HPG Briefing

Number 3 • April 2002

HUMANITARIAN POLICY GROUP

Abby Stoddard

Center on International Cooperation, New York University

About HPG

The Humanitarian Policy Group at the Overseas Development Institute is Europe's leading team of independent policy researchers dedicated to improving humanitarian policy and practice in response to conflict, instability and disasters.

In brief

- This HPG Briefing Paper examines trends in US humanitarian policy, and assesses how these trends are reflected in the changing architecture of US assistance.
- It concludes that, while it is still too early to gauge the full impact of 11 September on US foreign policy, it is likely that the major trends will hold: humanitarian contributions will become increasingly bilateral, the privatisation of the delivery system will continue, and the retreat from the political application of aid in conflict situations will be sustained.

Overseas Development Institute

111 Westminster Bridge Road
London SE1 7JD
Tel: +44 (0) 20 7922 0300
Fax: +44 (0) 20 7922 0399

ODI email: odi@odi.org.uk
HPG email: hpgadmin@odi.org.uk
Website: www.odi.org.uk

Trends in US humanitarian policy

Introduction

The US is by far the world's largest humanitarian donor. In 2000, US relief aid totalled nearly $1.2 billion, around a third of *all* humanitarian assistance (see Figure 1, overleaf). Despite this predominance, humanitarian aid occupies an increasingly uncertain place in the country's foreign policy. The percentage of gross national product allotted by the US government to foreign assistance has stood at or below 0.1% – lower than at any time in the past half-century.

During the 1990s, the government experimented with using aid as a lever to effect political change in countries such as Sudan and North Korea. This controversial experiment has since been abandoned, and officials now speak more circumspectly about the capacity of assistance to bolster wider policy aims. Similarly, the enthusiasm for 'humanitarian intervention', evidenced under Bill Clinton, has been tempered by his successor, George W. Bush. At home, conflicting constituencies and lobbies, from industry to the Christian Right, exert a complicating influence on the formation of policy, while the institutional architecture of humanitarian assistance is fragmented and badly out of date.

In the wake of the terrorist attacks of 11 September, the Bush administration is refocusing its foreign policy. While it is too early to gauge the full impact of the attacks on US policy, the 'war on terror' is sure to herald a new period in the relationship between humanitarian action and the new security agenda.

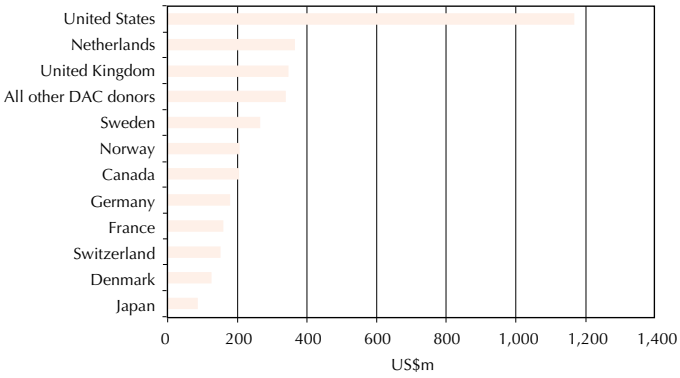
Aid and US foreign policy

During the Cold War, Washington was unapologetic about its use of development aid for political purposes in its global struggle against communism. Life-saving emergency relief assistance, however, retained a mantle of neutrality. The ostensibly non-political nature of emergency relief seemed poised for change in the murkier foreign policy waters of the 1990s, as the US began to explore the direct use of humanitarian assistance to achieve specific political ends. In North Korea in 1995, for instance, aid in response to famine was deployed in an attempt to extract political concessions from Pyongyang. Likewise in Serbia, the US, alongside European governments, hoped to shore up pockets of opposition to the regime in Belgrade by giving aid to certain municipalities, and withholding it from others. This met with vehement opposition from the majority of American NGOs, as well as disquiet among some humanitarian officials and agencies within the government itself.

In parallel with these attempts to use emergency aid as a source of leverage in foreign policy, 'humanitarian' values came to play a greater, and at times a central, role in defining US relations with the world. The ill-fated intervention in Somalia in 1993, for instance, saw the first use of US troops in a purely humanitarian mission. Similarly, the interventions in Bosnia in the mid-1990s were defended on human rights and humanitarian grounds, even if strategic and political factors were also at stake. Conversely, the failure of the US to intervene in the Rwanda genocide was regarded by the Clinton administration not as a strategic but as a humanitarian failure. The subsequent 'Clinton Doctrine', unveiled after the NATO operation in Kosovo, called for the US to intervene anywhere in the world where crimes against humanity were occurring.

At the end of the 1990s, both of these

Figure 1: Bilateral humanitarian assistance from the US and other major donors, 2000



policy trends appeared to change. The dispute over the political use of aid came to a head over a 1999 amendment to the Foreign Operations Bill, which explicitly permitted US food aid to be given directly to Sudanese rebel armies. The initiative was ultimately dropped while Clinton was still in office, and Bush's Secretary of State, Colin Powell, has made it clear that future humanitarian assistance will be delivered on the basis of need alone. Similarly, Bush has advocated US military intervention on behalf of humanitarian concerns only in rare circumstances.

In the wake of the 11 September attacks, US policy-makers may now see the value-based approach to foreign relations as a luxury unique to the brief period at the end of the twentieth century when the US enjoyed a seemingly unchallenged global hegemony and an economic boom. In this sense, humanitarian assistance is likely to be relegated to its Cold War position, on the sidelines of international relations. On the other hand, there is a growing sense of the need to invest in 'soft' security, using assistance to stabilise fragile states, to reward key allies and to use humanitarian aims to legitimise military intervention in the eyes of domestic and international audiences. The 50% increase in US aid allocations, promised by Bush at the International Conference on Financing for Development in Monterrey in March 2002, may stem from just such calculations. In this new environment, the position of humanitarian assistance is highly ambiguous.

Aid and US domestic politics

The separation of powers in the US government has historically complicated foreign policy-making, and domestic interests exert conflicting influences. These influences played a key role in shaping US humanitarian assistance during the 1990s.

Congress exercises control over foreign policy primarily through control of the national budget and international expenditures. Opposition majorities in both the House of Representatives and the Senate, the two chambers of Congress, continually frustrated Clinton's foreign policy objectives. During the 1990s, Congress used its spending authority to withhold UN dues, reduce funding for international financial institutions and hack away at foreign aid.

Congress also became more active in foreign policy. The number of international affairs committees prominent in the making of foreign policy increased, individual legislators developed their own foreign policy platforms and some members of Congress adopted pet humanitarian projects, catering to important domestic constituencies, private interest groups and public opinion. Others denounced foreign aid and called for its radical rethinking, if not its outright end in its current form.

Other domestic interests, notably industry, have also influenced humanitarian assistance policy. Public Law 480, which established the Food for Peace Program in 1954, was designed as a farm subsidy, providing the mechanism through which the government buys up agricultural surplus to use in food aid programmes overseas. For years, US NGOs have complained about USAID's 'Buy America' stipulation, which requires grantees to purchase only US-made vehicles, and the rule that requires all pharmaceuticals used in US-funded aid programmes to be approved by the Food and Drug Administration, and hence purchased from US firms, despite the fact that locally-produced drugs are much cheaper and can be delivered much more quickly.[1]

The influence of US public opinion is harder to assess. While largely sceptical about the value of aid programmes, the American public has repeatedly supported US action in humanitarian disasters. This may explain why Congress, while cutting US relief aid overall, has increased its use of specially-earmarked supplemental funds for specific emergencies. The conflicts and humanitarian crises that do not receive much media (and hence public) attention, such as the war in Sudan, civil strife in Sierra Leone and the border war between Ethiopia and Eritrea, do not enjoy US government intervention at anywhere near the same level as the 'surge spending' for high-profile emergencies such as Kosovo.

The structure of US humanitarian assistance

The US Agency for International Development (USAID) and the State Department are the two chief pillars of the US government's humanitarian architecture. Effectively, they divide the humanitarian assistance mandate between them. USAID's Bureau for Democracy, Conflict and Humanitarian Assistance (the renamed and augmented Bureau for Humanitarian Response) houses the Office of US Foreign Disaster Assistance (OFDA), the most vital and visible of the US government's assistance bodies. The State Department's Bureau for Population, Refugees and Migration (PRM) provides relief aid to refugees, as well as undertaking non-emergency population and resettlement activities. OFDA is mandated with non-food assistance for victims of natural disasters and internal civil strife, and channels the bulk of its resources through NGOs. PRM focuses on refugees from armed conflict, and works mainly through multilateral organisations, such as the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC) and the UN Office for the Coordination of Humanitarian Affairs (OCHA).

Other key players include the other offices in USAID's Bureau for Democracy, Conflict and Humanitarian Assistance, such as

[1] Humanitarian agencies working under grants from OFDA are at times allowed to waive these regulations by virtue of the 'notwithstanding' clause of the Foreign Assistance Act of 1961. But the matter is dealt with on a case-by-case basis, and often hinders timely relief efforts.

the Office of Food for Peace, which oversees the donation of large-scale food assistance for emergency relief and food security projects, and the Office for Transition Initiatives (OTI), which was established in the 1990s to promote democracy and peacebuilding in transitional and recovery situations, and to fill the gap between relief and development assistance.

USAID

Since its creation in 1961, USAID has weathered several legislative attempts to curtail and rationalise its activities and, at times, its very survival has hung in the balance. The most significant changes occurred under the Foreign Affairs Reorganization (Presidential Decision Directive 65) of 23 June 1998, which brought the USAID Administrator under the direct authority of the Secretary of State. The reorganisation also resulted in staff and budgetary cuts of close to 30%, and the closure of 28 country missions. Despite attempts at reform, USAID is widely viewed as wasteful and ineffective. By its own accounts, the agency suffers from highly complex administrative systems, morale is low and it has failed to present a picture of its work to the public that is both accessible and engaging.

USAID Administrator Andrew Natsios, who was sworn in on 1 May 2001, is reorganising the agency in an attempt to address the management and morale crisis. Natsios has established what he calls 'Four Pillars', or functional bureaux, covering Economic Growth, Agriculture and Trade; Global Health; Democracy, Conflict and Humanitarian Assistance (DCHA); and the Global Development Alliance. The Global Development Alliance was created as a vehicle for enlisting corporate and non-profit actors in aid alliances, and the new DCHA bureau conceptually and administratively tucks humanitarian assistance into a broader, peace- and democracy-building function. DCHA thus embodies USAID's goal to create 'capable states' along the liberal-democratic model. USAID now emphasises pre-crisis early warning, 'preventive development' and democratic institution-building. Conflict management is relatively new in US humanitarian policy, and is more a search for new ideas than a set of policy prescriptions. Through information exchange forums such as ConflictWeb, the agency looks to NGOs, with hopes to 'support innovative, catalytic, and facilitative activities in conflict prevention, mitigation and response'.[2]

Natsios intends to continue the long-standing struggle between USAID and Congress to remove some of the special earmarks that Congress has placed in the foreign assistance budget. Before the events of 11 September, he had indicated that he would seek increased aid funding under the budget for the 2003 financial year. However, it appears that the key humanitarian accounts in the foreign affairs budget will either remain unchanged, or decrease. Although the administration's $25.4bn request for the 2003 foreign affairs budget is $1.3bn higher than the 2002 figure, it includes $1.5bn of the $40bn Emergency Response Fund approved after 11 September. When this figure is set aside, the aid budget drops by some $125 million.

[2] ConflictWeb, *Information Fact Sheet*, www.usaid.gov/regions/afr/conflictweb, 2001.

[3] *OFDA Annual Report 2000* (Washington DC: OFDA, 2000).

The humanitarian assistance bureau and OFDA

USAID's Bureau for Democracy, Conflict and Humanitarian Assistance comprises several offices. The most active and visible is OFDA, which is tasked with providing 'non-food' emergency assistance. To the rest of the international assistance community, OFDA is the face of US bilateral relief aid. Over 70% of OFDA funds are programmed in grants to NGOs, both international (53%) and American (18%). The remainder goes to UN agencies (27%) and other international organisations (2%).[3] Overall, funding in US assistance is increasingly bilateral; the 70% of its funding that OFDA channels through NGOs is up from roughly 60% in 1997.

The other offices in the revamped Bureau include Food for Peace, which manages food aid programming; the Office of Private and Voluntary Cooperation, which coordinates USAID–NGO partnerships; the Centre for Democracy and Governance, formerly under the Bureau for Global Programs; and the newest office – the OTI – created to address the 'relief–development gap'.

OFDA enjoys the most flexible funding of any US government foreign aid body. The Food for Peace Office's resources are tied to Public Law 480. PRM's funding is a fixed amount in the annual budget. In contrast, OFDA's budget waxes and wanes as emergencies occur and members of Congress get roused to action. For example, approximately $280m came into OFDA as supplementals for Kosovo. OFDA's International Disaster Account (IDA) stands at about $225m. These funds do not even need to pass through the Bureau, but are signed off by the USAID Administrator directly to OFDA.

OFDA's Disaster Assistance Response Teams (DARTs) were established to conduct on-site needs assessments, consult with the field staff of potential implementing partners, and vet NGO project proposals for quicker approvals. The DART scheme has won praise in some quarters as a boon to rapid response, and has significantly improved the relationship with NGO implementing partners at field level. The information channel it provides between the field and Washington has become critical to USAID funding decisions.

The State Department and Colin Powell

If USAID/OFDA is the US government's vehicle for bilateral assistance, the PRM represents the multilateral side of the coin. The PRM has an annual budget of roughly $700m, which is divided between the Migration and Refugee Assistance account (roughly $660m in 2001) and the Emergency Refugee and Migration Assistance (ERMA) account ($20m). Most of the ERMA money is channelled through UN agencies and international organisations, while a small portion goes to NGOs in direct grants.

Powell, who has a personal interest in humanitarian affairs, has effected a unification of sorts between USAID and the State Department's assistance functions. Since 1998, the Secretary of State has exercised direct authority over USAID, and is the starting-point for government funding allocated to the agency. Powell enjoys a close and harmonious working relationship with Natsios, who says he welcomes the direct authority of the Secretary's office.

Merging the parts? The state of the debate on institutional reform

Although the USAID Administrator answers to the Secretary of State, USAID's status as a freestanding agency and PRM's remit to provide relief aid to refugees create a difficult split. This 'bifurcated system' has caused problems in responding to complex humanitarian emergencies, which often involve a fluid mix of IDPs and refugees. When all of these players are in the field, coordination problems inevitably result.

In the aftermath of the Kosovo crisis, then Secretary of State Madeleine Albright commissioned the 'Interagency Review of US Government Civilian Humanitarian and Transition Programs'. Chaired by Assistant Secretary of State for Policy Planning Morton Halperin, the review cast a highly critical eye over the US government's humanitarian performance in Kosovo and other recent emergencies. Chief among the cited deficiencies in Kosovo was the failure of the various governmental actors to speak with one authoritative voice for US humanitarian policy. Humanitarian officials in government were left out of military planning, mandates overlapped, efforts were duplicated, and the coordination that did take place was achieved through personal relationships and *ad hoc* meetings, as opposed to formal channels. The Halperin Report found similar problems in the other cases it examined, including Afghanistan.

The Halperin Report presented three options for improving and/or restructuring the emergency assistance functions of USAID and the State Department, including merging USAID's functions into State, and creating a separate, hybrid aid agency. Although the report included no concrete recommendations, consensus among stakeholders had formed around taking the refugee function out of PRM and putting it under USAID, and then appointing a special Under Secretary of State as a Deputy Administrator for USAID, to oversee the humanitarian assistance wing. Under this scenario, the President would designate the Secretary of State to oversee US response to an emergency, and the Secretary of State would designate the Under Secretary.

Efforts to follow up on the review ran out of time before the change in administration. Although there are rumours that the subject will be picked up again, nothing has been announced publicly.

The US NGO community

USAID emphasises that 75% of the revenue of its NGO partners comes from private sources and other governments, with just 12% contributed by USAID. However, these figures belie the importance of US government funding to the small group of large organisations that constitute the major American players in the humanitarian field. Out of over 400 US organisations registered with USAID in 2000, the five largest relief aid programmers – CARE, Catholic Relief Services, the International Rescue Committee, Save the Children and World Vision – account for around 30% of the US government's total annual support to NGOs. For the largest of these five, CARE, government funding constituted 59% of total revenue in 2000. Of the five, all but World Vision and IRC typically rely on US government sources for more than 50% of their funding in any given year.

Natsios intends to complement Bush's faith-based agenda by making greater use of faith-based organisations to dispense aid, as well as paying more attention to religious leaders abroad. It is unclear what impact this will have on grant-making patterns and field operations, or how it may square with USAID's policy of not funding any activities that 'involve religious proselytism'. To some, the faith-based initiative reflects a serious misunderstanding of the nature of humanitarianism, and there are concerns that this initiative risks polarising the NGO community, and pitting Judeo-Christian values against those of other religions, notably Islam.

Conclusion

Aid workers who remember how the US government's huge humanitarian presence in Afghanistan during the Soviet occupation shrank to minimal levels in the 1990s now hear echoes of the Cold War in the flood of funding coming back to the region. Although the brief experiment with political conditionality as practised in the late 1990s appears to be over, and despite assurances of the independence of humanitarian assistance under Bush, in the wake of 11 September it seems likely that US humanitarian policy will, to some degree, remain in the service of the country's wider foreign policy goals, at least in areas of pressing interest to the administration.

A key question is whether the next foreign aid budget will show an appreciable difference in the global level of US humanitarian assistance, rather than being concentrated in areas of particular strategic significance to the US. The sizeable increases in future US aid allocations, promised by Bush in Monterrey, may indeed indicate that the events of 11 September have prompted Washington to reengage with the rest of the world, and to map out new areas of multilateral cooperation. Conversely, policy may revert to a more narrow definition of security of which aid is just one part. Whichever view predominates will have important implications for humanitarian assistance globally, not only in terms of the volumes of humanitarian assistance and its distribution, but also in terms of the values with which it is associated.

This Briefing Paper is drawn from Abby Stoddard, 'Trends in US Humanitarian Policy'. Joanna Macrae (ed.), *The New Humanitarianisms: A Review of Trends in Global Humanitarian Action*, HPG Report 11 (London: Overseas Development Institute, 2002). The report is available from the ODI.

Overseas Development Institute, 111 Westminster Bridge Road, London SE1 7JD
Tel: +44 (0) 20 7922 0300 Fax: +44 (0) 20 7922 0399 Email: odi@odi.org.uk Website: www.odi.org.uk