

The Asian Tsunami: The challenge after the Jakarta summit

7 January 2005

The emergency summit meeting held on 6 January 2005 in Jakarta represented world governments' unprecedented response to the tsunami that struck the countries around the Indian Ocean on 26 December 2004. After it, the clear priorities for governments and others are to:

- Contribute the full US\$ 977 million requested by the UN Secretary General for urgent humanitarian aid in the immediate future – setting a firm deadline for funds to be paid when international donors meet in Geneva on 11 January.
- Make a 'double humanitarian pledge' at the donors' meeting on 11 January – combining funds for the survivors of the tsunami with the pledge to fully fund the UN's 2005 Humanitarian Appeal for US\$ 1.7 billion for those affected by the world's 14 other major humanitarian crises.
- Support the UN Emergency Relief Coordinator as the leader of international humanitarian assistance, in cooperation with the tsunami-affected governments.
- Contribute further military assets in response to UN requests, to provide vital but temporary support for the humanitarian response.
- Ensure that affected minority and opposition groups receive aid without discrimination.
- Swiftly fund reconstruction strategies, developed by each affected government with the participation of the affected people themselves and their civil society, ensuring that the strategies specifically aim to reduce poverty.
- Confirm that all tsunami-related aid is in addition to existing aid commitments and will not be taken from current aid budgets.
- Agree a moratorium on debt repayments from affected countries when the Paris Club meets on 12 January. Members should also commission an urgent assessment to determine what level of debt is now sustainable, after the tsunami, for each of the indebted affected countries, and they should be prepared to cancel the remainder of the debt.
- Remove EU and US tariff barriers to textile and clothing exports from tsunami-affected countries.
- Encourage transnational clothing companies to defer any decision to shift production out of tsunami-affected countries.
- Use the extraordinary momentum of the international response to make 2005 the year in which governments effectively aim to achieve the Millennium Development Goals, by immediately providing additional aid worth at least US\$ 50 billion; cancelling debt for the poorest countries; and preparing to conclude the Doha Trade Round in 2006 to make global trade rules work for the poor.

Humanitarian aid

The appalling death toll following the tsunami, steadily creeping up from 150,000, could increase substantially unless the humanitarian response continues to expand to reach all those in need with sufficient life-saving assistance. Donor governments' pledges appear to cover all of the US\$ 977 million called for by the UN Secretary General on 6 January. However, clean water, food, and medicine save lives. Pledges do not.

Past donor pledges to humanitarian appeals have not always been delivered quickly enough – or ever. After the fall of the Taliban, the international interest in Afghanistan suggested that the 2002 UN Appeal for the Afghan People would receive the full US\$ 1.78 billion requested. By the end of the year, only 67 per cent had been received. Enormous but short-term attention does not guarantee that pledged aid actually arrives: the UN Flash Appeal after the Bam earthquake in December 2003 has received only US\$ 17 million of the US\$ 32 million requested.

This time, donor governments must immediately contribute everything that they have pledged. When they meet at the UN donors' conference in Geneva on 11 January, they should commit themselves to a firm deadline for transferring funds to the appeal.

'Double humanitarian pledge'

Past behaviour of donor governments suggests a second danger. The extraordinarily generous response so far to the catastrophe in the Indian Ocean region may threaten funding for the other 14 major humanitarian crises in the world, including the three very grave threats to life in Sudan, northern Uganda, and the Democratic Republic of the Congo.

In the past, total global humanitarian funding has fallen far short of meeting all the urgent needs. In 2004, only 63 per cent of the UN's Humanitarian Appeal was met. In almost every year, the 'top crisis' absorbs a disproportionate amount of international funding, and the high-profile crises receive far more than others. In 2003, appeals for Iraq and Chechnya both received 91 per cent of their funds, while those for Côte d'Ivoire and Liberia managed only 54 per cent and 45 per cent respectively. The collection of UN Consolidated Appeals for each crisis, and the UN's financial tracking, are certainly not fool-proof measures of humanitarian aid and donors' funding. But they are the best global yardstick that there is, and they fairly represent the threat that many people in most humanitarian crises never receive the aid that they desperately need.

The surest way to avert this danger is for governments to pledge and contribute funds to the UN's other humanitarian appeals with the same urgency as they have pledged to support the tsunami appeal. Donor governments should make a 'double humanitarian pledge' at the UN donors' meeting on 11 January – to fund the tsunami appeal for US\$ 977 million and also the US\$ 1.7 billion currently requested for the UN's other Consolidated Appeals. Though substantial, this sum will provide life-saving aid to 26 million people at an average cost of US\$ 65 per person. In these exceptional circumstances, nothing less than this 'double humanitarian pledge' will be worthy of the principles of good humanitarian donorship espoused by a group of governments, led by Canada.

Humanitarian coordination

The Jakarta summit on 6 January confirmed the UN's leading role in coordinating post-tsunami assistance – and the United States accepted that its initial idea of a 'core group' of governments was no longer needed. Governments should now support the UN Emergency Relief Coordinator, Jan Egeland, as the leader of international humanitarian aid, in cooperation with the tsunami-affected governments.

The UN itself should also work as one team, led by Egeland and the UN national coordinators in each affected country. They must provide the necessary leadership, identifying the appropriate area and sector for the life-saving work of every other international agency.

Using military assets

The humanitarian response to date, including some of the aid delivered by Oxfam International, would not have been possible without the contribution of military assets from a number of affected governments, and others. The UN has rightly called for military support as a vital but temporary contribution under its overall civilian leadership.

However, in areas of Aceh (Indonesia), and northern and eastern Sri Lanka, where different groups have been in conflict with national governments, the UN and others must carefully calculate the advantages and disadvantages of using military assets, given the evident potential for one side or another in those conflicts to perceive such intervention as a threat. All the humanitarian aid must be distributed on the basis of impartial assessments, according to the fundamental humanitarian principles of humanity and impartiality. The distribution of aid must also be perceived as impartial, to avoid any combatants withdrawing their current agreement to allow access for humanitarian workers.

Reaching all those in need

According to the same principle of impartiality, the UN and donor governments should give special attention to the needs of minority and opposition groups affected by the tsunami, ensuring that they receive aid without discrimination. They should call on governments and combatants of all sides to abide by international humanitarian and human-rights law.

'Reconstruction plus'

The tsunami hit some of the poorest parts of the affected countries. The worst-hit area of Aceh in Indonesia had only one hospital; almost 40 per cent of its population had no access to health services at all; 49 per cent had no access to clean water, and an infrastructure that could hardly cope. That was before the tsunami.

Even in the areas that were not particularly poor by the standards of South Asia, the tsunami affected very large numbers of people who were already living in dire poverty. In Tamil Nadu, not one of India's poorest states, more than 21 per cent of the population had no access to clean water even before the disaster. The plans for reconstruction must therefore do more than recreate this level of poverty: they must aim for 'reconstruction plus'.

What is needed now is more than just technical reconstruction and the establishment of early warning systems. In Aceh and Sri Lanka of course, there should be peace. But in every affected country, there should be a reconstruction plan which creates better access to safe water and to health and education services, a plan which eliminates hunger and reduces child-mortality rates.

The post-tsunami reconstruction must avoid the pitfalls of other post-disaster operations. The responses to Hurricane Mitch, the fall of the Taliban in 2001, and the Bam earthquake in 2003 have all been plagued with problems, though all started with enormous international attention. Less than one third of the US\$ 9 billion promised for Central America in 1999 was ever disbursed. The resources sent by donors were not always what was needed. When aid supplies reached Nicaragua and Honduras, they were not always well managed. Different agencies did not collaborate to organise a joined-up plan. Perhaps most importantly, too few of them listened to the local people affected by the disaster, in order to ensure that the aid would meet their real needs.

This time, there should be reconstruction strategies, developed by each affected government with the participation of the affected people and their civil-society organisations. The strategies should specifically aim to reduce poverty, ensure environmental sustainability, and reduce vulnerability to future disasters. This is the post-disaster reconstruction that Oxfam calls 'reconstruction plus'.

The livelihoods of fisherfolk, small-scale farmers, artisans, and others have all been devastated by the tsunami. Reconstruction plans must support the recovery of every affected sector.

Donor governments must swiftly fund these strategies – quickly enough to avoid another problem: the gap between the short 'emergency phase' and the under-funded 'reconstruction phase'. In Bam, as attention dwindled, only five per cent of the new houses planned had been built twelve months after the earthquake. Afghanistan, the world's short-term priority in 2001 and 2002, found it difficult by 2004 to get the assistance it needed. Donor governments gave only 36 per cent – US\$ 26 million – of the US\$ 73 million requested for its Drought Appeal. Altogether, USAID delivered only US\$ 200 million of the US\$ 450 million that it pledged for Afghanistan in 2004. Japan delivered US\$ 100 million of its promised US\$ 200 million. The reasons for this vary. They were not all the responsibility of the donor. But the end result is that poor people in Afghanistan received far less than originally intended.

Donor money must therefore be swift and sustained over at least five years. As with humanitarian aid, pledges for reconstruction should be honoured. Governments should publish clear timetables showing when they will distribute their aid. Aid should be given as grants, not loans, and not 'tied' to benefit commercial companies in donor countries – a common feature of international assistance, which substantially reduces the amount available for the real benefit of poor people.

Equally important, aid provided in response to the tsunami should be genuinely 'new'. It should not be recycled from previous commitments, nor taken from budgets that would otherwise be spent on humanitarian or development aid elsewhere in the world. This means that it must be funded by finance ministries, or otherwise be genuinely additional to governments' existing aid budgets.

Debt relief for reconstruction

Debt relief for some of the tsunami-affected countries could potentially release billions of dollars for reconstruction. This should be a vital priority, provided that all proceeds from that relief are spent on 'reconstruction plus' and for the reduction of poverty.

Indonesia (which has not yet requested debt relief) spent ten times as much on repayments to international creditors in 2004 than it did on health services, and nearly 33 times as much as on housing. Altogether, Sri Lanka, India, Indonesia, and Thailand spent US\$ 50 billion in repayments in 2002.

The world's major creditors agreed debt moratoria after Hurricane Mitch in Central America in 1999, and after the catastrophic floods in Mozambique in 2000. When the Paris Club of creditors meet in Paris on 12 January, they should look at the case of each tsunami-affected country individually, but be prepared to go beyond a moratorium. They should commission an urgent assessment to determine what level of debt is now sustainable, after the tsunami, for each of the indebted countries. This assessment must be independent and transparent.

The results of this assessment should swiftly lead to the cancellation of debts above that sustainable level, so long as the proceeds are spent on 'reconstruction plus' and to reduce poverty, and provided that the decision and the process are transparent to both creditors and the people of the countries concerned. Such cancellations should be negotiated between each affected government and its creditors. Creditors should *not* insist, as they usually do, on conditions intended to advance economic liberalisation, such as removing measures to protect national rice production.

Trade barriers to tsunami-affected countries

The European Union and the USA should help disaster-struck countries by immediately improving access to their markets for the clothing and textile exports that are vital to the region's economies. Increased exports could generate tens of thousands of jobs, raise incomes, and generate the foreign exchange that affected countries need for essential imports and the enormous challenge of post-tsunami reconstruction. The clothing sector in Sri Lanka, for example, accounts for more than half of the country's total export income and provides 350,000 jobs, mainly for women.

It is now time for the USA and EU to end the punitive duties that affect the tsunami-hit countries. In 2003, Sri Lanka paid US\$ 244 million in duties on textile and clothing to the USA, and US\$ 77 million to the EU. In the same year, Indonesia paid US\$ 426 million and US\$ 180 million respectively. (Note: EU figures are Oxfam's estimates.) This annual flow of nearly US\$ 1 billion into the treasuries of industrialised countries could well exceed the aid they gave these countries.

Six days after the tsunami hit, on 1 January, the Multi-Fibre Arrangement came to an end. This quota system gave textiles and clothing from Sri Lanka, the Maldives, and Indonesia better access to the EU and US markets than that granted to China and India. For the former group of countries, major global restructuring of the industry could not have come at a worse time. Sri Lanka, for example, could lose 100,000 jobs as a result of the increased competition. Some analysts believe that Indonesia could lose even more.

The EU and USA should immediately remove tariff barriers to imports of textiles and clothing from tsunami-affected countries. To avoid unintended discrimination, such zero tariffs should probably be extended to a handful of other poor countries that are highly dependent on textile and clothing exports.

The EU should also immediately simplify its 'rules of origin' affecting the Maldives and other Least Developed Countries, to improve their access to European markets. As one of the world's poorest countries, the Maldives should be entitled to supply clothes for the European market without paying import taxes, but the EU insists that both the fabric and the clothing must be made in the Maldives in order for goods to qualify – a condition that the Maldives, along with other poor exporting countries such as Bangladesh and Cambodia, cannot meet. As a result, the Maldives has to pay duty on three-quarters of its sales.

Beyond corporate donations

Many corporations have made generous donations to tsunami appeals in a number of countries. Naturally, their corporate social responsibility in relation to the survivors of the disaster is just as important.

Transnational clothing companies, such as GAP, Victoria's Secret, Wal-Mart, and NIKE, source goods from Sri Lanka and Indonesia. Some might have been considering shifting their production from tsunami-affected countries to their cheaper competitors, such as China. Any relocation decision should be deferred.

Building on momentum

The danger is that the extraordinary flow of international generosity since 26 December will evaporate when the tsunami no longer dominates news bulletins around the world – when, perhaps as soon as the end of January, elections in Iraq and other world events relegate it to a story of secondary importance.

There is now an opportunity for governments, building on the extraordinary momentum, to make 2005 the year in which they plan effectively to achieve the Millennium Development Goals. Before the tsunami, this was the challenge that governments faced in the months leading up to the UN summit in New York in September 2005. The unprecedented international response to the tsunami really does show that it is only a matter of will that is preventing governments from dramatically reducing the poverty and disease that kills thirty thousand people around the world *every day*.

To meet the challenge of 2005:

- Developed governments should provide at least US\$ 50 billion in aid immediately, in addition to existing aid budgets. They should set out definite timetables, formally submitted to the OECD, to contribute 0.7 per cent of their GNP in official development aid by 2010. No developed country should be granted a permanent or semi-permanent seat on the UN Security Council – whose composition will be hotly debated this year – before it has established its timetable.
- Creditors should ensure that the debt-relief deal for tsunami-affected governments should not be concluded at the expense of relief for other poor indebted countries. Debt repayments of US\$ 100 million a day are a major obstacle to reducing global poverty. When they meet in early February, the G7 Finance Ministers must agree to cancel 100 per cent of the debts of the world's poorest countries to enable them to

meet the Millennium Development Goals. There should be greater debt relief and longer rescheduling terms for other indebted countries.

- Governments should get set to conclude the Doha Trade Round in 2006 – building on the ministerial meeting due to be held in Hong Kong in December 2005. This should deliver new trade rules which will (a) end dumping of subsidised exports from rich countries, (b) ensure that poor countries have the power to decide the pace and scale at which they open their markets, and (c) end rich countries' protection against the products of poor countries.

Oxfam International response

Since the tsunami first hit, staff and local partner organisations of Oxfam International have been delivering aid to nearly 200,000 people. In Sri Lanka, we are helping to provide clean water in three towns and distributing hygiene kits to 10,000 families. In Indonesia, our partner organisations in Aceh have delivered food, medicines, blankets, and plastic sheeting for shelter; our own Aceh operation is now building latrines and delivering water for 6,000 people. We aim to deliver aid to more than 600,000 people across all the countries affected in the coming weeks.

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