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The Kuwaiti NGOs

Their Role in Aid Flows to Developing Countries

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A substantial amount of Kuwaiti private aid flows to developing countries — an example of South-to-South aid. More contact and collaboration between Kuwaiti NGOs and other NGOs, donors, and international organizations might be mutually beneficial.

This paper — a product of the Policy and Review Department — is part of a larger effort in PRE to understand and promote the contributions of nongovernmental organizations to development. Copies are available free from the World Bank, 1818 H Street NW, Washington, DC 20433. Please contact Rosetta Grimm, room S12-018, extension 31129 (17 pages).

Abdulahadi reports that the Kuwaiti nongovernmental organizations (NGOs) are more active than is widely known.

Kuwaiti NGOs provide substantial amounts of private aid to developing countries — an estimated \$70 million to \$90 million in 1987-88. This compares favorably with Kuwait's official development assistance of \$316 million in 1987 (down from about \$1 billion in the first half of the 1980s).

Much of this external aid goes to Africa, the Middle East, and Southeast Asia — particularly to poorer segments of the population in rural areas. Kuwaiti NGOs provided aid, for example, after the floods in Bangladesh, the wars in Lebanon and Afghanistan, the uprising in the West Bank and Gaza Strip, and the droughts in Africa.

But Kuwaiti NGOs have little contact with other NGOs — international, bilateral, or in developed and developing countries. Most Kuwaiti NGOs would welcome contacts and cooperation with others working in similar areas and sectors.

As "South-to-South" NGOs, Kuwaiti NGOs add significantly to private aid, which is otherwise dominated by NGOs from industrial countries.

Kuwaiti NGOs — especially those working in the field, in close proximity to beneficiaries and local communities and NGOs — could benefit the donor community's discussions with local NGOs about community participation in sustainable, flexible programs.

And more external contacts would help Kuwaiti NGOs improve their institutional development efforts and their effectiveness in rural areas.

Most Kuwaiti NGOs support programs both inside and outside of Kuwait. Only three Kuwaiti NGOs are totally outward oriented. A list of NGOs provided by Kuwait's Ministry of Social Affairs and Labor suggests that much of Kuwaiti private aid supports development efforts in developing countries. This trend is expected to persist even if there is a shift toward support of lower-income groups in Kuwait.

The PRE Working Paper Series disseminates the findings of work under way in the Bank's Policy, Research, and External Affairs Complex. An objective of the series is to get these findings out quickly, even if presentations are less than fully polished. The findings, interpretations, and conclusions in these papers do not necessarily represent official Bank policy.

THE KUWAITI NGOs
THEIR ROLE IN AID FLOWS TO DEVELOPING COUNTRIES*

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1. Kuwaiti Non-Governmental Organizations

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THE KUWAITI NGOs

THEIR ROLE IN AID FLOWS TO DEVELOPING COUNTRIES

I. BACKGROUND

Introduction

1. Kuwait's private aid flows, which predate the country's independence in 1961, have become increasingly substantial and are unique as a manifestation of South to South aid.¹ Until the late 1970s, private aid flows were confined to a limited number of non-governmental organizations (NGOs) and individual efforts; more recently, they have expanded to encompass a larger number of non-governmental and semi-governmental organizations.

2. Central to the various motives behind Kuwait's private aid to developing countries are probably the twin pillars of Kuwaiti culture -- Islam and the Arab heritage. It is, therefore, not surprising that, irrespective of the adverse business climate in the region (which in the early 1980s financially constrained a large number of Kuwaiti individuals), private aid efforts continued. Despite uncertainties arising from the steep fall in oil prices, the collapse of the local stock market and the Iran-Iraq war, the Islamic-Arab cultural heritage seems to have catalyzed and sustained Kuwaiti private giving. In a similar vein, Kuwaiti NGOs seem to have favored and continue to favor funding projects in Arab and Moslem countries. However, in many cases, the provision of aid is also influenced by different regional and international circumstances, such as the floods in Bangladesh, the wars in Lebanon and Afghanistan, the uprising in the West Bank and Gaza Strip, and the droughts in Africa. As such, Kuwait's private aid flows has benefitted both Moslem and non-Moslem communities in developing countries. In a few cases, Kuwaiti private support has also reached poor Moslem communities in developed countries.

3. In the absence of government focus on their activities and the assessment of their contribution to development in developing countries, the volume of Kuwait's private aid flows cannot be reliably known. Estimates, based on various sources, place such aid in 1987/88 at about \$70-\$90 million. Given that Kuwait's official development assistance in 1987 amounted to \$316 million, down from an average of about \$1 billion during the first half of 1980s, the ratio of Kuwait's private aid flows to its total ODA in 1987 could then be roughly estimated to average 25%. It is difficult, if not futile, to project future trends in private aid flows to developing countries. Their volumes depend on the amount of zakaat (alms-giving -- see paragraph 5) and on specific contributions collected in response to regional, and international emergencies. Suffice it to say that such private giving has always been impressive and, more recently, has represented a substantial part of the country's total aid flows.

4. Despite their importance in Kuwait's total development assistance, private aid flows do not form part of the country's reported aid flows to the Development Assistance Committee (DAC). In this respect, the Government's policy, so far, has been not to involve itself in private aid giving to developing countries. The reasons for this are straightforward: the Kuwaiti Government prefers to maintain a low profile in religiously motivated giving; and proliferation of aid among various groups and individuals makes its quantification and follow-up cumbersome.

¹ Some Kuwaiti NGO aid also goes to developed countries, primarily aid in support of financially needy Moslem communities.

Motives to Private Aid Flows

5. The attitude of Kuwaiti private contributions to development efforts in developing countries can further be appreciated when viewed within the context of the Moslem Law pertaining to zakat¹ and charity. Under the law of zakat, Moslems are required to give a percentage of their assets annually to those who are entitled to receive it, namely the needy. Zakat is applied on assets inherently susceptible to growth and held through the zakat (tax) year. Minimal exemptions are allowed prior to calculating the zakat. The rate of zakat varies in accordance with the nature of the asset(s) and ranges between two and a half percent to ten percent of their value. Charity, as a voluntary act, is highly commendable and is rewarded by God as a good deed.

6. Zakat money is collected both through official and non-governmental channels. When collected through official channels, it is deposited in "Beit Al-mal" or the "Public Treasury." Zakat funds are kept separate from other public funds and, unlike taxes, benefit only those specifically identified in the Koran, the Moslem Holy Book, as eligible for zakat. Zakat money is not to be used for religious activities or to build mosques. Under the Law of Islam, zakat is a vital and critical modality for redistribution of income and for the realization of the fundamental Islamic principle of social solidarity and welfare. Where official channels do not play this role, other private charitable organizations are commonly used as centers for both the collection of zakat and for identification of those entitled to receive it. Charity, on the other hand, is the act of voluntary giving out of personal choice and commitment. As such, it is similar in its moral underpinning to its concept in other religions. Together, zakat, a religious duty, and charity, an individual act of voluntary giving, emanate from the Islamic emphasis on the responsibility of Moslems, as a community, for societal cohesiveness, viewed as being of paramount importance. Equally important is the commitment of the Moslem community to the realization and maintenance of socio-economic conditions based on equity.

7. Among many verses in the Koran on zakat and charity, the following verse provides the essence of zakat:

"Of their goods take alms
that so thou mightest purify
and sanctify them..."

(Surat Al-Toubah IX, Verse 103)

8. To this important motivation of Islamic teachings, one should also add the country's outward-looking attitude which goes back to the 19th century. Located on the Arabian Gulf, a small country strategically positioned between the West and the East, Kuwait had become an active participant in the trade between India and Africa prior to the discovery of oil. Moreover, the country's fairly socially cohesive and geographically concentrated population of about 739 thousand Kuwaitis (1987 figures) on 17,818 sq.km., made collective activities easier to obtain. The outward looking aid efforts were in particular made possible when Kuwait's economy, within a short period of time, evolved from dependency on trade, pearling and fishing to oil. The discovery of oil facilitated the swift evolution of Kuwait as a welfare state, where in addition to social benefits, most also enjoyed economic opportunities.

9. Although different factors and circumstances might motivate an individual Kuwaiti to prefer one non-governmental organization (NGO) to the other, generally speaking, such a choice is

¹ Zakat, literally meaning purification, is one of the Five Pillars of Islam. The others being, al-shahadeh (belief in one God and that Mohammad is his messenger), prayer, fasting and pilgrimage to Mecca.

made usually on the basis of: (a) a feeling of trust towards an NGO headed by a member of the same extended family; (b) trust in an organization managed by a professionally reputable personality; (c) affinity with the region served by the NGO for religious or nationalistic considerations; and (d) identification with the objectives of the NGO, be they religious, social or humanitarian. Evidently, and as mentioned previously, the small size of Kuwait's indigenous population and its cohesiveness was and continues to be a positive factor in the swift identification with and the willingness to entrust zakat and charity to non-governmental organizations.

10. Private aid flows to developing countries are mostly a two-step process: from the donor to the organization and from the organization to the final recipients. It is, therefore, useful to briefly assess the NGO motives behind the transfer of resources to the ultimate beneficiaries. Although, in most cases, the motives of the donor and the NGOs are compatible, one could argue that from time to time, the organization's motives could be different. One could also argue that since the activities of the NGOs, as entities, are widely publicized within Kuwait, these NGOs can serve a means for greater community or international recognition, especially for individuals associated with NGO activities and success.

11. However, since one of the special features of the NGOs in Kuwait is that, in most cases, NGOs provide the public with a choice of projects and countries, this gives the private donor some control over sectoral and geographical distribution of contributions. This is especially true for contributions which can only be dispensed according to the specific instructions of the giver. Thus, it is possible, that in some years, and in the absence of projects that would not satisfy the wishes of the donor(s), funds collected may not be dispensed. These funds, with the exception of zakat, are usually invested and reinvested for future use and can be drawn from over many years, when projects are identified to meet donor(s) specifications. Zakat funds, on the other hand, cannot be invested and are therefore completely disbursed during the year received.

12. To complete the picture, reference should also be made to the non-Kuwaiti inhabitants of Kuwait, of around 100 different nationalities, who number one million (1987 figures) and who constitute 70% of Kuwait's total population. Of these, more than 50% are Arab nationals. Although their contribution to private aid flows are even more difficult to estimate, it is likely that while the amount of contributions is relatively small when compared to Kuwaiti contributions, the number of individual non-Kuwaiti givers is rather substantial.

13. A related issue, to the non-Kuwaitis and the question of aid, is the proportion of private funds spent on local activities in support of lower income groups in Kuwait. This has to be viewed within the context of Kuwait's developing country status, despite its relatively high per capita income of about \$14,610. (In 1987 dollars. Source: 1989, WDR Table 1, page 164.) The classification of Kuwait as a developing country, among other factors, is attributed to the country's shortage of human resources which, following the discovery of oil, necessitated the importation of a large number of expatriates to implement Kuwait's ambitious development plans. For example, in 1985, expatriates constituted about 81% of the labor force, up from 77% in 1965. Although there has been a shift in the ethnic composition of non-Kuwaitis in the labor force from Arabs to Asians, the non-Kuwaiti Arabs, with higher dependency ratios, still constitute the highest percentage of the population.

14. In addition to expatriates, and again linked to the discovery of oil, Kuwait has attracted a large number of stateless people, known colloquially as "bedoun" or "without" meaning without a nationality. Although there are no reliable statistics on this group of people, which one could identify as "internal refugees," they are estimated to number about 200,000 or about 10% of Kuwait's population. They are also considered among the lower income groups in Kuwait. Since expatriates, whether Arab or foreign, and the "internal refugees" in Kuwait do not have equal access

to all social benefits and economic opportunities, the needy among such groups have benefitted from some Government and NGO assistance.

15. As will be shown in later chapters, most Kuwaiti NGOs support programs both in and outside Kuwait.¹ There are only three Kuwaiti NGOs which are totally outward oriented. Again, although there is no quantifiable evidence, the impression from the NGO list provided by the Ministry of Social Affairs and Labor, is that a large part of private aid supports development efforts in developing countries. This trend is expected to be maintained even if some shift is made in support of lower income groups in Kuwait.

II. THE NGOs IN KUWAIT

Introduction

16. The beginning of zakat giving in Kuwait dates from 1752 when cattle zakat was levied on the nomads. Cattle zakat was an important source of income to the Kuwaiti rulers. The zakat collector, known as "Al- Muzakki" or the "Purifier" had the responsibility of collecting zakat from the nomads over a period of from two to three months. The assessment of the amount of zakat was, however, left to the discretion of the nomads.

17. Beginning in 1896, a more organized revenue system, including the establishment of the Customs Administration, was introduced. In addition to cattle zakat, fees were imposed on pearling, fish and shrimp, real estate, and on caravans transiting through Kuwait. It is possible that some fees were also levied on agriculture. With the exception of cattle zakat, which continued to be imposed by the ruler, other zakat giving was left to the discretion of its citizens. In December 1953, after the discovery of oil, the Kuwaiti government cancelled a large number of custom duties and taxes, as well as the cattle zakat.

18. There is no documentation of private aid giving following the abolition of cattle zakat. However, as early as 1952, a private social welfare organization known as "Society for Guidance" was established, later to be renamed the Social Reform Society. The origins of privately organized external giving, however, can be traced back to 1957 when the "Peoples Committee for Collection of Contributions" was established in response to the Algerian war. One might point out here that while privately organized efforts to assist a developing country commenced in 1957, it was not until Kuwait's independence, that is 1961, that the Government established the Kuwait Fund for Arab Economic Development (KFAED) to channel its official development assistance. Similar to private flows, the Arab countries were also the first to benefit from KFAED assistance. A similar pattern between government and non-governmental aid also emerges with regard to diversification of aid delivery to countries outside the Arab region.

Profile

19. Most NGOs that are in operation today were established following the issuance in 1962 of Law #24 (amended in 1965) under the Ministry of Social Affairs and Labor. However, since not all organized groups that contribute private aid flows to developing countries are registered with this Ministry, such organizations can be grouped under the following five broad categories: (a) those registered under Law #24; (b) those created under a special "Amiri" decree;¹

¹ Decree issued by the Amir, Ruler of Kuwait.

(c) those with special status; (d) semi- government organizations; and (e) international and foreign organizations.

20. By far, the largest conglomeration of NGOs fall under the first category. There are at present 54 NGOs registered under Law #24. Of these, about 18 are mainly involved in social sector-related activities, of which about 12 are associated only with external programs and activities. The balance of 36 NGOs includes a variety of professional, cultural and special interest groups, such as lawyers, doctors, economists, artists, accountants, plus health and recreational associations. (For full list see Annex I, pp. 16-18). In other words, organized groups, whether they support economic, social, welfare, cultural or sports activities, are required to register with the Ministry of Social Affairs and Labor.

21. Four of the NGOs are women's organizations while one is exclusively male (the Social Cultural Society). Of the four women's organizations, three are oriented toward social sector related activities and projects, with the fourth mostly involved in social and cultural activities. One, the Women Cultural Social Society, is among the oldest of Kuwait's NGOs having been in existence since 1963. It has been headed since 1967 by a Kuwaiti woman educated in the U.K. Examples of its activities, both inside and outside Kuwait include the establishment of a model childcare center for 200 children. Most recently, the Society has embarked on an literacy program in cooperation with the Ministry of Education. On the international scene, it has raised funds, in cooperation with other Kuwaiti NGOs, to support projects in education and social sectors, benefiting victims of the 1967 Arab-Israeli war and the 1987 uprising in the West Bank and Gaza Strip.

22. The Society also established a village in Lebanon (Hanan Village) in 1977 to provide education and social services to orphans and victims of the war. In Sudan a similar village on a larger scale is being established for children of Eritrean refugees. The village will contain, in addition to boarding facilities for all school age children, a dispensary, a vocational school for women and children, childcare services, a restaurant for employees, children, a vegetable and fruit farm, an animal farm and a bakery -- all of which are to help the village attain self sufficiency. Almost all other development oriented organizations also include a women's committee and supporting functions, such as social services, religious teachings, childcare and literacy classes.

23. Despite the fact that there are 54 organizations registered under Law #24, roughly, 17 more NGOs could be grouped under this category. These organizations are part of two umbrella organizations -- the Social Reform Society and the Al Najat Society. Both umbrella organizations encompass developmental, welfare and social oriented committees. All committees are independent, they all have their own management team and volunteers and raise funds directly from the public. Most receive some government financial support through their umbrella organization.

24. The Social Reform Society, established in 1952, executes its objectives and activities through specialized committees broadly divided between developmental, welfare and social/religious activities, and through committees serving different geographical regions. Three development oriented committees have regional specializations in South-East Asia, Afghanistan, and Palestine and Lebanon. In the case of social/religious groups, one committee is concerned with the advancement of Kuwaiti women and children.

25. The Al Najat Society was established in 1978 to coordinate the work of four different zakat committees which support developmental and relief operations. In 1979, an independent NGO named the Fund for the Assistance of the Sick was established as part of the Al Najat group. This Fund is operated by 30 Kuwaiti volunteer doctors who assist patients in and outside Kuwait. Society external aid supports the establishment of clinics and health units and provides medical supplies and equipment for covering countries in Africa, Asia and the Middle East. In 1988,

Society external aid amounted to about KD41,000 (\$143,000)¹ out of a total aid package of KD166,000 (\$580,000). A large number of Society patients in Kuwait are non-Kuwaitis.

26. The Africa Muslims Agency, established in 1981, in response to the poverty in Africa, is another NGO under the Al Najat group. It is an independent organization which does not receive any government financial assistance. Like other organizations, however, it has emergency access to Government planes for the transportation of relief supplies to Africa. A portion of the Agency's staff are Government employees seconded from different ministries. In fact, the physician who heads the organization is seconded from the Ministry of Health. Agency activities range from the construction of schools, clinics, hospitals, mosques, and wells, to the provision of scholarships, credit and relief, in kind and cash. The 1988 budget of the Agency amounted to \$25 million, of which \$15 million came from private contributions, with the balance from returns on investments. The Agency takes pride in working in 31 countries, with staff of about 1,850 majority local Africans and with 98% were in rural areas. Agency overhead expenses in 1988 were 4% with the aim to reduce this ratio to 3%. This organization has shown keen interest in working with the Bank and in receiving Bank assistance in management and institution building.

27. Most Kuwaiti NGOs registered under Law #24 are heavily dependent on zakat and private charitable contributions. All receive some financial assistance from the Ministry of Social Affairs and Labor, amounts ranging annually from KD100,000 (\$350,000) to about KD12,000 (\$42,000). The amount of assistance is linked to the range, quality and type of activities, plus the size of NGO membership. In 1988, the Ministry paid KD1.1 million (\$4 million) to the 54 organizations. In the case of the two umbrella organizations, this financial assistance is distributed among its member committees. The four NGOs that at present qualify for the largest Government financial support are the Kuwait Society for the Protection of the Handicapped, the Scientific Club, the Kuwait Red Crescent Society and the Kuwait Teachers' Society.

28. Another category is Kuwaiti organizations akin to U.S. foundations. A common pattern is for a wealthy family to set up an organization under the family name. Two such organizations -- the Sultan Educational Foundation and the Sheik Abdallah Al-Nouri Society -- are registered with the Ministry of Social Affairs and Labor. The Al-Sabah Foundation, however, was founded in 1976 under an Amiri Decree. The Foundation provides scholarships to outstanding Kuwaiti and non-Kuwaiti Arab nationals, and supports research activities in Kuwait and other Arab countries. The Foundation's income in 1988 was KD391,508 (\$1.4 million) and expenditures for the same year amounted to KD178,310 (\$623,000). Like most other NGOs in Kuwait, monies not spent have been reinvested for future use. Some of these foundations are now moving beyond solely family-funded institutions to funding from other private sources.

29. Another organization set up in 1976, also under the Amiri Decree, is the Kuwait Foundation for the Advancement of Sciences (KFAS). Unlike most other NGOs that rely on private funding, KFAS solicits corporate giving from about 300 Kuwaiti companies. Similar to private donations, corporate giving is also not tax-exempt. Based on information in their 1985-87 Annual Report, the Fund's main objective is to support scientific, social and cultural related research at the local, regional, third world and international levels. In 1987, this amounted to KD3 million (\$10.4 million) and included research topics such as "The Nutritional Status of Deaf and Pregnant Kuwaiti Women," and "The Use of Computers in Training Deaf Children." KFAS also published scientific books on laser beams and natural disasters, and produced films on drugs, desertification, and nutrition. In addition, KFAS also supports the participation of Kuwaiti students and professionals in regional and international science related meetings. It also offers prizes to both Kuwaiti and other Arab nationals for outstanding literary and scientific work. At the regional and

¹ Decree issued by the Amir, Ruler of Kuwait.

international levels, KFAS has also supported Arab universities, such as in the West Bank, Arab research institutions, and the Third World Scientific Academy, an organization that encourages third world scientists to publish their work in the Academy's Journal.

30. A third category of NGOs are those that enjoy a special status mainly because of their early prominence in this field. Very few organizations fall under this category. These organizations that solicit funds from the general public and from private companies, have focused their efforts on catastrophes in various developing countries such as Sudan, Egypt, Palestine, Lebanon, Yemen Arab Republic (YAR), Peoples Democratic Republic of Yemen (PDRY), Bangladesh, and the drought in Africa. Their activities range from the construction of schools, hospitals, childcare centers to reconstruction efforts in various regions.

31. Under the fourth category, an important contributor in private financial flows to developing countries is zakat House, an independent government institution. The establishment of zakat House, in 1982, is linked to the success of several zakat committees in collecting zakat money through mosques. It is viewed by its founders as "a pioneering step to re-activate one of the great Pillars of Islam and to collect and distribute zakat and charities in the best and most efficient manner." Because zakat giving in Kuwait is still voluntary, the aim of zakat House is to introduce compulsory zakat as is required under Moslem Law. Zakat House is therefore gradually becoming the focal point for the collection and coordination of all zakat money. It has the authority to supervise the work of about 36 zakat committees which are connected to mosques. Zakat money is also given to various non-governmental organizations or is contributed directly to zakat House.

32. In 1987, two-thirds of zakat House's budget of KD12 million (\$42 million) was from private contributions. For the last five years, the Government's financial assistance was KD4 million (\$14 million) a year. About 30% of zakat House's expenditures covers projects in developing countries. The zakat House has offices in Egypt and the Sudan and are expected to establish an office in Bangladesh by the end of 1989. The zakat House's activities range from the printing of books to providing basic need services for refugees such as in Sudan and Afghanistan. The zakat House also provides scholarships, constructs mosques, wells, and vocational schools, develops income earning projects such as beehives, and promotes agricultural schemes including agricultural credit programs. It works extensively with other Kuwaiti NGOs in addition to regional and international organizations such as UN/SCO and UNICEF.

33. A fifth category of organizations affecting the flow of resources to developing countries are the international and foreign organizations based in Kuwait. The first example under this category is the International Islamic Charitable Foundation, which was established in 1986 under a special Government decree, approved by the Kuwait National Assembly. The Foundation has a general assembly consisting of no more than 160 persons known for their humanitarian and charitable work. Of these, at least one-third are from the Gulf Cooperation Council (GCC). Although the Foundation attempts to solicit funds from Moslems all over the world and especially from the Gulf countries, 80% of their funds are zakat contributions in Kuwait.

34. One of the main objectives of the Foundation is to assist the poor, the sick, orphans, the needy, and those affected by calamities. Since its establishment and until the end of 1988, the Foundation has been involved in 74 projects in 26 different countries, mostly in Asia and Africa. During this period, it also supported some projects in Arab countries: one in Kuwait, two in Saudi Arabia, and eight in Egypt. Foundation projects include vocational training centers, clinics, schools, and agricultural projects. The amount spent on projects, up to 1988, totalled KD1.4 million or \$4.8 million.

35. The second example under this category are organizations linked to non-Kuwaiti communities. Among these, the most active has been the General Federation of Palestinian Women, and more recently and in connection with the uprising in the West Bank, "The Committee for Women and Children in the Occupied Areas." Established in 1967 and with membership from different nationalities, this Committee raised about KD350,000 (\$1.2 million) in one year to support childcare centers, vocational training, and schools in the West Bank and Gaza Strip. Obviously, there are other expatriate communities in Kuwait that frequently, either through ad hoc groups or through embassy functions, such as fairs, concerts, plays, etc., raise funds to assist drought, hunger, and war victims in various developing countries. These amounts are hard to trace but could be substantial depending on the fundraisers, the nature of the calamity, and the specificity of the project.

36. To risk another categorization, there are also ad hoc committees set up to coordinate aid in times of emergencies. One good example is the "Relief Committee" with a membership of 16 non-governmental and semi-governmental organizations. It was not possible to interview this Committee. However, information provided by one of its members listed the following as its members: International Islamic Charitable Foundation, zakat House, Society for the Revival of Islamic Heritage, Fund for the Assistance of the Sick, Social Reform Society, Abdallah Al Nouri Society, Filah Welfare Committee,¹ Kuwait Red Crescent Society, Al Najat Society, Kuwait Medical Society, Society for Islamic Welfare, Kuwait Teachers Society, The Welfare Society for Social Solidarity, Africa Muslims Agency, People's Committee for the Collection of Contributions, and Women Cultural Social Society.

37. As can be seen from the above, the list includes a variety of organizations, some with activities limited to work within Kuwait. This, however, is another indication that in times of emergencies, private funds could also be efficiently mobilized, outside normal channels, to reach beneficiaries in developing countries as quickly as possible. The process of quick delivery is often enhanced through free access to Government transport facilities.

Activities and Operational Style

38. The sectors and geographical areas served by NGOs do not vary considerably. Most organizations are active in almost all the three geographical areas with Kuwaiti NGO focus, mainly on South East Asia, Africa and the Middle East. Among countries that have also benefited from Kuwaiti private aid are countries such as China and Singapore in the Far East, Germany and France in Europe, Colombia in Latin America, and the U.S. in North America. Some organizations, however, are more specialized and only support projects in certain geographical areas. The name of the organization in some cases indicates their geographical specialization, such as the Africa Muslims Agency, the Society for Higher Education Fund for Palestinian Students, and the Society of the South and Arabian Gulf. In some other cases, different committees are set up within the organizations to serve different geographical areas. For example, the Society for the Revival of Islamic Heritage, established in 1981, has committees that serve Africa, Palestine and Afghanistan. In addition, The Welfare Society for Social Solidarity is the NGO which focuses on Egypt. Among the different organizations, Africa Muslims Agency seems to dominate the Africa scene, the Lajnat Al-Da'wa Al-Islamiyyeh, a committee within the Social Reform Society, seems to be the most active in Afghanistan. In short, while private aid flows cover at least three geographical regions, the focus seems to be on Afghanistan, Palestine, and Africa as a region.

39. The sectors served by Kuwaiti NGOs also do not differ greatly. There are no NGOs specializing in one activity. Most, with the exception of two, support projects in education,

¹ This organizations name surfaced only in conjunction with the list of the Relief Committee.

vocational training, health, water supply and agriculture: raising funds for the aforementioned sectors which include physical works, material aid and personnel, has its appeal to the donors. The challenge, therefore, has been to raise funds for research oriented programs. This has been the case of the Kuwait Society for the Advancement of Arab Children. Headed by a former Minister of Education, the Society was established in 1980 to research factors and circumstances that help or retard the growth of pre-school children. Organizations similar to this are exploring new ways to encourage individual donors who are usually attracted to a specific project or a specific country.

40. Within each of the several sectors, in which most of the NGOs are involved, there are variations in terms of areas of concentration. The larger organizations such as zakat House, the Africa Muslims Agency or the Peoples Committee for the Collection of Contributions, are more likely to be involved in a number of different areas than the smaller organizations. For example, under education, for larger organizations, the projects could range from construction of universities, high schools, vocational training centers, childcare centers, to supporting student fees, boarding facilities, teacher salaries, teacher training, school supplies and equipment. Health projects cover construction of hospitals, clinics, health units, or the support of doctor and nurses salaries, patient fees, medical supplies and equipment.

41. Education and health are the most important sectors followed by water supply which, in most cases, covers the digging of both artisan and surface wells. Agriculture is increasingly being used as part of a strategy designed to increase the beneficiaries' self-sufficiency. Agricultural projects, therefore, form part of a community program which in most cases also includes education, health and water supply. Most recently, agricultural projects in addition to home gardens, vegetable, fruit farms and animal farms, have also included agriculture credit facility, in the case of at least three organizations: zakat House, Africa Muslims Agency and the International Islamic Charitable Foundation.

42. An area where NGOs vary, and one which affects their work in developing countries, is their operational style. In this respect, one category of NGOs can be classified as grant making organizations that provide funds to specific projects or individuals. This applies more to foundations or to those organizations geared toward funding higher education. A second category of NGOs carry out their programs from Kuwait through other organizations, primarily local organizations. To take one conspicuous example, all projects in the West Bank and Gaza Strip have to be carried out by local NGOs. This is also the case with the Women Cultural Social Society that does not have offices in project areas and relies on others, even in accessible areas. A third category of NGOs carry out their programs through field offices in cooperation with local communities, local NGOs or recipient governments. For example, the African Muslims Agency, has more than 30 field offices headed by Kuwaiti nationals and staffed locally. The offices are established with the formal agreement of governments concerned. The longer-term objective of the Agency is to delegate management responsibilities to local entities. The International Islamic Charitable Foundation forms local Kuwaiti committees that work through the Government, local organizations or through their regional offices in Niger, Uganda, Sudan and most recently an office in Amman. The Lajnat Al-Da'wa Al-Islamiyyeh takes a more hands-on approach in Afghanistan through field offices in war areas inside Afghanistan and in bordering Pakistan. The "Lajnat" relies on professional Afghans, when available, and mostly Afghan volunteers. On the other hand, the Committee for the Moslem World works through the establishment of local committees in project areas mainly with the assistance of beneficiaries and local communities. Hence the Committee funds grassroot organizations to execute its projects.

43. It is clear that voluntarism plays an important role in the operation of most NGOs in Kuwait. Most, have either a Board of Directors or Board of Trustees that draw on prominent Kuwaiti government and business personalities to formulate overall policy direction and fund raising strategies. Most have a small core of paid professional staff to oversee the daily work in

conjunction with volunteers and various advisers. Administration expenses, including salaries and transportation, average a minimum of 3%.

44. Most NGOs identify their projects through field visits to project and disaster areas. Projects are evaluated and approved by the Board of Directors and then offered to the public for financing. Projects in execution, either by local committees, local institutions or Kuwaiti field offices, are periodically evaluated through field visits by Kuwaitis and/or quarterly reports to headquarters.

45. The main difficulties encountered by Kuwaiti NGOs in recipient countries include foreign exchange restrictions, government bureaucracy, lack of infrastructure and lack of qualified local contractors to implement projects.

Relations with Government and Other Organizations

46. In addition to annual financial assistance, mainly through the Ministry of Social Affairs and Labor, the Kuwaiti Government also supports non-governmental organizations through rent-free offices, free land to build their own offices and when needed, free transportation on military planes or ships. For example, most goods and equipment for emergency-related relief to Bangladesh, PDRY and the Sudan were transported on Government military planes. Some NGOs also have government civil servants seconded to their organizations. However, most are run by volunteers -- both at the higher and at the support staff levels. Acceptance of the annual financial assistance from the Ministry of Social Affairs and other free Government services does not seem to be linked to any Government control or interference.

47. As noted previously, the primary instrument for monitoring organized activities, including private voluntary work, is the Ministry of Social Affairs and Labor. The Ministry, however, does not seem to provide direction, priorities and overall continuous oversight -- thus giving the impression of confining its role to registering and to providing financial assistance to NGOs registered with the Ministry under Law #24. On the positive side, this has created a genuinely independent sector within an amicable Government/NGO relationship. Private organizations have therefore been able, unhindered, to raise local funds and sometimes foreign funds. On the negative side, the minimal regulation and enforcement of the Law #24, and the absence of accurate statistics on the flow of private contributions from multiple sources to developing countries, could lead to the duplication of efforts and to possible inefficient use of funds.

48. Kuwait does not have a formal mechanism for dialogue between the various categories of non-governmental, semi-governmental, international and foreign organizations that contribute aid flows to developing countries. However, most Kuwaiti aid organizations (because of Kuwait's small population and geographical area) are compelled to listen and learn from each other as well as compete with each other. To date, the competition has been healthy and effective. However, some strains are beginning to show, especially in connection with the geographical distribution of work, or with territorial encroachments. As a result, and in an effort to coordinate the expanding volume of private aid efforts, there is a thought in some NGO quarters for a Kuwaiti NGO umbrella organization. The idea is still very new and would require the cooperation of all organizations and the Ministry of Social Affairs and Labor.

49. There is very limited contact between Kuwaiti and other developed country NGOs or bi-lateral and international organizations. Those few mentioned include KfWD, WHO, UNRWA, UNESCO, and UNICEF. Regionally, in addition to Islamic Development Bank and Arab Gulf Program for United Nations Development Organizations (AGFUND), most Kuwaiti NGOs cooperate with recipient country grassroots, local and governmental organizations.

Financial Resources

50. There are no accurate statistics, in most cases, on how much NGOs actually receive from various sources. Although their financial resources are intertwined, estimates indicate that the bulk of contributions come from zakat and charitable giving. As noted previously, the Government provides some grant money which varies according to the Government's budget. There is also access by almost all NGOs to rent free Government offices, land and transport, not to mention secondment of staff -- an important contributor to the noticeably low administrative expenses (average 3%). The few NGOs that do not use Government offices are housed in private buildings, such as the Society for Higher Education Fund for Palestinian Students and the People's Committee for the Collection of Contributions.

51. An important source of funds for many organizations is the income derived from investments. These are usually contribution monies set aside for investments to generate a steady source of income to the NGOs. This, to an extent, eases the organizations' total dependence on fluctuating income from private contributors. Monies that cannot be spent according to the instructions of the giver(s) are also invested in income generating accounts. A less important source for a few of the organizations is regional or individual contributions that are mostly linked to Gulf countries. A smaller source is cost recovery. For example, the Society for Higher Education Fund for Palestinian Students and the Sultan Educational Foundation have a policy of repayment from graduates. The International Islamic Charitable Foundation has established a revolving agricultural credit fund from 25% of the produce proceeds from 10 agricultural projects in Bangladesh.

52. Since Kuwait's aid giving was and is expected to continue to be nurtured by the Islamic and Arab heritage, the commitment for private giving is expected to expand. Clearly, the Kuwaiti NGOs themselves have a good grasp of the potential and range of local voluntary giving. With this in mind, the Kuwaiti NGOs have resorted to an efficient use of modern technology and the mass media to encourage donations to their organizations. This has also helped create a healthy atmosphere of competition among many NGOs soliciting funds from a limited, albeit, rich pool of aid givers.

53. The entrepreneurial means, although not covering all aspects of soliciting private giving, includes use of mobile units, "sponsor a child" programs, informational brochures, monthly magazines, publication of books, posters, calendars, collection boxes¹ in various locations, computer tracking of donations, graphic display of projects and beneficiaries and conference rooms equipped to share with visitors videos on various activities. All religious occasions, such as Ramadan (Moslem fasting) religious feasts and the pilgrimage season, are used to collect funds. December 5, the International Volunteers Day, is also designated as a day to encourage individuals to volunteer to specific organizations, mainly in support of external projects. Fund raising efforts focus on individual projects in specific countries and not on broad programs.

54. Related to public relations and display of their activities, newspaper articles often report departure of heads of organizations to project sites. Pictures in newspapers also display different organizations at work, delivering goods or equipment in foreign countries. As was indicated by a Kuwaiti NGO Director, western techniques are being used in Kuwait to solicit funds to improve living conditions in developing countries' rural areas.

¹ Boxes have to be used with the permission of the Ministry of Social Affairs and Labor and are opened in their offices.

III. SUMMARY AND CONCLUSIONS

55. There is evidence of a substantial amount of Kuwaiti private aid flows to developing countries, although reliable estimates are not yet systematically collected. There is also some evidence that this amount could expand to form a larger portion of Kuwait's development assistance. This report has not attempted to assess the impact of Kuwait's private aid flows on development in developing countries and their effectiveness in reaching the poor. However, keeping in mind the previous description and analysis of NGOs in Kuwait, the following are the key points that emerge:

- (a) Two factors, namely Islam and Arab heritage, are the most important contributors to the growth of Kuwaiti private aid giving. However, whether motivated by religious, nationalistic, humanitarian or political considerations, the presence of Kuwaiti private giving in developing countries is a testimony of South to South aid.
- (b) Whatever the motivation, the emphasis in external giving has been on developmental projects with geographical distribution favoring Africa, the Middle East and South-East Asia. It also appears that the bulk is for project support in rural areas, targeting poorer segments of the population.
- (c) Most NGOs have moved from a single sector approach to a more multi-faceted approach that focuses on education, health and agriculture. There is also a tendency to include income generating projects. Most, however, carry project by project work - although the larger NGOs carry more than one project at a time.
- (d) Because Kuwait is a small country with a homogenous endogenous population, individuals do not face the problem of choosing a reliable organization for their donations. Kuwaiti NGOs, therefore, seem to have succeeded in developing their own constituencies of donors and volunteers.
- (e) Kuwaiti private giving is not tightly controlled by the Government, nor is there tension between public/private linkages. On the contrary, so far, the Government has supported private aid efforts through various financial and non-financial assistance.
- (f) In the absence of some government regulation, a Kuwaiti NGO weakness could be diffusion and duplication of aid efforts. The creation of a Kuwaiti umbrella organization, as is being envisioned in some Kuwaiti circles, however, would help in enhancing cooperation and coordination. A weakness is also uneven documentation of fund raising efforts and overseas project expenditures of the NGOs. NGOs in Kuwait also seem to have different levels of management and institutional capabilities. In addition, like their counterparts elsewhere, Kuwaiti NGOs place emphasis on individual projects that seem to be designed and implemented in isolation of broader development recipient country strategies.

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KUWAITI NON-GOVERNMENTAL ORGANIZATIONS¹

(Registered under Law #24)

Women Cultural Social Society*
Society of the South and the Arabian Gulf*
The Kuwait Lawyers Society
The Social Cultural Society (Male)
Higher Education Fund for Palestinians*
The Arab Gulf Theatre
Kuwait Teachers Society
Social Reform Society*
Kuwait Medical Society
Kuwait Graduates Society
Kuwait Journalists Society
Kuwaiti Theatre
Folklore Theatre
The Arab Theatre
Writers Association
Kuwait Red Crescent Society*
Association of Sociologists
Kuwait Society for Fine Arts
Kuwait Economists Society
Kuwait Engineering Society
Kuwait Society for the Handicapped
Kuwait Geographical Society

¹ For more detailed information on individual development oriented Kuwaiti NGOs, contact the International Economic Relations Division or the author of the Report.

Kuwait Society for the Blind
Kuwait Society of Pilots and Aeronautical Engineers
Kuwait Society for Agricultural Engineers
Society for the Protection of the Environment
Kuwait Accountants and Auditors Society
The Scientific Club
Kuwait Pharmacists Society
Dentists Society
The Deaf and Mute Club
Young Women's Club
Kuwait Movie Club
Kuwait Society for Real Estate
Al Najat Society*
Sultan Educational Foundation*
Kuwaiti Bridge Club
Ham Radio Club
Kuwait Society for the Advancement of Arab Children*
Kuwait Society Against Smoking and Cancer
Sheikh Abdallah Al-Nouri Society*
The Welfare Society for Social Solidarity*
Society for the Revival of Islamic Heritage*
Women's Society for Peace Banners*
Society for Islamic Welfare
Society for Traffic Safety
Kuwait Nursing Society
Computer Society
Kuwait Heart Society

Kuwait Chemical Society

Center for Children's Learning and Advancement

Kuwait Transplant Society

Kuwaiti Society for Studies and Research

Note: * **Indicates developmentally-oriented and contributes to flow of funds to developing countries.**

Source: **Ministry of Social Welfare and Labor.**

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