

KAZAKHSTAN AND AZERBAIJAN AS DONORS OF HUMANITARIAN AID. HAS THE DIVERSIFICATION OF AID CHANNELS AND DONORS REACHED SOUTHERN EURASIA?

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ABSTRACT

Over the last decade, Azerbaijan and especially Kazakhstan have become the largest individual donors after Russia of official humanitarian aid among the republics of the former U.S.S.R. This article examines the quantities, channels, and underlying dynamics and interests of this aid and compares it with the wider global trend of the emergence or re-emergence of aid donors outside the dominant OECD bloc. Azerbaijan and especially

Kazakhstan want to translate their new economic capacity into political clout and international and regional initiative, including different ways and channels of soft power like aid. They thereby eclectically use elements, policy concepts, and institutions of the international aid system and attach aid to a conditionality that is not related to governance, human rights, or democratization, but to diplomatic and economic returns.

KEYWORDS: *humanitarian aid; emergency relief; non-OECD donors; (re-)emergent donors; U.N. system; Kazakhstan; Azerbaijan; international aid system; political economy of aid.*

Introduction

The aftermath of the armed conflicts and large population displacements in Tajikistan and Nagorno-Karabakh, the winter storms and cattle mortality in Gorno-Badakhshan, the floods in southern Kazakhstan and Kulob, and the heavy communal unrest in Osh several years ago have left the general perception in a larger part of international opinion of southern Eurasia as a socio-geographic sphere that depends on external humanitarian aid rather than generates it. A whole range of foreign aid organizations and donor structures have also been present in the region in one way or another for the last two decades, either in the wake of past disasters or anticipating new ones. In as far as it is not consciously maintained for financial opportunism and political reasons, this image is erroneous in the sense that the region's population and grassroots and formal, as well as informal, authorities have always employed a wide variety of coping mechanisms in emergency situations without fully depending on the international aid system. More importantly, in the framework of this article, the strong GDP growth and clear tendency of some of the region's countries to position and profile themselves more on the international map since 2001 have led to the emergence of donor countries in the region itself.

Kazakhstan, for example, was the sixth largest donor of official and reported emergency relief and humanitarian aid to southern Eurasia — or, as the region is better known, the Caucasus and Central Asia—between 2006 and 2012.¹ Likewise, although to a much lesser extent than Kazakhstan, Azerbaijan is also increasingly mentioned as a new donor country not only in and to southern Eurasia, but also beyond the region.² Therefore, the purpose of this contribution is to examine the quantities, patterns, and motives of both countries' humanitarian aid. It will thereby focus on humanitarian aid and emergency relief — i.e. the sort of aid that is offered to people and authorities affected by armed conflict, natural and technological disasters, and acute economic breakdown—rather than on long-term development aid and macro-financial assistance. The reason is that the latter is often situated on the interface with economic investment and trade cooperation and, as such, is not always identified or identifiable as aid.

In the Sphere beyond the OECD

Globally, the aid donor landscape is still strictly dominated by states and economies from the Organization for Economic Cooperation and Development, or OECD, a bloc which, as we know, primarily unites the classical Western industrialized countries and Japan along with a number of more recent adherents from Central Europe, the Baltic region, and Latin America. Twenty-eight OECD economies, plus the EU, are part of a committee of donors, the DCD-DAC, which jointly generated 85 to 90 percent of global official humanitarian aid and so-called development assistance in 2013 and functions somehow as the self-declared referee and standard of the international aid architecture.³

¹ See: Portal of the U.N. Office for the Coordination of Humanitarian Affairs—Caucasus and Central Asia, available at [www.unocha.org/rocca/financing/humanitarian-financing].

² See: Ibidem; *Regionalniy obzor gumanitarnogo finansirovaniya—Kavkaz i Tsentral'naia Azia*, No. 8 and No. 9, 2013, OCHA Relief web portal, available at [reliefweb.int/sites/reliefweb.int/files/resources/2013%20overview_russian18022014.pdf].

³ For a historical overview of power balances in international aid, see: P. Hjertholm, H. White, "Foreign Aid in Historical Perspective," in: F. Tarp, *Foreign Aid and Development. Lessons Learnt and Directions for the Future*, Routledge, London, 2002, pp. 80-102.

Although this dominance is unlikely to be affected, let alone reversed, in the near future, in a number of geographic spheres and sectors, non-OECD donors are gaining increasing significance either because the traditional scope of Western aid actors has been limited in some contexts due to insecurity and political barriers, because emergent or re-emergent economies are increasingly present as economic actors in the global periphery, or because OECD aid flows have been affected by the global financial crisis.⁴

Who are these donors? Broadly speaking, we can distinguish four categories of what, according to the source, are called “emerging donors” or “non-traditional aid donors.”⁵

- To start with, there are large emerging or re-emerging economies like China, India, and Russia, in whose wake we also find a number of smaller, non-OECD “emergent countries” that are heaped together or not included in fashionable acronyms. In reality, many of these have been aid donors in some form for a while. China, Russia when it was still the core entity of the U.S.S.R., and even India have been donating different forms and quantities of aid for decades, primarily to ideologically allied countries experimenting with socialism and non-alignment in what was long popularly known as “the Third World.”⁶ Only recently, when the nature of aid for the OECD sphere is being increasingly questioned and when non-OECD economies internationally are manifesting themselves in trade and investment, has this been attracting growing attention in international development circles.⁷
- Second, there are countries like Turkey and some of the Baltic states that are members of the OECD, but not of its core committee, its “champions league” so to speak, of aid donors.
- Third, of course, come the OPEC countries of the Arab-Persian Gulf and, until the coup d'état against Colonel Gaddafi and the civil war in 2011 at least, Libya. These countries too have been donors of aid to the wider Islamic world and Africa since 1969-1971, although the patterns of their aid flows are characterized by a high degree of volatility.⁸
- Finally, this author identifies another small but active category of aid donors—the neo-socialist Latin American states like the Bolivarian republic of Venezuela and of course Cuba, which have long been and still are aid donors to Haiti and other Central American countries, as well as to a number of contexts and crisis areas further afield. Of course, there is also a fair amount of hype and wannabes among emerging donors, including in regard to the recent attention toward them. Their real total input in the global aid volume is not known and hard to accurately estimate, because not all of their aid is being internationally declared. It is often of an officious nature, or considered to be economic cooperation rather than development aid.

⁴ See: Th. Monnerais, “Humanitaire : la voie des émergents,” *Alternatives Internationales*, № 59, 2013, p. 56.

⁵ There is quite some irony in the term “non-traditional donors” that is often used for non-OECD donors, for at once it reflects how OECD donors have traditionally dominated the contemporary aid landscape, while not a few non-OECD donors, for example the OPEC countries of the Arab-Persian Gulf, have been aid donors for far longer and are more lavish than several DCD-DAC members.

⁶ R. Manning, “Will ‘Emerging Donors’ Change the Face of International Co-Operation?” *Development Policy Review*, No. 24 (4), 2006, p. 372.

⁷ See: T. Chahoud, “Süd-Süd-Kooperation—Chancen und Herausforderungen für die internationale Zusammenarbeit,” *Analysen und Stellungnahmen*, No. 9, 2007, Deutsches Institut für Entwicklungspolitik.

⁸ See: E. Mawdsley, *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*, Zed Books, London, 2012 (see also thematic issue “Les nouveaux donateurs” of *Courier de la Planète*, No. 84, 2007, pp. 26-46, and A. Hammer, L. Cotereil, “Diversity in Donorship: The Changing Landscape of Official Humanitarian Aid,” *Humanitarian Policy Group reports*, No. 20, 2005, Overseas Development Institute.

Are Kazakhstan and Azerbaijan actually *new* donors? As independent states, they indeed are. Indirectly, however, as former constituent parts of the U.S.S.R., which had its own international aid policy and, together with its socialist commonwealth, brought in about one-tenth of global aid in 1969-1988, they are not. Moreover, since 1991, unofficial actors have been involved in humanitarian aid operations years before Azerbaijan and Kazakhstan became official donors. For instance, air cargo companies from these countries subcontracted by the U.N. have been transporting international humanitarian aid and personnel to different African contexts and to the Balkans, years before Azerbaijan and Kazakhstan started to donate aid. And different forms of mutual in-kind economic support rendered within the old space of the U.S.S.R. between 1991 and 1997, for example, to Transnistria and Tajikistan, were labeled humanitarian aid even if this did not occur within the classical international aid system.

The Paradox of “New Donorship”

Throughout the 1990s and until the early 2000s, both Kazakhstan and especially Azerbaijan received sizeable amounts of international humanitarian aid in the context of the war in Nagorno-Karabakh and the population displacements that it caused, as well as a number of natural disasters like the earthquakes in northern Azerbaijan, floods in the South Kazakhstan and Jambul provinces, and winter storms, but also, and especially, in the context of the stark humanitarian impact of the disintegration of the U.S.S.R.’s economic tissue and social infrastructure, especially in provincial and former industrial areas.⁹ The latter, the effect of which was especially acute in 1991-1998, is all too often overlooked as one of the largest social disasters that affected these societies and populations ever. Azerbaijan still has some 540,000 to 600,000 internally displaced persons from Nagorno-Karabakh. Although a number of international and governmental aid activities still operate for the displaced, a large part of the latter does not depend on aid for their survival. There are officially no conflict- or natural disaster-related internally displaced persons in Kazakhstan, while the number of recognized refugees and asylum seekers in the country amounts to about 600, mostly Afghans and Chechens.¹⁰

Since late 1999, when Kazakhstan’s president Nursultan Nazarbaev announced that the state would move away from its recipient status and begin substantially reducing the number of loans from international organizations and financial institutions, Kazakhstan has become one of the most donor-independent countries in southern Eurasia. This visionary move spared the country the dislocating aid dependency, if not outright aid addiction, in which some other southern Eurasian countries, not in the least Kyrgyzstan, are now stuck. While during 1999-2013, Azerbaijan still officially received over three times more foreign humanitarian aid and emergency relief—reportedly some \$29.3 million—than the \$8.45 million that it donated, Kazakhstan received a little more than \$5.27 million compared to the \$64.6 million (about twelve times more) that it donated during this period. This means Azer-

⁹ For a more detailed overview of the humanitarian donors to southern Eurasia until 2012, see: B. de Cordier, “The EU’s Humanitarian Aid and Civil Protection Policy in Central Asia: Past Crises and Emergencies to Come,” *EUCAM Policy Brief*, No. 29, 2013, p. 2, EUCAM portal, available at [www.eucentralasia.eu/uploads/tx_icticontent/EUCAM-PB-29-EN-EU-Humanitarian-Aid.pdf].

¹⁰ Internal Displacement Monitoring Centre [www.internal-displacement.org] and World Bank Development Indicators database [data.worldbank.org].

baijan is at the same time more a beneficiary and a donor of international humanitarian aid, a paradoxical situation that characterizes many more so-called emerging donors like India and Indonesia, to name but two examples. Kazakhstan, for its part, has clearly become more a donor than a recipient. Yet what place do both countries occupy as aid donors among the republics of the former U.S.S.R.? For that, let us look at Fig. 1.

Although the data used for this figure, as well as others showing aid volumes in this article, only reflect the part reported to the U.N.'s humanitarian coordination and, as such, probably differ somewhat from the real picture, the available figures do show a number of patterns and insights. As can be seen in Fig. 1, by far the largest donor in the space of the former U.S.S.R. sphere is and remains Russia, which has been an internationally declared aid donor again since 2001-2002. During the reference period, it brought in about three-quarters of the official humanitarian aid, much of it destined for contexts within the former U.S.S.R.¹¹ Kazakhstan and Azerbaijan, in turn, appear as aid donors, again at least in terms of internationally declared aid, in 2005 and especially in 2008. On average, they are the second and third-largest individual donor republics now among the countries of the former U.S.S.R. including the Baltic states, respectively.¹² On year base, their aid shows an irregular pattern, which is explained by the occurrence of crises and disasters — for instance, the aftermath of the Indian Ocean tsunami in 2005, the floods in Pakistan, the Haiti earthquake, and the Osh unrest in 2010—in which, under the influence of a number of considerations and factors, they decide to become donors of aid or not.

If one looks at Fig. 2 showing the evolution of Azerbaijan's and Kazakhstan's GDP between 1990 and 2013, one can assume that both countries' donorship is directly correlated to their at times spectacular GDP growth that followed a period of economic unraveling and is primarily fueled by their export of oil at times of high oil prices, gas and, in the case of Kazakhstan, also uranium and grain. Indeed, one needs first of all to have both the financial and technical capacity to be an aid donor, yet macroeconomic growth by itself is not enough to explain the coming into being and the patterns of a state's aid policies. Giving different kinds and amounts of aid to third countries when there are still sizeable internal social needs seems contradictory and is indeed a source of heavy domestic criticism and frustration. But it does have an objective logic, in the sense that it fits into the clear urge among segments of Azerbaijan's and Kazakhstan's bureaucratic and economic elites and ruling families to profile and anchor their respective states on the international stage, through increased participation and initiative in the aid economy among other things.¹³

As is the case with many non-OECD donors, aid from Azerbaijan and Kazakhstan comes with little to no conditionality in terms of governance, human rights and democratization, and neither has it a component of "civil society" support. This at once makes it more attractive for more than a few recipient governments. It certainly is more honest in a way, in the sense that, unlike many OECD donors, they at least do not *pretend* to be deeply concerned about democracy and so on. This does not mean, however, that there is no conditionality at all, especially in terms of economic returns. In 2012, for instance, Azerbaijan gave a soft \$370 million road construction and repair loan to Serbia on the condition that a certain percentage of the works were contracted to Azerbaijani

¹¹ For an examination of Russia as a donor of humanitarian aid and emergency relief, see: A. Brezhneva, D. Ukhova, "Russia as a Humanitarian Aid Donor," *Oxfam Discussion Paper* series, Oxfam International, 2013, available at [www.oxfam.org/fr/node/32310]; P.A. Gray, "Looking 'the Gift' in the Mouth: Russia as Donor," *Anthropology Today*, No. 27 (2), 2011, pp. 5-8.

¹² The sudden, one-off surge in the category "other former U.S.S.R. republics" in the year 2005 is due to primarily bilateral relief aid donations from Ukraine, Belarus, and Moldova to countries affected by the South Asian tsunami (see: OCHA Financial Tracking Service database, available at [fts.unocha.org]).

¹³ In the same line, Kazakhstan, together with Russia, established the Eurasian Development Bank in early 2006, and in 2012 it obtained donor status with the Asian Development Bank.

Figure 1

The Position of Azerbaijan and Kazakhstan as Humanitarian Donors among the Former U.S.S.R. Republics in 1999-2013
 (in \$ of official aid disbursed, *supra*, and in % of total average, *infra*)

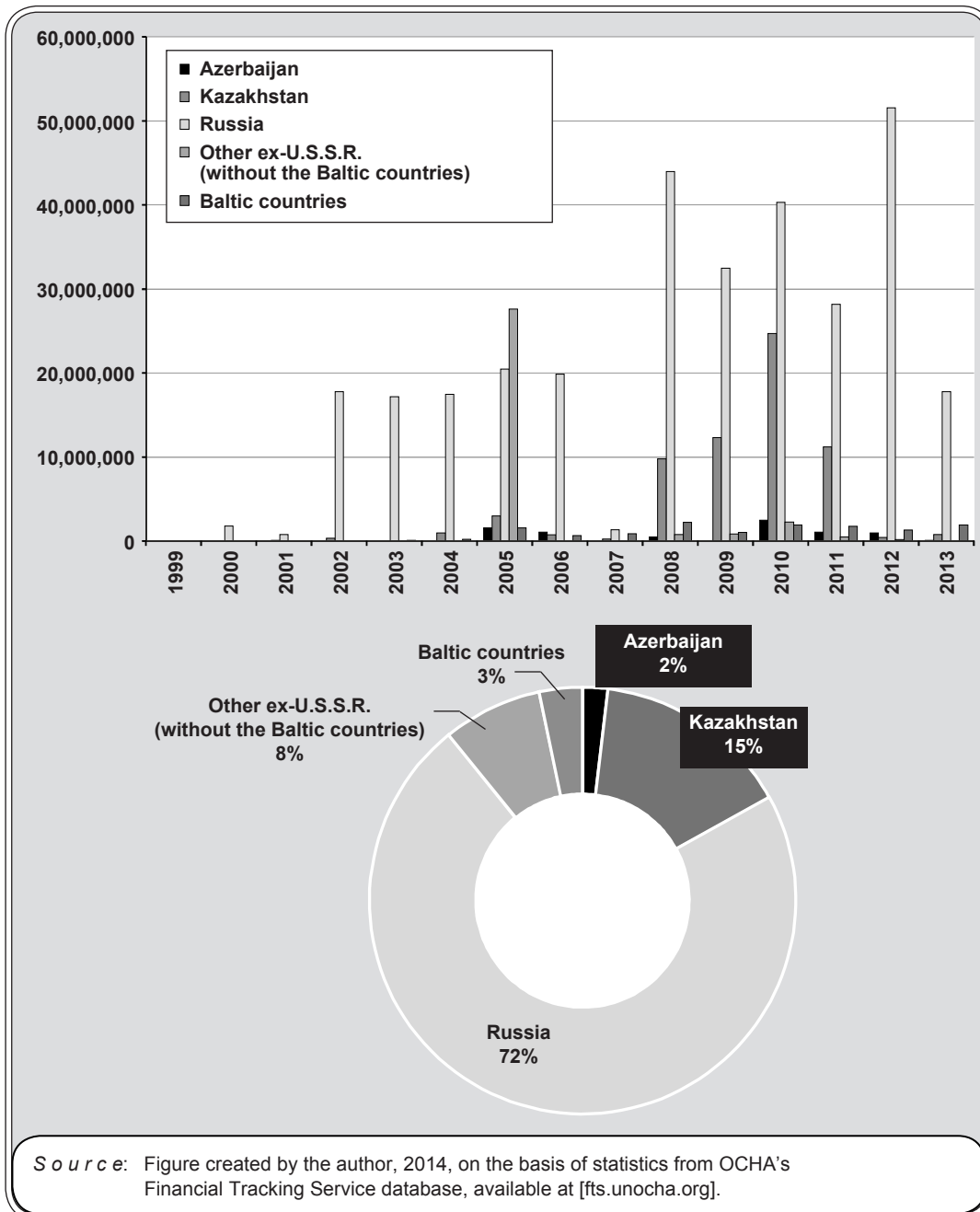
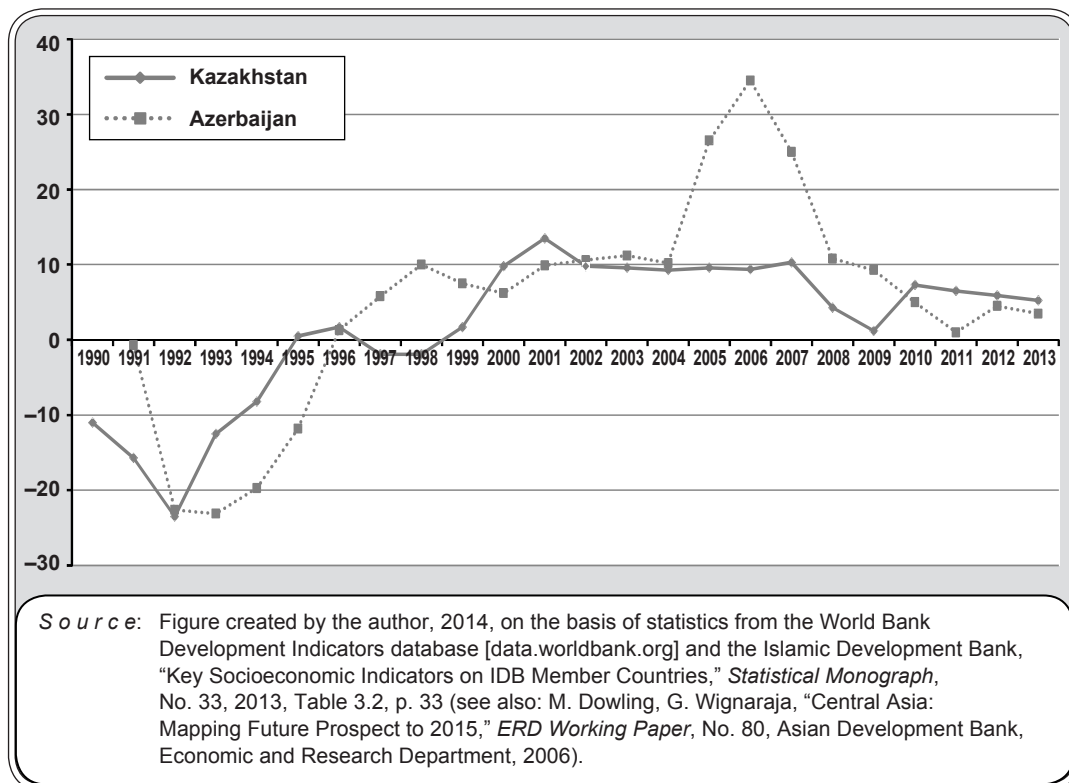


Figure 2

The Evolution of Azerbaijan's and Kazakhstan's GDP
(in % of growth, 1990-2013)



companies. Support in the Nagorno-Karabakh issue is also a crucial factor in Azerbaijan's aid allocation, as was the case, for example, with an \$8 million public infrastructure grant to Mexico in 2011. Likewise, Azerbaijan gave over seven times more emergency relief to Pakistan than Kazakhstan did after the floods in 2010 (see Fig. 3), since Pakistan does not recognize Armenia because of its role in the war and occupation of Nagorno-Karabakh. And for Kazakhstan which for a few years now has been among the world's ten leading grain exporters and, as such, benefited from the stark rise in commodity prices in 2007, food aid, in particular, is a way to boost and position its agro-industrial sector.¹⁴

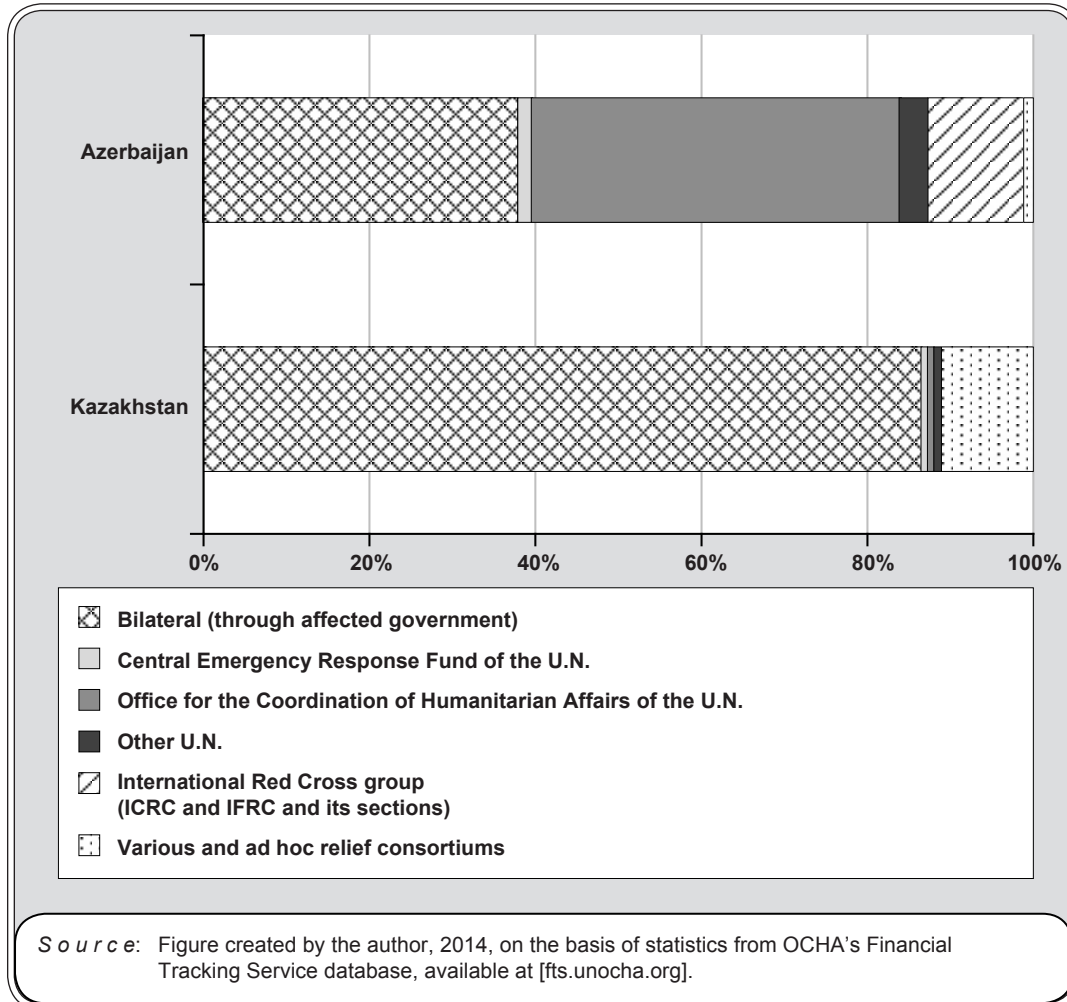
A Bilateral Emphasis?

Kazakhstan's and Azerbaijan's declared humanitarian aid consists of financial contributions to various international emergency funds, relief packages with items like blankets, tents, canned food

¹⁴ For an examination of this sector, see: R. Pomfret, "Kazakhstan's Agriculture after Two Decades of Independence," *Central Asia Economic Paper*, No. 6, 2013, Central Asia Program, George Washington University—Elliott School of International Affairs.

Figure 3

Channels of Azerbaijan's and Kazakhstan's Official Humanitarian Aid (in % of aid volume, 1999-2013)



and vegetable oil, medication, water and sanitation equipment, auxiliary medical, paramedical and civil protection personnel to relief operations, and bulk commodities like cereals, rice, and fuel. Similar to Russia, the key institutions in charge of international aid are the Ministry of Emergency Situations, in the case of relief and humanitarian aid, and the Ministry of Foreign Affairs and External Trade for development aid, or sometimes both. Usually the aid is coordinated by a special department in the latter, although this has not yet developed into a fully-fledged, permanent international cooperation agency similar to Turkey's TICA or the Kuwait Fund for Arab Economic Development, to name but two examples.

Now what are the major channels through which official aid by Kazakhstan and Azerbaijan is being spent? As Fig. 3 shows, there is generally a clear preference for bilateral aid—that is, directly from donor government to the affected beneficiary government and their respective relevant minis-

tries and state structures—and aid through intergovernmental structures like the U.N.'s Central Emergency Response Fund and especially the Emergency Response Funds that are created and managed by the U.N.'s Office for the Coordination of Humanitarian Affairs or OCHA.¹⁵ Kazakhstan, in particular, strongly favors bilateral aid, with around 85 percent of its aid being channeled this way in 1999-2013. As for Azerbaijan, with some 45 percent, the largest single channels of aid are OCHA's various Emergency Response Funds followed by bilateral aid, which encompasses a little less than 40 percent. Azerbaijan also channels a substantial portion of its aid, some 13 percent, through the International Red Cross group, while Kazakhstan participated in a number of ad hoc relief consortiums with a similar portion of its aid in the reference period.

Contrary to many major donors in the OECD, almost no aid is delivered through or subcontracted to non-governmental organizations or NGOs. This has much to do with the nature of the NGO sector in the respective countries and with the state's relationship with them.¹⁶ Many national non-governmental organizations in Kazakhstan and Azerbaijan are either created in the framework of, and acting as sub-contractors for, Western donor programs, or are genuinely homegrown private charities and philanthropic foundations that are still primarily active inside the country and not internationally. In both cases, this might change though as private charities and philanthropists extend their scope of work, and as governments increasingly subsidize a number of nongovernmental organizations so as to remove them from the Western donor sphere and its agendas. This being said, by contributing to various OCHA Emergency Response Funds, both Azerbaijan and Kazakhstan do co-finance international NGO relief activities since much of these funds' means are used for this purpose. Likewise, as they develop their international cooperation structures, the respective government agencies might engage Azerbaijani and Kazakhstani citizens who have been working as national or expatriate staff for various U.N. agencies and international NGOs and, as such have both knowledge of and experience with the international aid system.

The Beneficiary Contexts

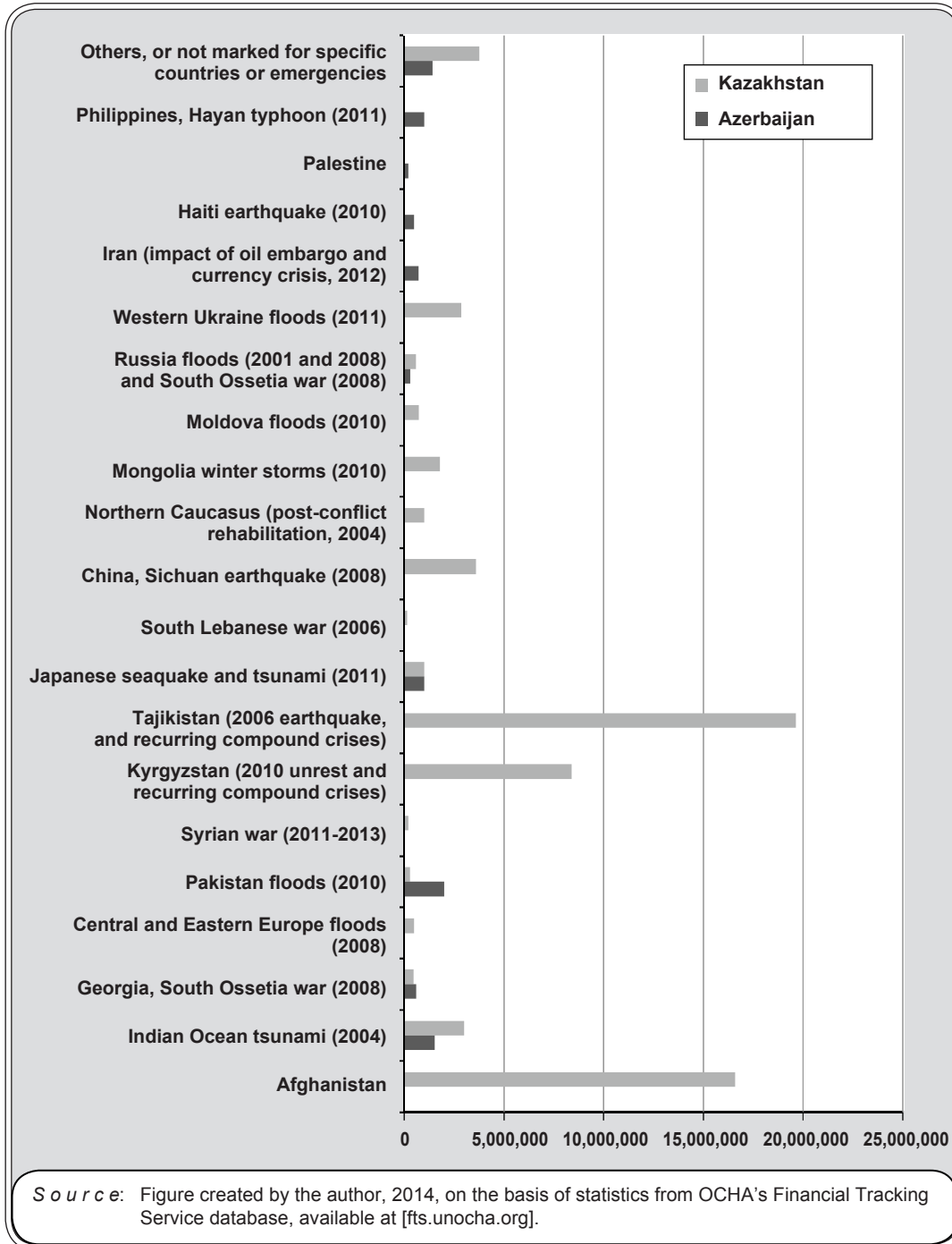
Finally, we take a look at the different countries and contexts to which Azerbaijan and Kazakhstan have been sending their humanitarian aid. A detailed, comparative overview of this can be found in Fig. 4. As we can see, the Indian Ocean tsunami, the war in South Ossetia, the Japanese seaquake, and the floods in Russia attracted similar amounts of aid from both Azerbaijan and Kazakhstan. But beyond these, the destinations of aid and the destination preference clearly differ. For example, in the 1999-2013 time bracket, \$36.2 million or 56 percent of Kazakhstan's humanitarian aid was destined for contexts within the former U.S.S.R. and for Mongolia, while in the case of Azerbaijan this was nearly \$410,000 or 4.8 percent. Azerbaijan, the destinations of whose aid are generally more scattered and determined ad hoc, has been more responsive bilaterally to a couple of internationally high-profile natural disasters like the Haiti earthquake and the Hayan typhoon in the Philippines that Kazakhstan was.

¹⁵ The Central Emergency Response Fund or CERF was formed in early 2006 as a permanent facility to rapidly mobilize aid, in particular for under-funded emergencies and for specialized U.N. agencies who deliver emergency relief and humanitarian aid like UNHCR, the World Food Program, and FAO, for example. It is administered by OCHA and contains some \$480 million, \$30 million of which are a loan facility and the rest grant funds. OCHA's Emergency Response Funds, by contrast, have been created since 1997 for specific contexts or emergencies such as the Haiti earthquake or the Somali refugees and the drought in Kenya, to meet unforeseen needs. There are currently 13 such funds. Their budgets, which mostly fund NGO activities, usually do not exceed \$10 million per year.

¹⁶ Cf. Th. Monnerais, *op. cit.*

Figure 4

Beneficiary Contexts of Azerbaijan's and Kazakhstan's Official Humanitarian Aid (in \$ of aid disbursed, 1999-2013)



The three largest permanent or semi-permanent beneficiaries of Kazakhstan's humanitarian aid are clearly Tajikistan, Afghanistan, and Kyrgyzstan. The first and the third of these are part of the southern Eurasian region in which Kazakhstan has clearly obtained if not a formal leadership position then at least one of "beacon state" for not a small part of regional opinion. As former U.S.S.R. republics, they also share a wider historical and sociogeographic predicament with each other. Afghanistan, for its part, directly borders on southern Eurasia. It is one of the countries where Kazakhstan has been particularly active profiling itself as a donor and taking a number of initiatives in this regard since 2007. Much of Kazakhstan's aid concentrates on food security and the rehabilitation of the country's agriculture, agro-industry, and water supply, especially in the north. Astana also donated cargo planes to the Afghan government for humanitarian cargo transport.¹⁷ Somehow, Kazakhstan's aid policy toward that country is indirectly rooted in the prehistory of Soviet development cooperation going back many decades. Not in the least, however, it has also to be set in the real and perceived opportunities and economic spin-off of the internationally steered as well as homegrown reconstruction process in Afghanistan for agro-industrial, construction, and telecommunications companies from Kazakhstan.¹⁸

Some Final Remarks

Azerbaijan and especially Kazakhstan fit into the category of new, non-OECD donors that are situated behind the large emerging or returning economies, yet also want to translate their new economic capacity into political clout and international and regional initiative, including different ways and channels of soft power like aid. Their donor institutions thereby eclectically use elements, policy concepts, and institutions of the international aid system and increasingly report to it, yet they are not bound to abide by the transparency and aid management standards of the DCD-DAC because they are no part of it. As such, like many (re-)emergent donors, they operate in contours and on conditions which they can set themselves, while meeting their elites' aspirations to be part of the international system.¹⁹ As was the case with the U.S.S.R. and still is the case with China, to name but two examples, international humanitarian aid from Kazakhstan and Azerbaijan is predominantly if not exclusively a state affair. Contrary to the aid sector of and in many of the OECD donor countries, it neither involves interaction with nor depends on inputs from a civil society—or pseudo civil society—that is involved in international solidarity and development cooperation.²⁰

As with most donors, OECD and (re-)emergent non-OECD, aid is intimately connected to expected diplomatic and economic returns and interests and to increasing redefinition of power balances, spheres of influence, and trade patterns.²¹ Since the key sectors of the economy and much

¹⁷ The International forces in Afghanistan have also purchased supplies and goods from companies from Kazakhstan, including for humanitarian purposes.

¹⁸ Kazakhstan's aid to China after the Sichuan earthquake and to Mongolia during the winter storms in 2010 must also be seen in the context of its active economic interaction and also, but to a lesser extent, ethnogeographic ties (i.e. the presence of Kazakh minorities in Xinjiang and Bayan-Ölgii) with those countries.

¹⁹ See: D. Rowlands, "Les donateurs 'émergents' et l'architecture de l'aide internationale au développement," in: "Le meilleur des mondes des donateurs 'émergents', 'hors-CAD' et leurs différences par rapport aux donateurs 'traditionnels'," *La Lettre du NORRAG*, No. 44, 2010, pp. 29-31.

²⁰ For a contextualization and case studies, see: E. Lundsgaarde, *The Domestic Politics of Foreign Aid*, Routledge, Abingdon, 2012, pp. 21-42 ff.

²¹ See, for instance: W. Warmerdam, A. de Haan, *The Role of Aid in Politics: Putting China in Perspective*, International Institute of Social Studies, Erasmus University, The Hague, 2011; O. Morrisey, "Foreign Aid in the Emerging Global Trade Environment," in: F. Tarp, op. cit., pp. 375-391.

business interests are directly or indirectly related to state and state-connected elites, the economic returns of aid affect these interests in particular. Beyond this, however, in some instances, like the Bolivarian republic of Venezuela or Gaddafi's Libya, non-OECD aid donors have been actively promoting, through aid and other channels, social and ideological models and development approaches that challenge those put forward and are taken for granted by the Western OECD donors. Neither Azerbaijan nor Kazakhstan are doing this, yet in the case of Kazakhstan this might change depending on how it evolves both as a state and society and as a cornerstone and champion of a larger Eurasian project.
