the GCC developed a US\$20 billion aid package for Bahrain and Oman, prompted by their protest movements in the shadow of the Arab Spring. This was coupled with vast domestic spending in each country, which included (in varying forms and combinations) subsidy increases, salary hikes and the sudden offer of public sector jobs in the thousands (Bladd 2011; Ulrichsen 2011).

Likewise, Prince Talal bin Abdul Aziz Al Saud of Saudi Arabia and President of the AgFund has noted,

Then—and now—the impetus driving the Arab donors was a sincere desire to assist, to whatever extent possible, the development efforts of their poverty-stricken neighbors. Indeed, it was the Arabs who were not only instrumental in coining the expression ‘South–South solidarity,’ but who continue to practice it to this day. Moreover, it is an effort that has continued unbroken, even through the lean oil years of the 1980s. (Al-Saud 2003, 18)

Despite their growing wealth, Gulf leaders have continued to describe their altruism as recognition of their shared history with their Southern neighbours as underdeveloped economies. Whether this will change as the development memory fades and newer generations become further distanced from the past remains to be seen.

Some of the underpinning motivations of Gulf aid can be differentiated from those of the BICs insofar as they are sometimes motivated by religious and/or cultural affinity. In addition to ‘South–South solidarity’, BICs donors have historically been motivated by commitment to the non-aligned movement as well as regional proximity and the drive to be influential or even hegemonic within their geographic area (Rowlands 2008, 6–7). While much of this can also be echoed to varying degrees in the GCC countries, many analysts have contended that the Gulf Arab states’ generosity has been inspired by their Muslim faith. According to Islamic scripture, Muslims are required to pay a certain portion of their disposable wealth to the poor. This form of alms or charity is known as *zakat*. *Zakat*, in many ways, functions as both alms for the needy and an annual welfare tax consisting of 2.5 per cent of the value of all accumulated wealth (Dean and Zafar 1997). This duty could be argued to have inculcated a charitable culture across the region. In its obligation of *zakat* and its strong emphasis on charity, mercy and generosity, Islamic religious discourse is saturated with encouragement of philanthropy. A desire to help the less fortunate and be generous with wealth is thus embedded in the cultural consciousness of the region. Shared religious and cultural affinity may partially explain the observation that Gulf aid tends to be concentrated in the immediate region, with a demonstrable preference for Arab and Muslim countries.

Arab countries, in fact, received 62 per cent of all Gulf aid from 1970 to 2008, while Asian and African countries (home to many Muslim populations, excluding corresponding Arab countries) received 21 per cent and 15 per cent, respectively, of Gulf aid over the same period (Middle East Economic Survey (MEES) 2009, 2). Barakat and Zyck (2009) have estimated that Gulf foreign aid to the Arab Middle East has increased from US\$221.4 million in 2000 to more than US\$1.7 billion in 2006. Gulf Arab countries have also supported the economic reconstruction of Muslim states in Europe. For example, both Albania and Bosnia and Herzegovina’s post-war reconstruction efforts were supported by Gulf Arab donors (Arab National and Regional Development Institutions Coordination Group (ANRDI) 2003, 3). A study by Eric Neumayer (2003) determines that ethnic and religious ties are indeed factors in determining the allocation of aid by Arab donors. However, he specifies that ‘being Islamic’ has less influence on aid receipts than ‘being Arab’, and that political dynamics such as ties with Israel, Arab–African solidarity, UN voting behaviour and a country’s level of income are

also determining factors (see also Villanger 2007). Many studies, and even the director of the UN's Millennium Campaign, suggest that the Gulf Arab states seem more inclined to support Muslim-majority countries (Abocar 2008). Peter Kragelund (2008) goes even further to argue that Arab aid is 'heavily driven by geopolitics' and is even 'used to promote Islam'.

Indeed, a spirit of Muslim unity and brotherhood could be a driving force for giving aid to poor Muslim-majority nations. This notion is sometimes even officially recognized, as is the case for Saudi Arabia (Cotterrell and Harmer 2005, 21). The UAE, on the other hand, is more careful in its policy statements and claims its aid is not limited to poor Muslims, but rather provided to those in need. For example, the late ruler of the UAE, Sheikh Zayed bin Sultan Al Nahyan, said,

Foreign aid and assistance is one of the basic pillars of our foreign policy. For we believe that there is no true benefit for us from the wealth that we have unless it does not also reach those in need, wherever they may be, and regardless of their nationality or beliefs. (National Media Council (NMC) 2009)

The current ruler of Dubai, Mohammed bin Rashid Al-Maktoum, echoes this sentiment:

Our aid has humanitarian objectives only; it is never governed by politics or limited by the geography, race, color or religion of the beneficiary. We provide humanitarian capital and are a major relief station for the poor; we do not hesitate to help and support the brother, the ill-fated friend or the needy wherever they are. This is our message to the world, and this is the UAE. (Al Maktoum 2009)

One can find similar statements among Gulf leaders today. (See, inter alia, Al-Hamad 2003; Al-Saud 2003; OPEC Fund for International Development 2008.) This attitude has been present for some time. When Abdlatif Al Hamad was director of the Kuwait Fund between 1961 and 1981, he noted,

If you look at our [Kuwait Fund] record you will find we put greater emphasis on poorer, smaller countries ... countries that don't really matter politically. It is not politically important that the Comoros or Papua-New Guinea support us in international forums. (*Saudi Aramco World* 1979)

Gulf rulers and leaders of Gulf aid agencies claim to have a global agenda to help the poor in spite of religious faith or political leanings.

Regardless of Gulf leaders' rhetoric, empirical evidence suggests a geographical preference to give aid to Arab and Muslim states. This has, however, declined since the 1990s, Arab aid becoming allocated in higher proportions to Sub-Saharan Africa, Asia and Latin America. Despite this shift and expansion beyond the region, Arab ODA to MENA continues to account for roughly 75 per cent of all Arab ODA (World Bank 2010, 12–13). The World Bank does not provide data disaggregated by country, making it impossible to analyse the destination of Gulf Arab aid in particular states. It should be noted that the fact that the aid of the Gulf states is concentrated in certain zones is not unusual. The BICs as rising donors also exhibit regional preferences in their aid flows, although China has increasingly diversified its global aid patterns (see Rowlands 2008 and Gregory Chin's article in this issue). Moreover, the traditional donors also exhibit clear regional preferences in their aid contributions (Neumayer 2003).

Finally, one may question whether finite oil resources will inhibit the longer-term sustainability of the Gulf states as donors, and ask whether this is one of the stark differences between the resource base of the Gulf states as donors and other rising donors. There are clearly differences here of political economy, and the durability of the Gulf donors under more pressing conditions of oil depletion remains to be seen. At least for the time being, official acknowledgement of potential future constraints does not seem to be occurring. For instance, Prince Talal Al-Saud of Saudi Arabia, Director of the AgFund, has stated,

I have to respond to a question often raised by detractors of Arab aid: Is it going to last? The simple answer is yes, of course it is; this is how it was conceived. *The Arab development institutions are self financing, have their own capital resources and have no need to access replenishment windows or to resort to borrowing from capital markets—facts that are a tribute to their administrative efficiency and prudence*, and further evidence of their sense of responsibility to the developing world. No one can deny that the oil resources of Arab donors are finite and subject to depletion; but Arab aid is here to stay. Countries in need can count on a predictable and continuous flow of Arab development financing for years to come. (Al-Saud 2003, 25, emphasis added)

Indeed, political economy differences and divergent historical experience will necessarily affect the shape and nature of Gulf aid compared with aid from other non-DAC donors.

Gulf states are currently recognized as among the largest per capita donors in the world, and the recent global economic downturn has actually presented them with several opportunities to further bolster their position as international donors. Both the UN and the World Bank sought increased contributions from the Gulf in 2008 (UN 2008; Abocar 2008). The UN requested that all international donors boost their aid contributions in the face of the global financial crisis. Alongside this, the President of the World Bank, Robert Zoellick, focused on getting one per cent of the equity holdings of all (Gulf and non-Gulf) sovereign wealth funds invested in Sub-Saharan Africa to assist development (Sager 2009). Saudi involvement in the G20 Leaders process has also meant that it has become the de facto representative of the Gulf donors at this global forum. What is interesting, however, is that the Saudi government has been notably absent from the list of capital-surplus states, including China, Russia and Brazil, which have been willing to invest in helping to shore up the international financial architecture as part of the G20's ongoing crisis management efforts (Momani 2009). This is further evidence of the cautious approach of the Gulf states in the current period; unlike the 1970s when Saudi Arabia and Kuwait contributed major amounts of funds to the IMF and World Bank to shore up international financial liquidity, today Gulf governments are more cautious and calculating with their donations.

The analysis above suggests that there may be constraints on Gulf aid that is based on oil revenues. Although hard data do not yet exist to explain how the international financial crisis has affected the levels of Gulf Arab aid, the fact that the Gulf states have not helped to bolster the development-related Bretton Woods institutions is telling. It appears that times may have changed for the Gulf states, likely as a result of their stronger interest in channelling their surplus capital towards projects (domestic and international) that are deemed of interest to strategic objectives.

Regional donor coordination, Gulf-style

Although the various Gulf Arab states are not members of the OECD's DAC, they have, in fact, made significant advances in 'donor coordination' at the regional level. The experience of the Gulf states in regionalized coordination may provide insight for the BICs as rising donors. In 1975 the Gulf states established the Coordination Group of Arab National and Regional Development Institutions to act as an umbrella organization for coordinating the large amount of Gulf foreign aid to eight multilateral and national aid organizations: the Islamic Development Bank Group (ISDB); the OPEC Fund for International Development (OPEC Fund); the Arab Fund for Economic and Social Development (AFESD); the Arab Bank for Economic Development in Africa (BADEA); the Gulf Arab Programme for UN Development Organizations (AgFund); the Saudi Fund for Development; the Abu Dhabi Fund for Development (ADFD); and the Kuwait Fund for Arab Economic Development (KFAED) (see Table 3).

The Coordination Group has two chief mechanisms through which it coordinates development assistance. The first is through regular meetings at both the Director of Operations and General Director levels. Frequent meetings have facilitated the creation of shared values, policy coherence, promoted the harmonization of aid policies and encouraged the adoption of best practices. Second, Coordination Group members regularly and actively cooperate with other international donor organizations such as the World Bank and the European Bank for Reconstruction and Development to avoid waste and duplication (World Bank 2010, 31–32).

The Coordination Group synchronizes low-interest loans and guarantees to Southern countries, often with a preference for fellow Arab countries. As noted above, other Arab countries received 62 per cent of the total amount of aid (from the Coordination Group) between 1970 and 2008 (MEES 2009, 2). During the same period, Asian and African countries received 21 per cent and 15 per cent, respectively, from the Coordination Group aid totals (MEES 2009). Notably, both these regions are home to significant Muslim populations. Most of the funds from the coordination group between 1970 and 2008 were directed to project lending. Specifically: 26 per cent in energy projects, 23 per cent in transportation and telecommunications, 12 per cent in agriculture and livestock development and 12 per cent in industry and mining (MEES 2009, 3). While aid in the form of grants rather than loans was preferred prior to 2000, from 2000 to 2008 the average disbursement of aid in the form of grants was 35 per cent whilst aid in the form of loans hovered around 64 per cent (World Bank 2010, 11). The strong emphasis on project lending, as opposed to grant financing, has deterred many borrowers from using the Gulf Arab funds despite the aid being untied (Manning 2006). This may change in the coming years, as the World Bank notes that nearly all development assistance in 2008 was in the form of grants (World Bank 2010).

Within a continuously strong emphasis on project lending, there have been some shifts of late in Gulf aid which should be highlighted. First, Gulf Arab aid to Africa has slowly shifted from large-scale projects to smaller-scale community-led efforts (ANRDI 2003). Second, Gulf countries have been using their foreign aid within the Middle East and to Asia as a catalyst for promoting private sector investment in the region (ANRDI 2003). It should be noted that, unlike Brazil, China, India and other rising donors such as South Korea, Gulf Arab countries are

Table 3. Members of the Coordination Group of Arab national and regional development institutions

Type	Established	Located	Priorities	Recipients	Total disbursed (1970–2008) ¹ (US\$ million)
ISDB	1975	Jeddah	Project lending; grants	53 Muslim countries	26.2
OPEC Fund	1976	Vienna	Project lending	Africa Heavily Indebted poor countries (HIPC)	7.2
AFESD	1974	Safat, Kuwait	Project lending	Arab states	20.8
BADEA	1973	Khartoum	Project lending; technical assistance	Non-Arab African	2.9
AgFund	1980	Riyadh	Poverty reduction	Women and children	0.2 (1980–2001)
Saudi Fund	1975	Riyadh	Concessional loans	63 countries (2000)	8.7
ADDF	1975	Abu Dhabi	Project lending; technical assistance	Arab, Africa, Asia	3.7
KFAED	1961	Safat, Kuwait	Project loans and grants	Developing countries	15.6

Source: Data compiled from: ANRDI (2003, 13); Neumayer (2004, 283); MEES (2009, 2).

¹MEES erroneously includes the Arab Monetary Fund at part of the Coordination Group and omits the AgFund. This is then reflected in its calculations.

not seen as having comparative advantages in manufacturing expertise to offer as part of their foreign aid. The same may be said for transfers of technical expertise, with energy-related technical know-how an exception. The Gulf states are known to be net 'brain importers', seekers of outside talent and expertise (Momani 2011). The emphasis of the Gulf Arab countries on project lending is largely reflective of their political economy and indigenous development paradigm.

Where the Gulf states are seen as offering particularly important developmental experience is in leveraging national prosperity for infrastructure modernization and strategic economic diversification. Their experience in rapid infrastructure development within their own nations provides valuable knowledge of infrastructure planning and development, although even this is still a learning process for the region itself. Interestingly, over half of reported Gulf Arab lending has been towards infrastructure development. Increasingly, however, aid is being channelled to social and agricultural sectors (World Bank 2010, 29). This may correspond with a shift in interest or, probably, with Gulf states' changing approach to aid donation. The World Bank indicates that Gulf Arab states prefer to engage in participatory and consultative approaches with recipient countries when allocating and administering aid (World Bank 2010). Preferring to respond to country requests rather than imposing pre-articulated strategies or pre-crafted aid packages, Gulf aid organizations often rely on consultants as well as officials in beneficiary countries. This allows them to tailor their aid to country-specific requirements and development strategies, permitting what, in the recipient countries' view, is the optimal use of the aid (World Bank 2010).

Among the members of the Coordination Group, Kuwait, Saudi Arabia and the UAE comprise the three largest national foreign aid contributors in the Gulf region. Much of their aid is channelled through the Kuwait Fund, the Saudi Fund and the Abu Dhabi Development Fund, respectively. These funds generally function as bilateral donor organizations and are more likely to provide grants than loans to recipient countries (Neumayer 2003, 282). In recent years however, there has been a discernible shift in all three national agencies towards funding the social sector and leveraging loans to promote the private sector (Cotterrell and Harmer 2005, 8). The leveraging of the private sector corresponds with recent development trends in the region which underline the virtues of supporting the growth of private markets and are arguably part of a gradual paradigm shift reflecting ambitions throughout the Gulf for domestic economic diversification (see Hvidt 2011; Hertog 2011).

The most well-organized and generous national bilateral aid agency in the Gulf is the Kuwait Fund. It is the main vehicle for most of Kuwait's foreign aid and has been noted for its operational transparency (Villanger 2007). Influenced by the World Bank, the Kuwait Fund focuses on project loans and grants on large-scale projects, although it is also attentive to promoting the private sector (ANRDI 2003, 28). While it originally focused on providing aid to Arab countries, the Kuwait Fund has moved increasingly towards providing assistance to a wider range of recipients including both Arab and non-Arab countries (Cotterrell and Harmer 2005). Its senior management is closely connected to the Kuwaiti rulers, so it is largely insulated from domestic political debates. In addition, the Fund's leadership ensures that the policies of the Fund are harmonized with Kuwaiti foreign policy preferences (Moubarak 1987).

Saudi bilateral aid levels are the second largest in the region. The Saudi government has two branches of foreign aid—one that is politically motivated and another that is oriented towards economic development. The first, and more substantial, branch is administered by the Ministry of Finance, by whom an unknown amount of aid is predominately funnelled to Arab countries, largely based on political motivations such as demonstrating solidarity, which in the past involved countering socialist movements. Saudi aid to the Yemeni Arab Republic during the 1970s provides a good example of this last function (Nonneman 1988, 152–155; Villanger 2007).

Saudi aid to Yemen, in fact, remains interesting and politically enconced. Delivered to both state and non-state actors, aid disbursed to Yemen has long been designed to suit Saudi geostrategic interests and has raised concerns both within Yemen and within the international donor community. The late Crown Prince Sultan was responsible for Yemen and used his Special Office for Yemeni Affairs as the primary policy driver and aid and patronage disbursement vehicle for the country until his health began deteriorating several years ago (Haykel 2011). The Office had an estimated annual budget of US\$3.5 billion per year (Hill and Nonneman 2011, 8–10). This high level of aid to a wide range of state and sub-state actors aroused criticism of Saudi ‘meddling’ in Yemeni affairs, concern the amount was overshadowing aid from other providers in the international community, and dissatisfaction with its opacity and the consequent impossibility of measuring or assessing the impact of the funds (Hill and Nonneman 2011, 8–10; Haykel 2011). It remains unclear what will happen to the office following the Crown Prince’s death and in light of the prominent role Saudi Arabia and the GCC have been playing in Yemeni political events over 2011–2012. Some reports indicate that the Office has been closed down in favour of wider Saudi interest in Yemen and others that the new Crown Prince, Nayef, will assume the role in shaping management of Yemen policy (Hill and Nonneman 2011).

The second branch of Saudi aid, about which more has been written, is channelled towards supporting economic development initiatives, and is mainly administered by the Saudi Fund. The Saudi Fund uses untied bilateral loans (usually accompanied by a large grant element) to finance projects in developing countries in sectors such as transportation and telecommunications (32 per cent), electricity and power (21.1 per cent) and agriculture (19.4 per cent) (ANRDI 2003). In recent years, the Saudi Fund has also offered export credits to promote the purchase of Saudi products (Villanger 2007, 20). This is a departure from the Gulf states’ traditional practice of non-tied aid.

The UAE has emerged recently at the forefront of Gulf aid and humanitarian activity, becoming perhaps the single most visible Gulf donor over the past decade. This point has been missed by some analysts, as the ADFD is the smallest of the ‘three big’ funds in the Coordinating Group. The ADFD issues guarantees and offers loans, grants and capital infusion to projects in transportation and telecommunications (25 per cent of projects), energy projects (20 per cent) and agriculture (15 per cent) (ANRDI 2003, 32). The ADFD has become the UAE’s largest source of donations, contributing over 50 per cent of the UAE’s total aid budget, or a total of US\$4.95 billion in 2009 (UAE Office for the Coordination of Aid 2009, 6). Dubai, in addition to donating funds through various bilateral, multilateral and individual channels, has established a distinctive global humanitarian and aid hub called the ‘International Humanitarian City’ (IHC).

This idea was based on Dubai being an ideal logistical location for an 'aid hub', due to its political stability and geographical proximity to regions that are frequently affected by natural disasters and humanitarian emergencies (IHC 2010).

In addition to official state contributions, Gulf rulers are often active donors through royal charitable foundations. The dividing line here between public and 'private' (family) donations is fuzzy. The IHC, for example, is chaired by Princess Haya bint Al Hussein, wife of Sheikh Mohamed bin Rashid Al Maktoum (the ruler of Dubai and UAE Prime Minister). Sheikh Mohamed has also made several large donations and has 'personally' initiated aid campaigns such as Dubai Cares, a campaign to provide improved access to primary education for children across the developing world (Dubai Cares 2010). Similarly, the Zayed Foundation, established in 1992 by the late ruler Zayed bin Sultan Al Nahyan of the UAE, is basically an endowment fund that has supported numerous humanitarian emergencies around the world, built hospitals and schools throughout the South, established endowed university chairs and cooperated with several UN agencies (Zayed Foundation 2010). Other examples, of which there are many, include the 'personal' donation by King Abdullah of Saudi Arabia of US\$500 million in 2008 to the World Food Program (Sager 2009). Oman's Sultan Qaboos Al Said's donation of US\$2 million to the UN to combat poverty in Africa in 2002, US\$7 million to the Palestinians in 1996 and various other donations of relief materials and flights for various emergency relief efforts (Ministry of Information, Sultanate of Oman 2010). What is especially noteworthy is that a significant amount of Gulf donations in recent years have come from Gulf rulers via their royal families. Indeed, it is difficult to disentangle aid from Gulf states' public finances, and personal donations from ruling families, given the nature of the political-economic system. As Shushan and Marcoux have argued, 'what appears to be a private contribution in fact comes from funds that could legitimately be considered public' (Shushan and Marcoux 2011, 1973)

Positive branding: lessons for rising donors?

Gulf donors have a deep reservoir of experience in overcoming the challenge of ensuring the effective presentation of their aid contributions as part of their desired positive global image. As mentioned above, this task became an even larger challenge in the wake of 9/11, when Gulf states faced increased international criticism and scrutiny. In response, GCC states have become very active in efforts to improve their aid profile. One aspect of these efforts has been to make more visible but carefully controlled aid contributions (Cotterrell and Harmer 2005).

One distinguishing feature between the Gulf and the BIC countries as rising donors and a number of the established donors is the tradition of untied aid. While a number of the DAC member donors have had to fend off the perception that their aid is linked to geopolitical and economic motivations because of its 'tied' nature, the oil-exporting states of the Gulf have until recently not used 'tied-aid' instruments, and have been seen as generous when giving concessional financial assistance to Southern countries. Unlike those DAC donors which have tied their foreign aid to purchases of national goods or services, or to liberalizing

investment laws for Western companies, Gulf states have a reputation for receiving limited material gain from their aid contributions (Shihata 1980, 6). Untied aid, of course, has become something of a trend in development circles, especially since the 2005 Paris Declaration on Aid Effectiveness. (OECD 2005; 2008). Much DAC aid now claims to be untied in economic terms, though is often still subject to normative socio-political conditions (see Krageland 2008).

The history of untied aid in Gulf Arab states long predates this trend. As early as 1979, the former director of the Kuwait Fund, Abdlatif Al Hamad, noted that

The Kuwait Fund ... is giving aid to countries with whom we have no direct relations, trade or otherwise. Take, for example, the Maldives; I never even knew they existed. I remember looking at a map to find out where they were. Yet we went there and tried to help them. So it is not materialistic. There is no feedback for us from it. (*Saudi Aramco World* 1979)

Similarly, a collection of essays from 1984 suggests that recipient countries felt that they benefited from Arab aid because, given its untied nature, they could allocate and spend the aid in a cost-effective manner when purchasing goods and services, and ensure that their needs were well served (Achilli and Khaldi 1984, 9).

Gulf states have historically also been hesitant about channelling their aid contributions through international organizations and other multilateral agencies that tie their aid flows to political performance. Critical of how some international organizations have made their aid conditional on advances in human rights, which is often associated with 'the West' rather than universal norms and rights (Barakat and Zyck 2009). This is a common concern among the rising donor group, who primarily donate mindful of the principle of non-interference. That is, they do not impose 'good governance' conditions (Chahoud 2008). Richard Manning suggests that such hesitancy in imposing international norms on aid recipients is a worrying trend (Manning 2006). Others (Barakat and Zyck 2009) suggest, however, that the preferences of the Gulf states for not imposing political conditionality stems from their respect for the Westphalian principle of state sovereignty. The legacy of colonialism and Western penetration in the MENA region's recent history has likely sensitized Gulf donors to the negative connotations of conditionality. Such sentiment is reflected in the following statement from the Director of the Kuwait Fund:

Alliances with cooperating countries are therefore built on foundations of solidarity and equality. Reflecting our belief that our beneficiaries are ultimately responsible for their own destinies, we are committed to the growing shift away from donor-driven development policies toward participatory development processes and procedures. (Al-Hamad 2003, 9)

While untied aid is now often viewed as more facilitative of development, its lack of conditionality also raises environmental and human rights concerns. Neither China nor the GCC states are strangers to these allegations (see OECD 2005; Chahoud 2008; Woods 2008; Krageland 2008). Gulf Arab states' decision to provide aid to unsavoury regimes like Sudan, considered a human-rights abuser, has attracted criticism.

The Gulf states have had first-hand experience of dealing with what are, at times, self-defeating and confused priorities of the global aid regime. The Gulf donors have made concerted efforts to follow the internationally sanctioned

principles (and 'best practices') for aid effectiveness of the 2005 Paris Declaration and the Accra Agenda for Action, including the commitment of local ownership, that is, that donors will support aid-recipient countries in 'owning' their poverty reduction strategies, to respond to local needs by taking policy ownership and using local systems (OECD 2010). Providing local ownership and donating untied aid to sordid aid recipients has constituted a difficult tradition for several Gulf states to balance against the above-mentioned international principles.

Of central importance in the challenge of improving the Gulf Arab donors' international image is their conformity to international norms of accountability and transparency. The UAE has recently promised to better adhere to transparency and accountability requirements by committing to report all its aid details to OECD DAC and publishing an annual aid report in the public domain (UAE Office for the Coordination of Foreign Aid 2009, 11). This seems to be a positive step in improving the country's international image. Other rising donors might pay heed to the negative impact of non-conformity with global normative conventions. There are both costs and benefits to adhering to global norms or trying to forge new ones. Indeed, emerging economies are arguably approaching a transition stage in which it is no longer in their best interest to adhere to normative conventions but it is in their interest to introduce new norms into the global governance landscape. The current geopolitical climate may, in fact, be lending more influence to the rising donor group. Operating from new positions of global power, they may find they are in a better position to pursue their own paths and agendas.

Another important shift in international image that the Gulf states have had to orchestrate over the past decade relates to how the political, ideological and regional stability concerns behind their aid have been recast since 9/11. During the Cold War, the political rationale behind Gulf aid went unquestioned because, particularly in the case of Saudi Arabia, it was often provided to anti-communist governments and political movements in neighbouring Muslim countries (Cotterrell and Harmer 2005). In the post-Cold-War era, Saudi aid has been reoriented towards helping to achieve the less straightforward objectives of suppressing the rise of its own hegemonic competitors. This has led to aid interventions aimed at stemming Iranian influence via supporting Sunni movements in Iraq, preventing Pakistani and Iranian influence from penetrating Afghanistan by supporting the Karzai government, and reducing Iranian and American influence over the sectarian Lebanese government by supporting the Sunni governing coalition. The Saudi, Qatari and Emirati roles in both supporting and suppressing various factions in the Arab uprisings since 2011 is a recent case in point. Their often contradictory support or opposition to movements is closely aligned to their geopolitical ambitions and traditional alliances (Kamrava 2012).

Some Gulf states have also been the subject of increased international criticism after 9/11, regarding the unintentional funding of radical Islamist organizations (Blanchard and Padros 2007). Increasingly conscious of international criticism, Gulf states have responded by making a discernable shift in their aid programming and delivery mechanisms, increasing their use of multilateral organizations and international non-governmental organizations (NGOs) to channel their aid contributions (Cotterrell and Hamer 2005, 12). Over the years, the Gulf states have provided consistent support to the Palestinian territories in the form of humanitarian assistance in response to Israeli military occupation.

This has been increasingly directed through international organizations. For example, Saudi Arabia has started directing a portion of its financial aid to the Palestinians through the UN Relief and Works Agency (UNRWA). Both of the two shifts in aid programming and delivery are part of the new public diplomacy efforts the Gulf states have undertaken to adjust their country branding since 9/11 and the onset of the 'war on terror' (Cooper and Momani 2009). Qatar has, however, occasionally been an outlier to this trend. Although Qatar's aid to Gaza was regularly delivered through UN agencies, in 2009 Qatar memorably donated US\$10 million to Gaza through Hamas, arousing much international ire (Eakin 2011; US Embassy, Doha 2009)

Gulf states have utilized the highly regarded Red Crescent societies as a platform to increase their visibility as responsible international donors. The Gulf states have nevertheless maintained their overall development assistance contributions which are delivered through national institutional channels, while also increasing their contributions of emergency aid during external crises. This is because development assistance is regularly based on royal decrees from individual state leaders and royal families, which do not consider emergency relief needs (Cotterrell and Harmer 2005, 11).

Several experiences of Gulf donors may be worthwhile for the BICs to note. First, the winds of geopolitics can change quite quickly, causing potential risks in channelling aid to certain states. The GCC countries have not always managed their national brand and were often too reactive to international criticism rather than managing potential storms in a proactive manner. In some ways the controversy over the investment of Dubai Ports in the US was a wake-up call for Gulf governments, although at times some still seem inclined to push sensitive buttons, as the Qatar example above demonstrates. Second, the Gulf states have often used untied aid. The strategic and economic implications behind the reasons for Gulf states use of untied aid, involve an unclear definition of financial or economic interests in recipient countries. This has also opened the door to heightened criticism with regard to the accountability and transparency of aid contributions, forming an inconsistent trademark.

Conclusion

While Gulf Arab states have often been left out of debates on the role of emerging powers in the evolving global political economy and have been mostly overlooked with regard to their aid practices, the GCC region has had an interesting donorship trajectory. Not only does the region have a long history in bilateral aid provision, the Gulf Arab states have traditionally been generous donors to the international community. While abundant oil wealth has facilitated their generosity, their religious motivation and ambition for international prestige have also contributed to motivating their behaviour. This pattern is likely to continue for the foreseeable future. This article has suggested that Gulf Arab states share a number of similarities with the BICs as rising donors, even while they face unique challenges.

Prominent among these similarities is the concern emerging economies seem to generate in the 'developed' world with regard to their role and motivation in international donorship and global politics more broadly (see Woods 2008;

Hurrell and Narlikar 2006). The GCC states along with other rising donors are not strangers to accusations of a lack of transparency nor are they unfamiliar with alarmist Western discourse around the demise of the normative power of good governance in a shifting global order. This article has attempted to spark a discussion about re-emerging donors, including the Gulf Arab states, in the international arena. It has sought to increase awareness of the aid practices of the region, and it is hoped other emerging donors like the BICs may find some useful insight from the region's experiences.

Gulf Arab states and the BICs have a long tradition of being active donors in the South. Neither the GCC states nor the BICs are 'newly emergent' donors. Like the rising donor group discussed in this issue, the Gulf Arab states feel a strong compulsion to help their neighbours in the global South. Although the GCC states are generous, they are increasingly cautious in their role as re-emerging donors. Constrained by global energy prices and often finding their aid embedded in controversy or requiring extraordinary caution in its management and delivery, they have become more conscious of their aid profile. Not only do GCC states need to account for changing global politics, the perceptions of the international community, and global best practices related to accountability and information transparency, they also have to balance their desire to use aid for the additional benefit of national branding. Increased anxiety caused by the negative publicity Gulf money received in the 'war on terror' prompted the redirection of money into multilateral channels and international NGOs such as the Red Crescent societies. Along with this, there has been a concerted effort to direct funds to a wider array of recipient nations, rather than just Arab and Muslim countries.

Another reason the Gulf donors are noted for their generosity is their tradition of providing untied aid. The Gulf states have pioneered a novel approach, possibly worthy of emulation, to aid delivery and also use methods thought to foster good relationships between donor and recipient countries, thereby facilitating local ownership of development means and ends. This appeals to recipient states and indeed fits well with contemporary development philosophy. Moreover, the establishment of a regional coordination group is not only a key means through which the Gulf Arab states coordinate their aid, but also serves as a mechanism that facilitates and promotes shared values, norms and policy coherence in aid provision. The Coordination Group's function as a platform for interaction and cooperation with international donor organizations increases its members' relevance and reach on the global stage.

Western discomfort with the growing economic power and aid practices of the BICs, the GCC states and other re-emerging donors is unlikely to abate any time soon. Continued inclusion and interaction in the global economy may raise Gulf Arab development organizations' familiarity and consistency patterns with Western counterparts over time. It may also serve to inculcate some transparency norms into the rising donors' practices and methodology. Yet as the West's ongoing financial haemorrhage leads to new demands for 'Eastern' funding sources, the new donor group's bargaining power increases. New actors are certainly helping reshape the global aid agenda and it will be fascinating to observe how this unfolds in the coming decade.

Notes on contributors

Bessma Momani is an associate professor at the University of Waterloo, Balsillie School of International Affairs, and senior fellow at Brookings Institution and the Centre for International Governance and Innovation.

Crystal A Ennis is a doctoral candidate at the Balsillie School of International Affairs.

References

- Abocar, Amran (2008) 'Gulf states should up development aid—UN official', *Reuters*, 30 November, <<http://www.endpoverty2015.org/end-hunger/news/reuters-gulf-states-should-development-aid-un-official-november-30-2008/30/nov/08>>, accessed 25 October 2009
- Acharya, Amitav (2004) 'How ideas spread: whose norms matter? norm localization and institutional change in Asian regionalism', *International Organization*, 58:2, 239–275
- Achilli, Michele and Mohamed Khaldi (eds) (1984) *The role of the Arab development funds in the world economy* (London: Croom Helm)
- Al-Hamad, Abdlatif (2003) 'The Coordination Group of Arab National and Regional Development Institutions: a framework for efficient aid delivery', speech delivered at the Symposium on Arab Development Aid, Dubai, September, <http://www.adelinotorres.com/medioorient/%C1RABES_Ajuda%20%E1rabe%20ao%20desenvolvimento.pdf>, accessed 25 October 2009
- Al Maktoum, Sheikh Mohammed bin Rashid (2009) 'Humanitarian aid', <<http://www.sheikhmohammed.co.ae/vgn-ext-templating/v/index.jsp?vgnnextchannel=bc41c4b62dbb4110VgnVCM100000b0140a0aRCRD&ID=634388dcaf434110VgnVCM1000003-f140a0a>>, accessed 15 October 2009
- Al-Saud, Talal bin Abdul Aziz (2003) 'Arab aid: a durable and steadfast source of development finance', speech delivered at the Symposium on Arab Development Aid, Dubai, September, <http://www.adelinotorres.com/medioorient/%C1RABES_Ajuda%20%E1rabe%20ao%20desenvolvimento.pdf>, accessed 15 November 2009
- ANRDI (2003) *Arab national and regional development institutions: a profile 2003* (Vienna: OPEC Fund for International Development)
- Arab Bank for Economic Development in Africa (2008) *Annual report 2008* (Khartoum: Publishing House)
- Barakat, Sultan and Steven A Zyck (2009) 'Gulf state assistance to conflict-affected environments: implications for politics & practice', WANA Forum, Amman, <<http://www.lse.ac.uk/collections/LSEKP/documents/Barakat%20and%20Zyck.pdf>>, accessed 20 October 2009
- Beblawi, Hazem and Giacomo Luciani (1987) *The rentier state* (New York: Routledge)
- Bladd, Joanne (2011) 'Gulf signs off \$20bn aid deal for Oman, Bahrain', *Arabian Business News*, 11 March, <<http://www.arabianbusiness.com/gulf-signs-off-20bn-aid-deal-for-oman-bahrain-386099.html>>, accessed 15 September 2009
- Blanchard, Christopher and Alfred Padros (2007) 'Saudi Arabia: terrorist financing issues', CRS Report for Congress, 14 September, <<http://www.fas.org/sgp/crs/terror/RL32499.pdf>>, accessed 15 October 2009
- Chahoud, Tatjana (2008) 'Financing for development series: Southern non-DAC actors in development cooperation', Briefing Paper 13/2008, German Development Institution, Bonn
- Cooper, Andrew and Bessma Momani (2009) 'The challenge of re-branding countries in the Middle East: opportunities through new networked engagements versus constraints of embedded negative images', *Place Branding and Public Diplomacy*, 5:2, 103–117
- Cotterrell, Lin and Adele Harmer (2005) 'Diversity in donorship: the changing landscape of official humanitarian aid', Overseas Development Institute, HPG Background Paper, September, <<http://www.odi.org.uk/hpg/papers/Gulf.pdf>>, accessed 1 November 2009

- Dean, Hartley and Zafar Khan (1997) 'Muslim perspectives on welfare', *Journal of Social Policy*, 26:2, 193–209
- Dubai Cares (2010), <<http://www.dubaicares.ae/>>, accessed 15 September 2009
- Eakin, Hugh (2011) 'The strange power of Qatar', *New York Review of Books*, <<http://www.nybooks.com/articles/archives/2011/oct/27/strange-power-qatar/?pagination=false>>, accessed 5 January 2012
- Haykel, Stephen (2011) 'Saudi Arabia's Yemen dilemma: how to manage an unruly client state', *Foreign Affairs*, 12 June, <<http://www.foreignaffairs.com/articles/67892/bernard-haykel/saudi-arabias-yemen-dilemma?page=show>>, accessed 15 January 2012
- Hertog, Steffen (2011) 'The evolution of rent recycling during two booms in the Gulf Arab states: business dynamism and society stagnation' in Matteo Legrenzi and Bessma Momani (eds) *Shifting geo-economic power of the Gulf: oil, finance and institutions* (London: Ashgate), 55–74
- Hill, Ginny and Gerd Nonneman (2011) 'Yemen, Saudi Arabia and the Gulf states: elite politics, street protests and regional diplomacy', Chatham House Briefing Paper, Middle East and North Africa Programme, May, MENAP BP 2011/1, Royal Institute of International Affairs, London
- Hurrell, Andrew and Amrita Narlikar (2006) 'A new politics of confrontation? Brazil and India in multilateral trade negotiations', *Global Society*, 20:4, 415–433
- Hvidt, Martin (2011) 'Economic diversification in the Gulf Arab states' in Matteo Legrenzi and Bessma Momani (eds) *Shifting geo-economic power of the Gulf: oil, finance and institutions* (London: Ashgate)
- IHC (2010) 'Free zones in the UAE: International Humanitarian City', UAE Free Zones, <http://www.uaefreezones.com/fz_dubai_aid_city.html>, accessed 5 January 2012
- IMF (2008) *Regional economic outlook: Middle East and Central Asia* (Washington), <<http://www.imf.org/external/pubs/ft/reo/2008/MCD/eng/mreo0508.pdf>>, accessed 3 October 2009
- Kamrava, Mehran (2012) 'The Arab Spring and the Saudi-led counterrevolution', *Orbis*, 56:1, 96–104
- King Fahd bin Abdulaziz (2006) 'Indication of the scale of Saudi foreign aid', <<http://www.kingfahdbinabdulaziz.com/main/n010.htm>>, accessed 5 September 2010
- Kragelund, Peter (2008) 'The return of non-DAC donors to Africa: new prospects for African development?', *Development Policy Review*, 26:5, 555–584
- Lawson, Fred H (2005) 'Economic Liberalization and the reconfiguration of authoritarianism in the Arab Gulf states', *Orient*, 46, 19–43
- Manning, Richard (2006) 'Will "emerging donors" change the face of international co-operation?', *Development Policy Review*, 24:4, 371–385
- MEES (2009), <<http://www.old.mees.com/postedarticles/oped/v52n26-5OD01.htm>>, accessed 5 October 2010
- Ministry of Information, Sultanate of Oman (2010) 'Wise leader', <<http://www.omanet.om/english/hmsq/hmsq1.asp>>, accessed 20 October 2009
- Momani, Bessma (2009), 'Oil producing gulf states, IMF, and the international financial crisis', *World Economics*, 10:1, 13–24
- Momani, Bessma (2011) 'Shifting Gulf Arab investments into the Mashreq' in Matteo Legrenzi and Bessma Momani (eds) *Shifting geo-economic power of the Gulf: oil, finance and institutions* (London: Ashgate), 163–179
- Moubarak, Walid (1987) 'The Kuwait Fund in the context of Arab and Third World politics', *Middle East Journal*, 41:4, 539–540
- Naím, Moisés (2007) 'Rogue aid', *Foreign Policy*, 1 March, <http://www.foreignpolicy.com/articles/2007/02/14/rogue_aid>, accessed 5 September 2010
- Neumayer, Eric (2003) 'What factors determine the allocation of aid by Arab countries and multilateral agencies?', *Journal of Development Studies*, 39:4, 134–147
- NMC (2009) 'Government—development aid', UAE Interact, <http://www.uaeinteract.com/government/development_aid.asp>, accessed 25 October 2009
- Nonneman, Gerd (1988) *Development, administration and aid in the Middle East* (London: Routledge)

- OECD (2005) 'Paris Declaration on Aid Effectiveness', <<http://www.oecd.org/dataoecd/11/41/34428351.pdf>>
- OECD (2008) 'Accra Agenda for Action', <<http://www.oecd.org/dataoecd/11/41/34428351.pdf>>
- OECD (2010) 'Glossary of statistical terms', <<http://stats.oecd.org/glossary>>
- OECD (2011) 'DAC report on multilateral aid', <<http://www.oecd.org/dataoecd/5/61/49014277.pdf>>, accessed 19 January 2012
- O'Neill, Jim (2001) 'Building a better global economic BRICs', Global Economics Paper No 66, Goldman Sachs, 30 November
- OPEC Fund for International Development (2008) *Annual report 2008* (Vienna)
- Paul, Jennifer and Marcus Pistor (2009) 'Official development assistance spending', Parliamentary Information and Research Service, Library of Canada, PRB 07-10E, 13 May
- Quilligan, James Bernard (2002) *The Brandt equation: 21st century blueprint for the new global economy* (Philadelphia: Brandt 21 Forum), <<http://www.brandt21forum.info/BrandtEquation-19Sept04.pdf>>, accessed 5 September 2010
- Rowlands, Dane (2008) 'Emerging donors in international development assistances: a synthesis report', Partnership and Business Development Division, International Development Research Centre (IDRC), <http://web.idrc.ca/uploads/user-S/12278143331Synthesis_Final.pdf>, accessed 5 September 2010
- Sager, Abdulaziz (2009) 'The G-20 meeting and Gulf Interests', Gulf Research Center, 23 March, <<http://www.grc.ae>>, accessed 5 September 2010
- Saidi, Nasser (2009) 'The global financial crisis and the role of financial investors in the Gulf' in Malan Rietveld (ed) *Sovereign risk management* (London: Central Banking), 43–51
- Saudi Aramco World* (1979) 'Arab aid: an introduction', 30:6, <<http://www.saudiaramcoworld.com/issue/197906/Arab.Aid.An.Introduction.htm>>, accessed 5 September 2010
- Saudi Fund for Development (2008) *Annual report 2008* (Riyadh)
- Shihata, Ibrahim (1980) 'OPEC as a donor group', based on a lecture delivered by the author before the German Society for Foreign Policy, in *OPEC Fund for International Development* (December)
- Simmons, Andre (1981) *Arab foreign aid* (London: Associated University Press)
- Shushan, Debra and Christopher Marcoux (2011) 'The rise (and decline?) of Arab aid: generosity and allocation in the oil era', *World Development*, 39:11, 1969–1980
- UAE Office for the Coordination of Foreign Aid (2009) 'Foreign aid 2009 report', <<http://ocfa.gov.ae/EN/Pages/AIDReport.aspx>>, accessed 5 September 2010
- Ulrichsen, Kristian Coates (2011) 'Approaching a post-oil era: challenges of transition in the Gulf Cooperation Council states', *Russia in Global Affairs*, 24 September, <<http://eng.globalaffairs.ru/number/Approaching-a-Post-Oil-Era-15328>>, accessed 3 March 2012
- UN (2008) 'Round table moderator stresses need to reiterate calls for scaled-up aid in light of changed global realities', UN Round Table 4, 1 December, <<http://www.un.org/esa/ffd/doha/press/ffd5.pdf>>, accessed 11 October 2011
- UN Secretary General (2006) 'Expanding the financial envelope to achieve the goals', Millennium Development Project, <http://www.unmillenniumproject.org/reports/costs_benefits2.htm>, accessed 11 October 2011
- US Embassy, Doha (2009) 'Qatar to donate \$10 million to Gaza through Hamas', 24 August, <<http://wikileaks.org/cable/2009/08/09DOHA526.html>>, accessed 11 October 2011
- Villanger, Espen (2007) *Arab foreign aid: disbursement patterns, aid policies and motives* (Bergen: CHR Michelsen Institute)
- Woods, Ngairé (2008) 'Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance', *International Affairs*, 84:6, 1205–1221
- World Bank (2010) 'Arab development assistance, four decades of cooperation', Middle East and North Africa Region, Concessional Finance and Global Partnerships Vice Presidency, June, <<http://siteresources.worldbank.org/INTMENA/Resources/ADAPub82410web.pdf>>, accessed 11 October 2011
- Zayed Foundation (2010), <<http://www.zayedfoundation.com/>>, accessed 11 October 2011