



NORWEGIAN
REFUGEE COUNCIL



East Africa and Yemen

Regional Context Analysis 2021

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Regional Context

This document will focus on the political and conflict dynamics that underpin and define the parameters of the humanitarian response in the Greater Horn and Yemen. In doing so it will seek to provide a brief overview of some of the broader dynamics influencing the region, and to identify trends and trajectories that will influence the region in the coming year. But since it is impossible to predict the future, this paper also embraces uncertainty, and accepts that the most likely outcomes will lie somewhere in between the various elements of the scenarios presented.

1. The Region: Fragility, fracture and recovery

The Greater Horn of Africa region (incorporating Yemen, Eritrea, Ethiopia, Djibouti, Kenya, Tanzania, Uganda, South Sudan and Sudan) faces greater levels of instability, and greater levels of humanitarian need than at any time in recent years.

The past year was undoubtedly an extraordinary year, and the longer-term impact of Covid-19 on the economies, societies and health infrastructure in the region is still to be determined. East Africa is expected to lead the continent in economic recovery from Covid-19, and had seen the fastest and most sustained economic growth in Africa until the pandemic – albeit growth that masked public debt and wealth inequality – yet it is the implications of the region’s interlinked and overlapping ecosystems of conflict and instability that will drive humanitarian needs in 2021.

This paper will focus on the political dynamics in the region’s most unstable countries, but it is also worth noting that recent elections in Tanzania and Uganda unsurprisingly returned incumbents who deployed violence and the resources of the state to undermine their opponents, and silence the media. These election outcomes were the result of years of narrowing of the political space, and concerted policies to constrain dissent. Kenya’s political culture of perpetual election cycles will also be tested in June 2021 with a referendum on major constitutional changes that will potentially open old political wounds. While all these trends are significant indicators of democratic state development, they will be unlikely to degenerate into drivers of humanitarian needs in 2021 on the scale of the countries featured below.

Yemen

The ever-worsening humanitarian situation in Yemen continues to be driven by conflict. A conflict that is defined by its multi-layered complexity, lack of cohesiveness, and by its ability to defy both victory for any party, or resolution. Some have argued that it is not a single conflict, but is instead

a mosaic of multifaceted regional, local, and international power struggles. As such, it continues to flare along multiple frontlines, and the escalation of fighting along frontlines in Nihm, Al-Jawf and Marib in 2020 radically shifted the broader trajectory of the conflict from stalemate, to a dangerous intensification that potentially moves the conflict even further from resolution – and pushes the humanitarian situation to new lows.

The tentative, and piecemeal, steps towards dialogue that had been initiated by the Stockholm agreement in December 2018, appear long forgotten now. The almost yearlong offensive by Ansar Allah forces to push out from front lines that had had been largely static for years leaves them on the outskirts of Marib city – and yet another potential humanitarian disaster if the city becomes caught up in fighting. As some analysts have warned, the capture of Marib, the last northern stronghold of the Internationally recognised government (IRG) could lead to further escalation of fighting in neighbouring governorates, and potentially see the IRG withdraw from the Stockholm agreement so as to re-open the front around the port of Hodeida and stretch Asar Allah forces. The humanitarian implications of this scenario for both Marib, Hodeida and much of northern Yemen would be simply catastrophic.

The escalation of the conflict in 2020 and first months of 2021 further emphasises the limitations of the current piecemeal regional and international approach to ending the war. While there had been some hope that the various threads of dialogue – Stockholm, Riyadh, and the cross-border truce discussions that had first started in October 2019, might at some point be woven together into a comprehensive process, the fact remains that no meaningful political path towards ending the conflict, let alone peace, has emerged.

The new administration in the US has identified Yemen as a priority, appointed a special envoy, Timothy Lenderking, as well as announced an end to “all American support for offense operations in the war on Yemen, including relevant arms sales.” Days later the Biden administration revoked the designation of Ansar Allah as a foreign terrorist organisation. As such, the US has now made it clear that their position is that the war can only be brought to an end through a negotiated settlement. Yet while the urgency of the humanitarian situation in the country confirms this, neither the US nor the rest of the international community, are any closer to finding the necessary mix of leverage and incentives required to actually realise this objective.

Somalia

Somalia is facing a political crisis that potentially poses an existential threat to the country’s fragile political institutions and structures. On 8 February 2021 the term of President Mohamed Abdullahi Mohamed 'Farmaajo' came to an end, yet he remains in office. With no constitutional mandate, no elected (or selected) successor, and seemingly little appetite for compromise from the president’s opponents, this crisis has the potential to undo years of progress and relative stability. Some would argue that the fact that the country is embroiled in a political crisis, as opposed to conflict, is in itself evidence of progress, but it remains to be seen how durable country’s political infrastructure is given the multiple drivers of instability in the country.

Since the collapse of central authority in Somalia 30 years ago, the country has, in recent years at least, developed a devolved system of negotiated leadership selection similar to an electoral college. A system that while not truly representative, has ensured a rotation of power and allowed for more representative processes to emerge at local levels. Yet it is in this process where deadlock has occurred on implementing an agreement from September 2020 on the process and makeup of parliamentary and presidential elections – or more accurately, selections. The collapse of talks in Dhusamareb in February 2021 left the country facing a political vacuum, and the real threat of fragmentation as tensions mount between Mogadishu and the regional states of Jubaland and Puntland. It also leaves the possibility of national elections going ahead without Jubaland and Puntland, which would further undermine their, already contested, legitimacy and accentuate existing tensions between Mogadishu and the two states.

The non-codified system of checks and balances, and distributed power in Somalia leaves the path forward unclear. Firstly, it is likely that Farmaajo will find it extremely difficult to remain in power without a negotiated solution to the current political impasse. But it also means that there is a real threat of a deterioration of already tense relations with the regional states of Puntland, and Jubaland where the government has been in a stand-off with the local authority for over a year. Clashes between the Somali National Army and Jubaland forces around the town of Gedo in March 2020 displaced over 50,000 people and resulted in a tense stalemate that is drawing in neighbouring Ethiopia and Kenya who are seen to be supporting the two respective sides. Indeed, there are even rumours that Farmaajo is being encouraged by his regional allies, Prime Minister Abiy and Eritrea's President Isaias Afwerki to seek a 'Tigray solution' to the Jubaland tensions, and in so doing consolidate more power with Mogadishu – and himself. Whatever the outcome however, the tensions with Jubaland are instructive in that they point to fault lines that cut from national politics down to local clan tensions, and reflect fundamental questions about the political structures in the country – namely, where power should be allocated.

Against this backdrop of political crisis, Al-shabaab still continues to launch strikes that highlight the central government's vulnerability. Recent history has shown that Al Shabaab is particularly effective at inserting themselves into breakdowns of the political process, and can be expected to do so again. They will also likely mobilise to undermine and threaten the elections – as they have done in the past – by threatening and assassinating prominent clan elders who participate in the selection process. The year ahead therefore presents a range of political and security threats that are playing out against the backdrop of the humanitarian 'triple threat' of floods, locusts and Covid-19. And the risks that any deterioration of the security situation in the country could have for vulnerable people, potential displacement, and humanitarian access would only worsen an already significant humanitarian situation in the country.

Ethiopia

Since becoming Prime Minister in early 2018, after more than three years of anti-government protests, Abiy Ahmed put in place policies that led to what was thought at the time to be a historic rapprochement with Eritrea, released political prisoners and invited home exiled dissidents and

insurgents. Yet the rapid political liberalisation was accompanied by a surge in violence. Violence that was largely due to a rise in militant, competing, ethnic nationalisms contrasted against increasing fragility of state and party institutions. Abiy's moves to dismantle the old order and seek to re-centralise power essentially weakened the Ethiopian state, and gave a new energy to the ethno-nationalism that was already resurgent during the mass unrest that brought him to power – and in turn led to a rolling back of many of his liberalising reforms.

Against this backdrop, a political standoff between the federal government and the regional authorities in the Tigray region escalated into a full-scale invasion by federal forces, allied Amhara militias, and Eritrean forces in November 2020. Despite the government's announcement of the end of military operations in Tigray, violence and instability are continuing and the underlying dynamic of the conflict has shifted to a lower-intensity asymmetric insurgency. The continued violence is being accompanied by a humanitarian and protection crisis the real scale of which is unknown as aid agencies continue to be denied full access to the region.

Thus at its core, the central question about what kind of state Ethiopia is, or wants to be, remains unanswered. Empowering ethnic groups through territorial autonomy, as is the case in Ethiopia, is a double-edged sword. Allowing self-government reduces tensions stemming from the dominance of a single group, it also places ethnic belonging at the centre of politics. Institutional power, economic and social inequalities, as well as ethnic identity overlap and are mutually reinforcing. Moreover, grievances or perceptions of exclusion and marginalisation also manifest along ethnic lines – especially when ethnically aligned political parties maximise their support through polarisation. For these reasons observers believe that federations of ethno-national states such as Ethiopia are particularly vulnerable to instability during times of political liberalisation. This is because during transformation ethnic conflicts can increase in intensity and number as the public space is liberalised and conservative forces push back against change. But of course in Tigray this has degenerated into outright war, and the distinct ethnic dimension to the conflict combined with the continued presence of Eritrean forces, Amhara militias and the re-drawing of boundaries between Amhara and Tigray will undoubtedly drive resentment, and complicate any path towards a future negotiated peace, or process of reconciliation.

Moreover, the longer a conflict continues the greater its complexity, as more actors are drawn in, and local-level dynamics and cycles of revenge become intertwined within the overarching rationale of the conflict. In this respect the conflict in Tigray has only been going four months, but already the prospect of untangling the respective political interests among the government's allies alone appears daunting. Recent reports of skirmishes between allied Ethiopian and Eritrean forces is a case in point. As such, trying to imagine what the government's 'end game' for Tigray might look like is no doubt complicated by the price of participation from their coalition partners – and how these deals will be perceived in other parts of the country once the current support for the demise of the TPLF¹ wears off. Indeed, there are already questions emerging on social media asking who exactly is driving the agenda in Tigray, Addis Ababa or Asmara – or emboldened Amhara nationalists.

¹ Tigray People's Liberation Front (TPLF)

The conflict in Tigray is also playing out against a particularly fraught domestic political backdrop. And some argue that the events in Tigray will ultimately play a more important role in fuelling the instability in other parts of the country. In this assessment the government's anti-TPLF narrative, and popular anti-TPLF sentiment will only carry them so far. Amhara overreach, long-term Eritrean occupation, and a drawn-out bloody insurgency will all ultimately integrate into, and reinforce, existing opposition to the government's apparent agenda of centralisation, and undermining of the ethno-nationalist state model. As such, developments in Oromia, where the popular leader Jawar Mohammad is imprisoned and on a hunger strike, or Benishangul-Gumuz where destabilising intercommunal violence is continuing, combined with the prospect of elections in June 2021, all point to multiple, and overlapping, fronts of instability and accompanying humanitarian need in the year ahead.

Ethiopia – Sudan border

The escalation of tension, and clashes, along the Sudan-Ethiopia border is further complicating the political and humanitarian context of an already fragile region.

Tensions in the Fashga (or El Fashaga) region steadily escalated in 2020, having previously flared-up in 2015. The Main areas of conflict is known as 'Little Fashga' that borders Amhara region in Ethiopia, and to a lesser extent 'Greater Fashga' that borders Tigray. Little Fashga is a triangle of exceptionally fertile land between the Atbara and Angereb rivers, and the Ethiopian border.

Both these regions are recognised to be Sudanese territory as they are west of the line negotiated in the 1902 border agreement between the British Colonial authority in Sudan and Emperor Menelek of Ethiopia. Yet much of the 1,600km border between the two states has never been fully, or clearly demarcated on the ground. Amhara farmers have been occupying the Fashga regions since the mid-1990s as the region was separated from the rest of Sudan by rivers and difficult to defend. Some observers also point out that former Sudanese President Omar al-Bashir tolerated the transgression, as the move was seen as response by the Ethiopian government to the attempted assassination of former Egyptian leader Hosni Mubarak in Addis Ababa which was widely linked to Sudan. Regardless of the cause or reason for the occupation, it reflected the al-Bashir government's general disregard for the country's peripheries and people – despite widespread anger among border communities in Gederef around the issue. Anger that has not dissipated with time.

Some analysts believe therefore that the Sudanese army is appealing to populist nationalism, thus instrumentalizing the border issue, to improve its damaged public image following the revolution in 2019. With the ultimate objective of consolidating the military's previous political influence in the country. Indeed, one analyst who met with Prime Minister Abdalla Hamdok in December 2020 observed that when asked about Ethiopia "they admitted they don't know what's going on. They are not in charge of the situation – the military is running the show". The analyst went on to note that Prime Minister Hamdok does not have the legitimacy or authority to even negotiate with Ethiopia on the issue. Though it should also be pointed out that this is a convenient dispute for the

fragile civilian government to build bridges with the military as the issue is widely popular, and can be seen as responding to the concerns of marginalised borderland communities.

From the Ethiopia perspective, Prime Minister Abiy Ahmed seems to have moved away from his predecessor Meles Zenawi's 'modus vivendi' approach, or peaceful coexistence with a rival by effectively kicking the can of Fashga down the road – delaying both confrontation and resolution of the issue. Similarly, Sudan's current uncompromising position on Fashga can also be seen to reflect the evolution of their own perceptions of more adversarial relations with Ethiopia – complicated by ongoing negotiations around the Grand Ethiopian Renaissance Dam (GERD).

A further consideration is Abiy's increasing reliance on the Amhara nationalist base for his own political survival. Some analysts point to his lack of a unifying narrative to underpin and legitimise his authority where even beyond the conflict in Tigray, significant unrest continues in his home region of Oromia, Western Wolega and Benishangul-Gumuz. In this context, the Amhara have emerged as key supporters, and have been empowered and rewarded for their involvement in the conflict in Tigray – but are also invested in retaining the 250km² of rich farmland in the Fashga region.

Sudan

Sudan is undergoing significant social and political transition. The civilian (transitional) government remains caught between internal fragmentation of the parties nominally supporting it, revisionist pressure from the old guard in the military and intelligence services, and domestic expectations to improve the dire economic situation. When adding escalating military tensions with Ethiopia, and worrying signs of resurgent violence in Darfur, the fragility of the government, and the extent of the risks it faces in 2021, are increasingly apparent.

While 2019 was a year of significant political change with a mass-protest revolution ousting Omar al-Bashir after 30 years in power, the ensuing two years have seen the country embark on an uneasy path toward a democratic and accountable government, military hardliners, and their agendas, as well as significant economic challenges threaten more instability. It was soaring food prices that first brought Sudanese out on the streets, yet ultimately the demonstrations evolved to reflect deep anger with a corrupt and repressive ruling class, and system. Thus the efforts of the transitional administration, led by the widely-respected economist Abdalla Hamdok, towards democratic opening are still vulnerable as the economy remains in crisis, and the costs of living for most Sudanese continues to climb. Moreover, while the new government has put in place a timetable for widespread economic reforms sought by international lenders, they are conscious that rolling back ruinously expensive fuel subsidies – along with subsidies for flour and bread – will be very unpopular. Though the US decision in November 2020 to rescind Sudan's designation as a state sponsor of terrorism, and the accompanying lifting of sanctions, will be critical to any economic recovery – and in turn the prospects of a genuine transition to civilian government and democracy.

The past two years has also demonstrated that the transition to civilian rule will likely continue to be halting, and fraught with risk, with the old-guard military and intelligence structures showing little appetite for real change. Indeed, the March 2020 attempted assassination of Hamdok highlighted the very real risk that he personally – and the democratic movement more generally – face over the coming months and years. Yet without challenging the power of the country’s military and intelligence services – and influential paramilitaries such as the Rapid Support Forces (RSF)– the government will continue to struggle to engage meaningfully with the country’s marginalised and war-torn peripheries, or unpick the judicial and bureaucratic legacy of decades of authoritarian rule.

South Sudan

Lower levels of violence over the past three years, and a peace agreement that has proven more durable than its predecessors, are indicators of a country in transition. However, uncertainty remains high. Obstacles persist in attempts to add to the recent security gains and there are real risks that they will be reversed. Whether the current transition is laying the foundation of a new peace or a new conflict is a critical question in 2021. The evidence suggests that while the former is possible, the latter currently looks more likely.

Despite opposition leaders taking up their appointments as part of the peace agreement serious frictions remain as competition at individual, factional and communal levels persist between those now notionally allied under a single Government. This continues even as the national conflict persists, albeit under the much-diminished guerrilla war being fought in southern Central Equatoria. Even if the last of the holdout groups join the peace agreement the likelihood is that their support base, as with other supporters of rebel movements, will find incorporation in the peace process unsatisfying. Moreover, the absorption of that group’s leaders into an already bloated Government will test a peace strategy that relies on the distribution of political and economic resources to induce individuals to relinquish violence to achieve their political goals. A dire economic situation has further stretched the resources that can be shared. Grassroots anger at unresolved conflict drivers and elite competition over finite resources were core reasons for the outbreak of violence in 2013. That these dynamics are emerging again in 2021 should be a broad cause for concern.

The implications for humanitarian and development efforts are mixed. A continuation of lower levels of national violence is likely, in the short-term, to create space for operations. The possibility of a slowing of the conflict in southern Central Equatoria will create new opportunities for consistent and more stable interventions. However, the persistence of communal conflicts which occur with little warning and escalate quickly create a strong likelihood of further disruption to southern Warrap, western Lakes and Jonglei in 2021. The possibility that that disruption may extend to areas such as Upper Nile, Unity and Western Bahr el Ghazal, because of the resumption of violence in those areas due to unresolved communal conflict, is significant.

The more substantial medium- and long-term concern is that the conflict dynamics in the country

are slowly degrading over all stability in the country. If the end of this transition is to another national conflict, humanitarians will need to be prepared to maintain an emergency footing in the country in the longer term.

2. Covid-19 impact and legacy

The official narrative in the East Africa region before the onset of Covid-19 was optimistically focused on the region's projected 6.2 percent GDP² growth – far higher than the continental average of 3.6 percent. But this perspective overlooked the combination of high unemployment, the prevalence of insecure employment, and rising inequality, against which the real fragility of GDP growth should have been viewed.

At the beginning of last year the *East African* described the region's projected GDP growth in 2020 as a “mirage” – driven by public infrastructure spending rather than the private sector. Rating agency Fitch pointed out that rising debt servicing [on infrastructure spending] in the region combined with sluggish revenue growth would ultimately limit government's capacity to stimulate further growth. Before Covid-19 it was estimated that in East Africa 40 percent of revenues would be spent on debt servicing in 2020. The International Monetary Fund (IMF) warned that the region's \$100 billion of debt is heading towards unsustainable levels. The impact of such high public sector debt was likely to be accentuated by a sluggish private sector that is actually shedding jobs, declining volumes of exports and flattening foreign Direct investment (FDI).

The unfortunate reality across most of this region therefore is that economic growth was not resulting in a meaningful reduction in the rate of unemployment – or poverty. The region had very high levels of general unemployment, and much higher rates of unemployment for youth. Added to which, research on wealth inequality in Africa has shown that economic growth data can be misleading – and delivers less poverty reduction – because the absolute increases in income associated with rising average incomes is much greater for those with existing wealth. As such, meeting the demands of a rapidly increasing supply of youthful, urban, better educated and aspirational labour in an environment characterised by limited job opportunities and increasing wealth inequality was going to be difficult even without the massive impact of Covid-19. As the OECD³ points out, with high levels of public debt and additional pressures induced by the pandemic on all major sources of development finance, low- and middle-income countries may struggle to finance their public health, social and economic responses to COVID-19⁴.

The unfolding global economic recession as a result of Covid-19, and government measures to contain it, are well documented, and the impact across East Africa will undoubtedly be

² Gross Domestic Product

³ The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation of 37 industrialised countries.

⁴ <http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/>

significant. Almost all economic forecasts for 2021 are premised on the pandemic being contained within Q4 of 2020, or Q1 of 2021, yet as numbers of infected people continue to grow these forecasts become increasingly unrealistic. In the second half of 2020 however IGAD⁵ estimated that 50.6 million people in the IGAD region (approximately 20 percent of the population) were at risk of being food insecure and would require food assistance by the end of 2020⁶. This is due to the compounding impacts of Covid-19, desert locust invasions, ongoing climatic shocks, conflict and insecurity, macroeconomic shocks, and protracted pre-existing food insecurity. Indeed, as the IGAD report further highlights, before the current crisis, Eastern Africa was already considered one of the most food insecure regions of the world, with nearly 28 million people in need of food assistance.

Thus the complex interplay of numerous factors – all negatively impacted by Covid-19 – from education, food systems and nutrition, to health care, remittances, employment and migration demonstrate the need for a new level of aid response. The unprecedented economic global shock of Covid-19 is overlaying and aggravating existing needs – effectively eroding the ‘island’ upon which many families in the region are surviving. Yet the question remains: will aid agencies be internally equipped, or adequately funded to respond to these levels of need?

Covid-19 and its Legacy: Increasing the Funding Gap

When considering the humanitarian and development funding landscape in the coming years, it is becoming increasingly likely that the ‘traditional’ OECD DAC⁷ donors will not continue to fund in 2021 – and beyond – at the same rate as they did before Covid-19. Many agencies will be able to minimise the impact of funding cuts in the short term by relying on existing multi-year funding agreements and grants that run into 2021, and offset any reductions in aid budgets next year. The broader trend however is not positive.

Research from Development Initiatives indicates that the economic impact of Covid-19 in donor countries is “likely to drive reductions in global aid levels at a time when global aid flows have seen very limited growth since 2016”. The report goes on to note “a longer-term economic recession alongside cuts from donors as budget is reallocated to domestic spending could see global ODA⁸ levels drop sharply, with a fall of US\$25 billion by 2021 within the range of possibilities”⁹.

At the simplest level, aid budgets are usually tied to Gross National Income (GNI)¹⁰ and the contraction in the economies of major donors will potentially mean reduced total amounts of aid

⁵ Intergovernmental Authority on Development is an eight-country trade bloc that includes governments from the Horn of Africa, Nile Valley and Great Lakes regions.

⁶ <https://igad.int/press-release/2487-press-release-looming-food-insecurity-amid-triple-threat>

⁷ OECD’s Development Assistance Committee DAC is a forum to discuss issues surrounding aid, development and poverty reduction in developing countries

⁸ Official Development Assistance

⁹ <https://devinit.org/resources/coronavirus-and-aid-data-what-latest-dac-data-tells-us/#section-1-4>

¹⁰ GNI as opposed to GDP is the total income received by the country from its residents and businesses regardless of whether they are located in the country or abroad

made available. As the research scenarios from Development Initiatives indicate, a longer-lasting coronavirus outbreak (in which growth is three percent below the IMF baseline in 2020, two percent below it in 2021, and donors reduce their 2019 ODA GNI ratio by 0.03% in 2021) levels of ODA from the US alone would fall by an estimated US\$8.2 billion between 2019 and 2021 – almost a quarter. Under the same scenario, the UK, Denmark and Sweden (all currently reaching the 0.7 percent ODA/GNI target) would record notable falls in aid. ODA from the UK would fall by US\$2.2 billion between 2019 and 2021 (12 percent), ODA from Sweden would fall by US\$526 million (10 percent) and ODA from Denmark would fall by US\$251 million (10 percent). Added to which, several important donors have already announced cuts to their aid budgets in 2021 – for example the UK is expected to cut 60 percent on the equivalent aid figure for 2019¹¹.

A further factor to consider are the political responses to the longer-term economic impacts of Covid-19 in donor countries, and their implications on aid budgets. The US government's \$1.8 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 2020 is the largest stimulus package in US history. As the Conservative Heritage Foundation also points out, once you add in the two previous Covid-19 response acts, the federal government deficit for 2020 has been tripled¹². With yet further stimulus packages likely to be introduced in early 2021, the overall costs will be eye-watering, and it is hard to imagine they will not impact other areas of government expenditure. The European Union reached agreement in July 2020 on a €750 billion Covid-19 Recovery Fund. Comprising €390 billion in grants and €360 billion in loans, the money will be distributed over three years. As the Centre for Global Development explains “this is a game-changing moment for the EU, as it embarks on large-scale capital market borrowing, something that seemed unimaginable not too long ago”¹³. Alongside the recovery plan, the EU also agreed a new seven-year budget, in which external action is reduced from €79.2 billion to €70.8 billion.

When considering the examples of the US and the EU, it is not unreasonable to assume that as the costs of taking on greater amounts of debt are felt, political pressure to make cuts to government budgets will likely not go away.

Against this backdrop, the evolution taking place within the wider donor environment becomes increasingly important. While this paper will not examine ‘new’ donors in any detail, it is worth recognising the growing visibility and influence of emerging donors, and how they will also challenge the aid industry. Countries such as Turkey or the Gulf states are spending lavishly on charities, religious organisations, infrastructure and patronage across the Horn. If this trend continues in this region, it has the potential to diminish the relative impact of Western donor contributions – and their attendant ability to leverage influence with governments in the region. Moreover, the influence of new illiberal allies for many governments in the region will likely have an impact on our advocacy messages, and our communication strategies.

¹¹ <https://www.theguardian.com/global-development/2021/jan/26/uk-cut-overseas-aid-budget-costs>

¹² <https://www.heritage.org/budget-and-spending/commentary/how-big-the-covid-19-cares-act-relief-bill>

¹³ <https://www.cgdev.org/blog/eus-new-budget-europes-recovery-expense-its-long-term-ambitions>

3. The Aid industry in 2021

There are a few existing trends that will likely continue despite the disruptions of 2020. The most obvious of which is the shrinking humanitarian space. For several years, the combination of violence against aid workers, increasingly assertive authorities, and progressively complex donor regulations – especially around avoiding aid diversion – have made principled humanitarian operations challenging. However, the past year has also demonstrated that INGOs can be more ‘remote’, and yet still deliver. The realities of operating under the combined pressures of Covid restrictions, and complex Covid risk calculations challenged existing ways of working, and drove innovation. In particular, 2020 showed that digital platforms can replace much of what was personal and physical, and by necessity, accelerated the acceptance and use of digital approaches to programming.

The humanitarian sector will also be challenged in the coming years by a range of new and evolving trends such as managing beneficiary data, and reducing the environmental impact of their operations. Aid organisations are holding ever-greater amounts of beneficiary data, often in fragile conflict-affected locations – which makes that data strategically valuable. Indeed, the use of technology in aid programme has likely been accelerated by Covid, and aid agencies will be able to do more remotely, including the gathering of data and more targeted interventions. Yet this reality will also challenge aid agencies to both ensure adequate systems to store data securely, as well as stand by their principles when placed under pressure from authorities to share data on beneficiaries.

While the urgency of life-saving work has given the industry a certain amount of leeway in terms of adapting to the imperatives of the climate crisis, this dynamic will change. Moreover, as climate displacement grows, along with aid agencies advocacy around the drivers of climate crises, the industry will be forced to look critically at its own habits and ways – and likely further drive the acceptance of greater focus on technological solutions to minimise travel, and accelerate remote and ‘cleaner’ ways of working.

Despite the massive disruptions of 2020, the global discourse in the aid sector will likely continue to be focused around the Triple Nexus. The impetus to move away from ‘silos’ of separate spending on development or emergency relief towards a more interconnected, long term or ‘big-picture’ response has distinct advantages. Yet institutional inertia aside, the Black Lives Matter (BLM) movement raises the question: is this actually the most relevant reform conversation for the industry at this time?

Black Lives Matter and its Impact on the Aid Sector

2019 was a year marked by street protests. From Bolivia to Lebanon, France to Hong Kong, Kashmir to Iraq popular discontent with government, and perceptions that systems were failing people drove thousands of people onto the street. Profound economic and social issues were at

the heart of these protests, and in some cases they became tipping points where localised single-issue demonstrations escalated into much larger and broader anti-government protests – most notably in Sudan. Yet in 2020, it was protests against police brutality and racism in the US that sparked similar movements of mobilisation across many Western countries – and forced the aid sector to look critically at itself. This mobilisation matters for the industry because it speaks to fundamental issues around institutionalised racism, and arguably exposes the hypocrisy and structural problems within the industry. Moreover, the BLM movement ultimately signals that the industry should practice the standards and ethos that we preach.

Broadly speaking, the implications for the sector can be reduced to two issues: racism, and what can be described as the ‘decolonisation of aid’.

Tackling racism in a meaningful way will likely have to start with organisations committing to giving non-white people space to be heard, a voice, and agency to lead – as well as addressing processes such as recruitment bias. While many of the responses to the BLM movement have been performative, many observers feel the sector will need to finally deliver beyond a projection of global solidarity, and demonstrate a genuine willingness to act – and change. The growing sentiment is that continued institutional inaction signals an acceptance of the marginalisation and exclusion that many experience.

Reform in the aid sector tends to be a slow incremental process – and many agencies are slow to adapt or accept change. Existing conversations around nationalisation, localisation, and increased engagement with local authorities would have likely continued to gather momentum without the BLM protests, but the BLM movement has accelerated this process. The sector is being challenged to fundamentally address its legacy and ensure agencies have exit strategies from the contexts in which they work. Added to which, pressure to strengthening local systems and partnerships for the delivery of aid will grow as localisation is central to long term self-sufficiency, sustainability and empowerment. Agencies will also have to realise more meaningful collaboration with national civil society organisations and authorities.

If real progress towards nationalisation and localisation is to take place however, international agencies will have to actively work against the current incentive structure, and effectively shape a new role for themselves in the aid system. This will require two parallel processes, continuing to deliver aid in the short term while simultaneously investing-in and seeking-out national partners and collaborators for the longer term. As this happens, and rates of direct implementation are reduced, the operational focus of INGOs will shift – along with staff profiles. Yet as most observers point out, for this change to be meaningful it will have to be more than a purely technocratic exercise that creates a new space for western expert consultants.

4. 2021 and Beyond: Navigating Complexity

It is clear that the environment in which aid agencies operate in 2021 will become increasingly complex as the continued presence of Covid-19, pressures of funding, remaining relevant in the

face of growing need, and realising genuine change in the sector all compound upon each other. Yet alongside these dynamics, agencies will also be forced to navigate a world in which BLM compels the industry to reform in ways that are counter to the populist political pressures faced by governments and donors in the West.

The pressure to justify ODA funds in the face of growing national deficits and nationalist political pressures will likely see donors demand greater evidence of impact – in effect a return on investment. If this evidence is something like reduced numbers of migrants reaching donor countries, aid agencies are going to find it increasingly difficult to justify their programming as principled. Allied to this, domestic audiences will likely have even less tolerance for aid diversion, or funding being allocated to corrupt governments – real or perceived. In this context, the space for supporting local partners, or giving a greater coordinating and implementing role to local authorities may actually shrink. Thus despite the fact that increased donor compliance effectively drives up the cost of responding, and reduces the total number of people that can be reached, donors will still entrust the majority of funding to larger Western agencies because of their capacity to manage growing compliance expectations.

Meaningful reform of the sector will therefore likely require either a fundamental rejection, or reinvention, of much of the current system of aid delivery – and the bureaucracy and compliance that underpins it. Reinvention is, of course, more plausible than rejection, and there are existing pathways towards reinvention that reduce the burden of bureaucracy – including more strategic interventions at the systemic level, fewer transactions, less direct implementation, and more digital. Thus question that remains is whether aid agencies can ‘grasp the nettle’ and actually make the changes necessary, while inhabiting an already conservative aid sector slow to adapt and burdened with growing compliance requirements. Yet against this backdrop of reinvention, donor agencies are fighting to maintain ODA budgets, and acceptance of the value of aid. In this respect, if the aid sector is going to reform it will also have to be cognisant of the wider political contexts in which this reform will be taking place, and that the public perception of the sector is not what it once was.

It is also worth noting that almost all sectors of the global economy, and societies, are experiencing change at an accelerating rate. This change is unpredictable and disruptive, it is happening so fast and coming from different directions that INGOs may not be able to control the rate and direction of change. So when we think about what systemic change in the aid sector might look like in the coming years, it is worth considering that there will likely not be a ‘final outcome’, but rather a constantly evolving context. As such, a modified aid industry will not only have to be relevant and able to deliver in a more effective, transparent and just manner – but it will also have to be equipped to survive in an environment of almost constant change.

Cover photo: Will Carter/NRC

Um Rakuba refugee camp in Gedaref state, eastern Sudan home to over 20,000 Ethiopian refugees who have fled deadly conflict in the country's Tigray region.
