

“Relief Business Bears Watching.”
Baltimore Sun, October 15, 2001

“Coming to the Aid of Afghan People.”
Toronto Star, October 29, 2001.

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As the United States and its partners pursue their Afghan war, humanitarian agencies are gearing up for a crisis of immense proportions. If aid donors do not learn from past mistakes, however, much of the humanitarian effort will be frittered away. Humanitarian groups will spend more time chasing aid contracts than tending to refugees, and aid workers will fear to loudly protest aid diversion by political factions and black marketeers.

In the last decade, the humanitarian aid world has been transformed by two related trends: marketization of aid contracts, and a startling increase in the number of aid providers. Although these have produced some benefits, they have created a host of new and thorny problems.

Marketization of the humanitarian relief world is being propelled by aid donors such as Western governments and the UN, which now rely on competitive tenders for humanitarian relief projects. While these contracts have reduced fraud and mismanagement, they have also generated competitive contract frenzies and created an explosion of would-be humanitarian providers.

After the 1994 Rwandan genocide, for example, over 200 international agencies flocked to Goma, ex-Zaire, hoping to secure a foothold in the region’s lucrative refugee relief market. A year later, over 240 international groups were active in Bosnia, another high-density humanitarian hotspot. Although these groups sought to do good, their intentions were often lost in a desperate race to balance their budgets.

The humanitarian aid frenzy is often compounded by the short term nature of most aid contracts. In Goma and Bosnia, some donor contracts were as brief as six weeks, but groups such as Save the Children and Catholic Relief Services incurred huge start-up costs as they set their operations up on the ground. To cover expenses, aid groups wasted much time lobbying for contract renewal, rather than on their urgent, humanitarian tasks.

Aid donors were also notoriously fickle, funding “flavor of the month” projects for a while and then moving on. As a result, some aid groups reinvented themselves to keep attracting funds. In Bosnia, for example, groups involved in helping displaced refugees switched overnight to infrastructure reconstruction because of changing donor

preferences. Often, however, these organizations were ill-equipped to perform these very different new tasks.

Current donor rules also discourage high-minded groups from courageously confronting problems of aid abuse. Aid diversion is always an issue in desperately poor conflict settings, since food, clothing, medical supplies, and blankets are valuable commodities for political factions and war profiteers.

In Goma, many of the relief supplies doled out in refugee camps were appropriated by militia groups for military purposes. Aid donors were anxious to keep this quiet, however, to avoid undercutting international support for the relief effort. Consequently, aid workers on the ground feared that if they publicly protested aid diversion, donors might push them aside and sign contracts with other, less vocal aid groups.

Finally, the new competitive aid market also harms relief coordination, since groups duplicate activities or fail to inform each other of their operations and problems. Some of this may stem from poor staff training, but most coordination failures are produced by donor guidelines. In a setting dominated by competitive and short-term contracts, aid groups have every incentive to compete, but few to cooperate. Aid workers must satisfy managers back home that they can remain financially solvent, but this often impedes on-the-ground cooperation.

Donors in Afghanistan should be mindful of these problems as they build their new humanitarian strategies. They should make a significant percentage of their aid contracts long-term and non-revokable. If reputable aid groups know their funding is secure, they will concentrate on providing aid and on critically analyzing the problems they face, adjusting bad strategies in mid-course and vocally protesting aid abuse.

The United States and its allies have a unique responsibility for ensuring that their Afghan campaign does not decimate a population already tortured by decades of war, poverty, and misery. For this new and massive relief effort to be successful, however, Western donors must learn from their past mistakes.

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