Over 2013-17, concessional development finance by the Arab countries and Arab institutions currently reporting to the OECD totalled, on average, USD 12.6 billion per year (gross disbursements).

Arab financing decreased by 28% over this period, in part due to the surge of financing triggered after the Arab Spring and changes in statistical reporting to the OECD.

The United Arab Emirates (UAE) and Saudi Arabia were among the most significant bilateral providers of development co-operation. In 2017, the UAE had the highest ODA/GNI ratio (1.03%) of all the countries reporting to the OECD.

Sixty-eight per cent of ODA disbursements in 2013-17 were directed to the Middle East and North Africa (MENA), primarily to Egypt.

Fragile contexts - mainly Egypt and Yemen - attracted 63% of Arab concessional finance.

About 74% of Arab countries and institutions' geographically allocated development finance went to middle-income countries (MICs).

Arab development co-operation activities are concentrated in the economic infrastructure and services sectors, such as transport and storage, energy, banking and financial services, and business (42% of their financing).

Loans are an important instrument for Arab countries and institutions (48% of their financing).

Three Arab countries and four Arab institutions currently report their development finance statistics to the OECD. The Organisation is working to constantly expand the accuracy, breadth, timeliness and visibility of this data, in order to improve the statistical resources of Arab donors, and to expand the regional coverage of its database.

Arab countries and institutions regularly engage with the OECD Development Assistance Committee (DAC) through the Arab-DAC Dialogue on Development. Further engagement with the Committee’s networks, e.g. on gender, environment, fragility or evaluation, could enhance their shared pool of experiences and good practices.

There is scope for the OECD to further support the strategic design and implementation of Arab development co-operation systems, including in the areas of monitoring and evaluation, partnerships with civil society and triangular co-operation.

The statistics in this note draw on the reporting by Arab countries and institutions to the OECD for 2013-17. Summary statistics for these and other providers of development co-operation and, when available, project-by-project data, can be found at www.oecd.org/dac/stats/non-dac-reporting.htm
ARAB PROVIDERS OF DEVELOPMENT CO-OPERATION AND THE OECD DAC

Arab countries and institutions have been providing development co-operation since the 1960s and are among the largest providers at the global level (Table 1). While established Arab bilateral providers such as Kuwait, Qatar, Saudi Arabia or the United Arab Emirates (UAE) channel most of their official development assistance (ODA) through development funds, Arab emerging providers like Algeria, Egypt, Morocco or Tunisia—who remain ODA recipients—specialise in sharing their knowledge and good practices with other developing countries through technical co-operation agencies.

Table 1. Arab providers of development co-operation

<table>
<thead>
<tr>
<th>BILATERAL PROVIDERS</th>
<th>REGIONAL PROVIDERS</th>
<th>EMERGING PROVIDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>Arab Bank for Economic Development in Africa</td>
<td>Algeria</td>
</tr>
<tr>
<td>Kuwait</td>
<td>Arab Fund for Economic and Social Development</td>
<td>Egypt</td>
</tr>
<tr>
<td>Oman</td>
<td>Arab Gulf Programme for Development</td>
<td>Jordan</td>
</tr>
<tr>
<td>Qatar</td>
<td>Arab Monetary Fund</td>
<td>Morocco</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Islamic Development Bank</td>
<td>Tunisia</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>OPEC Fund for International Development</td>
<td>West Bank and Gaza Strip</td>
</tr>
</tbody>
</table>

Note: The OPEC Fund and the Islamic Development Bank are global institutions but considered here as Arab providers because of their membership in the Arab Coordination Group and because their main shareholders are Arab bilateral providers.

The OECD Development Assistance Committee (DAC) has been collaborating with Arab countries and institutions since the 1960s and identifies them as key partners in the context of its Global Relations Strategy1. To date, the Arab-DAC collaboration has primarily taken three dimensions:

- Encouraging Arab providers to report their development finance statistics to the OECD, as well as improving the accuracy, breadth, timeliness and visibility of reported data. As the global hub for data on development co-operation, the OECD receives activity-level data from three bilateral and four regional Arab providers, and prepares estimates for one additional bilateral provider (Table 2). Furthermore, the OECD’s repository of triangular co-operation activities covers parts of the activities of emerging Arab providers.

Table 2. Reporting status of Arab providers of development co-operation

<table>
<thead>
<tr>
<th>ACTIVITY-LEVEL DATA</th>
<th>AGGREGATE-LEVEL DATA</th>
<th>ESTIMATED DATA</th>
<th>CURRENTLY LIMITED DATA AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilateral providers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuwait (since 2010)</td>
<td></td>
<td></td>
<td>Qatar</td>
</tr>
<tr>
<td>Saudi Arabia (since 2015)</td>
<td></td>
<td></td>
<td>Bahrain, Oman</td>
</tr>
<tr>
<td>United Arab Emirates (since 2009)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional providers</td>
<td></td>
<td></td>
<td>Arab Bank for Economic Development in Africa (since 2015)</td>
</tr>
<tr>
<td>Arab Bank for Economic Development in Africa (since 2011)</td>
<td></td>
<td></td>
<td>Arab Gulf Programme for Development</td>
</tr>
<tr>
<td>Arab Fund for Economic and Social Development (since 2008)</td>
<td></td>
<td></td>
<td>Arab Monetary Fund</td>
</tr>
<tr>
<td>Islamic Development Bank (data available from 1976 onwards)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPEC Fund for International Development (since 2009)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging providers</td>
<td></td>
<td></td>
<td>Algeria (from 1970 to 1993)</td>
</tr>
<tr>
<td>Libya (from 1970 to 1993)</td>
<td></td>
<td></td>
<td>Algeria, Egypt, Jordan, Morocco, Tunisia, West Bank and Gaza Strip</td>
</tr>
</tbody>
</table>

• Promoting regular policy exchange and collaboration through the Arab-DAC Dialogue on Development and joint Arab-DAC Task Forces on specific topics, such as education, energy, or water and sanitation (Box 1).

**BOX 1: THE ACG-DAC TASK FORCE ON WATER AND SANITATION**

At the Arab-Swiss Water Day, which followed the Arab-DAC Dialogue on Development in 2017, Arab providers and DAC members agreed to explore collaboration on the water and sanitation sector. The Kuwait Fund for Arab Economic Development, on behalf of the Arab Co-ordination Group, and Switzerland, on behalf of the DAC, co-chair an ACG-DAC Task Force on Water and Sanitation with the support of the OECD since the 2019 Arab-DAC Dialogue on Development (January 2019, Kuwait). In addition, the Abu Dhabi Fund for Development, the Arab Bank for Economic Development in Africa, the Islamic Development Bank, the Qatar Fund for Development and the Saudi Fund for Development, are also members of the Task Force. The objective of the Task Force is to design a joint intervention plan in the water and sanitation sector in Guinea and Tunisia, which helps co-ordinate the activities of these providers and align them to country needs and plans in the sector. The Task Force is open to other providers of development co-operation and aims to become a ‘model project’ for replication and upscaling of water solutions, including in other counties and sectors.

• Welcoming Arab countries to the DAC as Participants, and possibly as Associates when they meet DAC accession criteria. As Participants, Kuwait, Qatar, Saudi Arabia and the UAE can join virtually all DAC meetings and DAC Subsidiary Body meetings, including on statistics, evaluation, environment, gender or fragility, as well as DAC Communities of Practice (e.g. on results, private sector and foresight). For example, the DAC’s International Network on Conflict and Fragility (INCAF) engages with Saudi Arabia, Qatar and the UAE. Similarly, Qatar and the UAE have been engaging with the DAC Gender Equality Network (GENDERNET).

All in all, the collaboration provided a better understanding of Arab development co-operation activities to DAC members and globally. By reporting their activities to the OECD, Arab providers help enhance the transparency and efficiency of the international development co-operation system, and give them more visibility. By engaging in policy dialogue with the DAC and its members, Arab countries and institutions benefit from the sharing of knowledge, experiences and good practices on a range of development co-operation themes.

This note provides an overview of Arab concessional financing flows to developing countries, drawing on data reported by seven Arab countries and institutions, as well as estimates for one additional country (Table 2), for almost 34 000 concessional finance activities over 2013-17. The reporting is based on the ODA definition and the methodology for OECD-DAC statistics. Data processing for countries beyond the DAC membership follows the same quality controls as for DAC members, thus ensuring comparability with the data reported by DAC members. In the period covered, a number of methodological considerations apply (Box 2). Given the fact that the available data only covers a subset of Arab countries and institutions, the present analysis is likely to underestimate the region’s total contribution to development.

**BOX 2: METHODOLOGICAL CONSIDERATIONS**

Where possible, in addition to activity-level reporting of Arab countries and institutions, further information was imputed or estimated to provide a more complete picture of the flows and trends of Arab providers.

• Data for Qatar is based on OECD estimates drawn from official reports by the Qatar Fund for Development, to which the OECD standards where applied to derive ODA flows. Working with aggregate statistics does not allow for a granular analysis beyond the main magnitudes of the country’s activities.

• Saudi Arabia’s data for 2013 and 2014 are based on Saudi Arabia’s aggregate reporting to the OECD, which consisted of aggregate figures on humanitarian and development assistance by region, multilateral aid and loan disbursements and repayments by the Saudi Fund for Development. As from 2015, Saudi Arabia is reporting at activity-level, but data are still incomplete. Notably, data on loans extended and grants from some Saudi entities are missing, and the country is working towards completing the data.

• Data for the Arab Bank for the Economic Development of Africa (BADEA) in 2016 and 2017 were imputed, as the organisation did not report to the OECD on its flows for these years. Flows are based on its average contributions for 2013-15.

TRENDS IN ARAB DEVELOPMENT FINANCE

Gross concessional disbursements by the eight Arab countries and institutions covered by this analysis averaged USD 12.6 billion per year in 2013-17. In 2017, their gross disbursements amounted to USD 9.9 billion (Table 3). This represents a slight increase over 2015-16, following a drop from the exceptionally high figure of 2014, which was the result of large contributions from Saudi Arabia to neighbouring countries, and a change of reporting methods in 2015 when the King Salman Humanitarian Aid and Relief Centre was created (Chart 1).

Table 3. Arab providers concessional financing for development
2013-2017, gross disbursements, USD million, constant prices 2017

<table>
<thead>
<tr>
<th>PROVIDER</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab Bank for Economic Development in Africa</td>
<td>121</td>
<td>115</td>
<td>127</td>
<td>121</td>
<td>121</td>
<td>121</td>
</tr>
<tr>
<td>Arab Fund for Economic and Social Development</td>
<td>822</td>
<td>807</td>
<td>626</td>
<td>569</td>
<td>769</td>
<td>718.6</td>
</tr>
<tr>
<td>Islamic Development Bank</td>
<td>217</td>
<td>224</td>
<td>197</td>
<td>354</td>
<td>339</td>
<td>266.2</td>
</tr>
<tr>
<td>Kuwait</td>
<td>496</td>
<td>545</td>
<td>640</td>
<td>1,411</td>
<td>886</td>
<td>795.6</td>
</tr>
<tr>
<td>OPEC Fund for International Development</td>
<td>371</td>
<td>420</td>
<td>400</td>
<td>481</td>
<td>509</td>
<td>436.2</td>
</tr>
<tr>
<td>Qatar</td>
<td>1,344</td>
<td>1,344</td>
<td>1,344</td>
<td>337</td>
<td>744</td>
<td>1,022.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5,335</td>
<td>12,576</td>
<td>1,027</td>
<td>1,736</td>
<td>2,107</td>
<td>4,556.2</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>5,036</td>
<td>4,738</td>
<td>4,547</td>
<td>4,572</td>
<td>4,425</td>
<td>4,663.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,742</strong></td>
<td><strong>20,769</strong></td>
<td><strong>8,908</strong></td>
<td><strong>9,581</strong></td>
<td><strong>9,900</strong></td>
<td><strong>12,580</strong></td>
</tr>
</tbody>
</table>

The average annual net concessional disbursements of Arab countries that report to the OECD (Kuwait, Saudi Arabia and the UAE) represented 59.9% of the total for all non-DAC providers that report to the OECD (USD 15.6 billion)\(^3\) and 12.4% of what DAC members provided (USD 126.2 billion).

![Chart 1. Trends in Arab Official Development Assistance
2013-17, gross disbursements, USD billion, constant prices 2017](chart)

In 2017, the UAE and Saudi Arabia ranked amongst the world’s largest bilateral providers of development co-operation (7\(^{th}\) and 8\(^{th}\), respectively). Qatar and Kuwait (which channels a portion of its ODA through the Kuwait Fund) are significant bilateral Arab providers, and their ODA volume ranked, respectively, on the 20th and 22nd position worldwide in 2017 (Chart 2).

Arab providers also belong to the most generous providers in terms of their ODA to Gross National Income (GNI) ratio. The UAE, in particular, has had a ratio of ODA to GNI above 1% since 2013 and was the most generous provider in terms of ODA/GNI ratio in 2017, followed by Kuwait (9\(^{th}\)), Qatar (11\(^{th}\)) and Saudi Arabia (20\(^{th}\)) (Chart 2).

---

3. Non-DAC providers include the ODA from 20 reporting countries beyond the DAC and the estimated development co-operation flows from ten non-reporting countries beyond the DAC. More information available under: [https://www.oecd.org/dac/dac-global-relations/non-dac-reporting.htm](https://www.oecd.org/dac/dac-global-relations/non-dac-reporting.htm)
Arab regional institutions also provided substantial amounts, with an average of USD 1.5 billion of concessional finance per year in 2013-17 (Table 3). In 2017, the Arab Fund for Economic and Social Development accounted for the largest share of Arab multilateral concessional finance (47%). Since 2013, these four institutions have increased their concessional finance to developing countries by 13.5%.

**GEOGRAPHICAL PRIORITIES**

Arab countries and institutions concentrate their development activities in the Middle East and North Africa (MENA), which attracted 68% of their total gross concessional finance in 2013-17 (Chart 3). Together, Egypt, Yemen, Morocco and Jordan received 60.3% of total Arab ODA flows (Table 4). Geographical proximity, as well as common cultural, linguistic and religious features are amongst the main determining factors. Nevertheless, Arab donors have been diversifying: flows towards the MENA region decreased by 11.2% in 2013-17, while those to Sub-Saharan Africa increased by 46.6% in the same period.

**Table 4. Top 10 recipients of all Arab countries and multilateral providers 2013-17 annual average, gross disbursements, USD million, constant 2017 prices**

<table>
<thead>
<tr>
<th>PARTNERS</th>
<th>AMOUNT</th>
<th>SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>2 692</td>
<td>34.0%</td>
</tr>
<tr>
<td>Yemen</td>
<td>873</td>
<td>11.0%</td>
</tr>
<tr>
<td>Morocco</td>
<td>689</td>
<td>8.7%</td>
</tr>
<tr>
<td>Jordan</td>
<td>526</td>
<td>6.6%</td>
</tr>
<tr>
<td>Serbia</td>
<td>288</td>
<td>3.6%</td>
</tr>
<tr>
<td>Sudan</td>
<td>202</td>
<td>2.5%</td>
</tr>
<tr>
<td>Iraq</td>
<td>141</td>
<td>1.8%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>139</td>
<td>1.8%</td>
</tr>
<tr>
<td>Mauritania</td>
<td>138</td>
<td>1.7%</td>
</tr>
<tr>
<td>Tunisia</td>
<td>130</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5 818</strong></td>
<td><strong>73.3%</strong></td>
</tr>
</tbody>
</table>

Notes: In Chart 3, the category of Other regions includes Oceania, America and the rest of Asia. In Table 4, the percentages next to country labels represent shares of total gross disbursements relative to total country-specific gross flows.
Since most MENA countries are Middle-Income Countries (MICs), that category received the bulk of Arab development co-operation (Chart 4). Arab flows to MICs remained fairly stable in 2013-17, decreasing by 4% over this period. Flows to upper MICs surged by 675%, notably due to increased support to Serbia, Iraq and Lebanon, while those to lower MICs dropped by 37%, notably due to decreased support to Egypt.

The total amount of Arab flows to Least Developed Countries (LDCs) increased by 174% in 2013-17, with Sudan and Yemen benefiting the most.

**FINANCIAL INSTRUMENTS**

Arab providers extend most of their development co-operation activities in the form of grants (52%), mainly to the MENA region, especially North of the Sahara. In addition to financial grants, Arab donors deliver technical assistance and capacity building. Some, like the UAE, have integrated these aspects as part of their development co-operation strategy, which is relatively uncommon in the region (Box 3).

**BOX 3: TECHNICAL ASSISTANCE FROM THE UAE**

The UAE’s Technical Assistance Programme (UAETAP), which complements its other international co-operation efforts (e.g. concessional loans, in-kind humanitarian assistance), is rooted in the belief that sharing knowledge and building human and institutional capacity are essential to address global challenges. It is a response to the demands of partner countries, as well as a way to increase the effectiveness of the UAE’s other forms of assistance. The UAETAP targets selected areas, where technical assistance can add the most value, such as mobility and infrastructure development, energy and sustainability, government effectiveness, services, and women and girls’ empowerment. It covers four types of activities: expert missions, training courses and scholarships, customised programmes, study visits and training tours.

**Arab financial commitments for development also include non-concessional developmental flows.** The Islamic Development Bank, Kuwait, the OPEC Fund for International Development (OFID), Saudi Arabia and the UAE disbursed USD 3.3 billion on average in 2013-17 as non-concessional developmental flows. Non-concessional flows from those five providers represented 31.1% of their total development flows (concessional and non-concessional). Such flows may be reported as Total Official Support for Sustainable Development (TOSSD), an international statistical standard that helps measure the full array of officially-supported resources for sustainable development (Box 4).

**BOX 4: ARAB PROVIDERS AND THE TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT (TOSSD) TASK FORCE**

TOSSD has been developed by an international task force of development policy and statistical experts from provider and recipient countries and multilateral organisations, and in consultation with other relevant stakeholders e.g. CSOs. Arab members are Egypt, the Islamic Development Bank, the Organisation of Islamic Cooperation’s Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), and Tunisia. Some Arab countries have also been actively engaged in this process, for example, the UAE piloted the use of TOSSD in 2015. The Islamic Red Crescent and the Gulf Co-operation Council were consulted on the treatment of Islamic Finance activities in TOSSD. Kuwait, Saudi Arabia, SESRIC and the Islamic Development Bank reported their sustainable development activities to the TOSSD data survey in 2019 and are expected to regularly report on TOSSD starting from 2020. Arab donors providing Islamic finance can reflect this in their TOSSD reporting using the corresponding category under the “financial arrangement” classification.

**WORK IN FRAGILE AND CONFLICT-AFFECTED CONTEXTS**

The focus on the MENA region gears Arab providers towards fragile contexts such as Egypt, Pakistan and Mauritania, and extremely fragile contexts such as Yemen, Sudan and Iraq, which received 63% of Arab gross disbursements in 2013-17. However, the share of total gross disbursements flowing towards fragile states has decreased from 79% in 2013 to 40% in 2017. Total Arab regional allocable gross disbursements going to the North of Sahara have decreased from almost USD 5 billion in 2013 to USD 2.1 billion in 2017 (58% decrease), while the disbursements to the Middle East increased from USD 615 million to almost USD 2.9 billion (368% increase) over the same period. This reflects the engagement of Arab providers with their regional neighbours undergoing political changes or conflict since the Arab Spring. Box 5 provides an example of an Arab bilateral provider supporting Syrian refugees and host countries. In Box 6, the case of Lebanon illustrates how Arab countries and institutions support fragile partners throughout their development transition.
**BOX 5: SUPPORT FROM THE QATAR FUND FOR DEVELOPMENT (QFFD) TO SYRIAN REFUGEES AND THEIR HOSTS**

Over 12 million people have been displaced by the Syrian Civil War, with a majority of them now living in Turkey, Lebanon and Jordan. While they are contributing to the host countries’ economies, their large number also poses a number of challenges to local labour markets and public services. The Qatar Fund is supporting Syrian refugees in Syria and host countries in four main ways:

- **Emergency response projects in Syria:** A number of agreements on emergency response, providing food, shelter and emergency health services through Qatari NGOs for the displaced populations of Deraa and Eastern Ghouta.
- **Internally Displaced People in Syria:** Seven projects in 2018, covering 11 health centres; community health services; mental health and psychological support services in primary healthcare; housing for Syrians with disabilities; restoration of houses in Al Bab; and a vocational training institute for alternative energy professions in Northern Syria.
- **Syrian refugees in Jordan:** Secondary health referrals for chronic diseases; Qatar Comprehensive Primary Healthcare Clinic in Zatari Camp; and dialysis treatments for refugees outside the camp.
- **Syrian refugees in Lebanon:** Healthcare support in refugees’ camps; a collection, sorting and recycling plant; a physical rehabilitation centre for the wounded; the restoration of the refugee camps, maintenance and restoration of refugee buildings; and operations of drinking water treatment plans.

**BOX 6: ARAB SUPPORT TO LEBANON’S TRANSITION JOURNEY**

Between 1992 and 2017, Arab providers accounted for almost half of all funds received by Lebanese public institutions (Chart 5). These were mostly concessional loans for large infrastructure projects and grants during times of conflict, e.g. after 2006 and in 2011. Arab countries are also important investors in real estate, banking and tourism. Remittances from the Lebanese working in Arab countries are an essential source of income for many Lebanese families.

**Chart 5. Arab providers have been important funders of Lebanese public institutions**

Cumulative loan and grant commitments from bilateral and multilateral development partners to Lebanese public institutions (1992-2017)

Arab and DAC providers have increased their assistance to Lebanon in recent years, especially through the United Nations. Arab donors made large-scale pledges in recent conferences in Kuwait, London and Paris to support the country’s response to the Syrian refugee crisis. Arab providers pledged a total of USD 2.5 billion (out of a total of USD 11.1 billion) at the recent Paris conference. In particular, Saudi Arabia pledged USD 1 billion, the Islamic Development Bank another USD 750 million in soft loans, the Arab Fund for Economic and Social Development, Kuwait and Qatar USD 500 million each, and the UAE USD 200 million (Chart 6).
FINANCING FOR THE SUSTAINABLE DEVELOPMENT GOALS

Over 2016-17, Arab donors focused on infrastructure-related Sustainable Development Goals (SDGs): Industry, innovation and infrastructure (SDG 9), Affordable and clean energy (SDG 7), and Sustainable cities and communities (SDG 11) (Chart 7).

Chart 7. Arab financing to the SDGs
2016-17, commitments, USD millions

Note: This chart is produced using the OECD SDG Financing Lab. The Lab helps map providers’ development finance contributions to the SDGs based on the descriptive information of their activities, as reported to the OECD. Importantly, the Lab provides estimates of aid allocation per SDG based on automated interpretation, using exploratory natural language processing methods, of publicly available project descriptions. Estimates do not necessarily reflect providers’ official positions or their policy priorities and, as a result, the tool may count a project several times. For further information see the OECD SDG Financing Lab at https://sdg-financing-lab.oecd.org
SDG priorities vary amongst Arab providers (Chart 7). Saudi Arabia and the UAE contribute to SDG 3, Good health and wellbeing and SDG 11, Sustainable cities. The Arab Fund focuses on SDG 7, Affordable and clean energy and SDG 9, Industry, innovation and Infrastructure. Finally, the Islamic Development Bank is the only Arab provider with a strong interest in SDG 12, Responsible consumption and production, and SDG 15, Life on land.

**Chart 8. Financing to the SDGs by Arab provider**

Note: For further information see the OECD SDG Financing Lab at [https://sdg-financing-lab.oecd.org](https://sdg-financing-lab.oecd.org)

SECTORAL PRIORITIES

Four sectors account for 59% of total Arab ODA disbursements. Transport and storage receives the largest share (25%), followed by energy (17%), agriculture, forestry and fishing (9%), and water supply and sanitation (8%). The multisector category represents 16% of Arab sector allocations, mainly capturing urban development activities. Most of these sectors fall under the economic infrastructure category (Chart 9). Notwithstanding, Arab providers also make a significant contribution to social infrastructure sectors, which are financially less significant but have important development outcomes.
**AID FOR TRADE**

Aid for trade is a common modality for the disbursement of concessional finance for development by Arab countries. In 2013-17, Arab providers reporting at activity-level data to the OECD disbursed USD 11.4 billion in aid for trade sectors in 2013-17 (56% of their total sector allocable), of which 44% targeted transport and storage, followed by energy generation and supply (30%), agriculture (15%) and mineral resources and mining (8%) (Chart 10).

---

**Chart 9. Top 5 sectors of Arab concessional financing**

2013-17 annual average, gross disbursements, USD billion, constant 2017 prices

Note: The “other multisector” category includes activities straddling several sectors that are not included under general environmental protection.

**Chart 10. Aid for trade by Arab provider**

2013-17, gross disbursements, USD billion, constant 2017 prices

Note: for further information see the OECD Aid for Trade database: [http://www.oecd.org/aidfortrade/data](http://www.oecd.org/aidfortrade/data)
Aid for trade represented 20% of Arab total gross disbursements in 2013-17, although those decreased slightly from USD 2.3 billion in 2013 to USD 2.2 billion in 2017. In 2017, the UAE was the top Arab provider of aid for trade, disbursing USD 584 million, followed by the Arab Fund (USD 529 million) and Saudi Arabia (USD 404 million; see example in Box 7).

**BOX 7: LIFTING ISOLATION OF SOME LANDLOCKED AFRICAN COUNTRIES**

Transport costs in landlocked African countries account for 77% of the total value of their exports. To help them overcome this obstacle, the Saudi Fund has financed a number of road projects in Burkina Faso, Niger, Mali and Chad, linking them to seaports in Ghana and Mauritania. For instance, the Road Project Massakori – N’Gouri – Bol – Niger Border Road in Chad aims to lift the isolation of Northern regions, as well as those adjacent to Lake Chad. Among other deliverables, the project promotes regional economic integration through the international Trans-Sahara Highway, which links Chad, Niger, Mali and Nigeria with North Africa.

**WOMEN’S ECONOMIC EMPOWERMENT**

Currently, only the UAE and the Arab Fund for Economic and Social Development are reporting to the OECD on the **gender equality marker**. In 2016-17, the UAE screened its total bilateral ‘sector allocable’ aid, showing that it disbursed USD 328 million ODA targeting gender equality as significant objective (11.3% of its total bilateral ‘sector allocable’ aid) and USD 46 million as a principal objective (1.6% of its total bilateral ‘sector allocable’ aid). The Arab Fund applied the marker in 2017 for the first time, showing that it disbursed USD 121 million targeting gender equality as a significant objective (17% of its total ‘sector allocable’ aid). The DAC gender equality policy marker is available for all providers to monitor how their development co-operation systems promote women’s economic empowerment (Box 8). The UAE has included women’s economic empowerment issues as a pillar in its 2017-21 Policy for Foreign Assistance (Box 9).

**BOX 8: THE DAC GENDER EQUALITY POLICY MAKER**

The DAC gender equality policy marker is a qualitative statistical tool to record development activities that target gender equality as a policy objective. Providers use it to indicate, for each activity, whether it targets gender equality as a policy objective. The marker scores financial flows targeting gender equality either as (i) principal objective, (ii) significant objective or (iii) not targeted. This allows the OECD to identify gaps between donors’ policy commitments and their financial commitments. The marker contributes to greater transparency and accountability on financing for gender equality and women’s empowerment. By applying the marker, the OECD Creditor Reporting System data shows that only 1% of DAC bilateral aid was dedicated to gender equality and women’s empowerment as a primary objective in the economic and productive sectors in 2015-16.

**BOX 9: THE UAE’S POLICY FOR FOREIGN ASSISTANCE AND THE EMPOWERMENT AND PROTECTION OF WOMEN**

The UAE Policy for Foreign Assistance - Promoting Global Prosperity and Peace 2017-21 establishes three areas in which the UAE provides assistance globally: transport and urban infrastructure, government effectiveness, and women’s empowerment and protection. Concretely, the UAE’s programme on women’s empowerment and protection includes:

- Provision of capital and capacity-building for women entrepreneurs in low- and middle-income countries.
- Support for vocational and leadership education for women.
- Continued efforts to end violence against women in conflict.
- Support the work of UN Women.

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4. Bilateral sector allocable aid cover sectors 100 to 400 or purpose codes 11110 to 43082 of the list. Contributions not subject to allocation include general budget support, actions related to debt, humanitarian aid and internal transactions in the donor country.
TRIANGULAR CO-OPERATION

The OECD Triangular Co-operation Project Repository gathers more than 830 triangular co-operation projects, some of which have been involving Arab countries and institutions since 2014:

- Project budgets average between USD 1 and 5 million, which is larger than other projects in the repository.
- Activities last 36 months or less, which is shorter than the average seen for the repository.
- Activities concentrate in Sub-Saharan Africa (33%) and the Middle East and North Africa (17%), although many projects are multi-regional (36%). This contrasts with the overall repository, in which 48% of projects take place in Latin America and the Caribbean.
- Projects involving Arab partners provide solutions in a range of sectors, such as agriculture and food security (19%), energy (17%) and health (13%), compared to the overall triangular repository that is focused on government and civil society (27%), agriculture (20%) and the environment (12%).
- Expertise is typically drawn from neighbouring countries or countries with similar experiences, providing more adapted solutions to the development challenges addressed.

The most frequent facilitating partners in these triangular co-operation projects are the Islamic Development Bank, the OPEC Fund for International Development and Germany (Box 10), as well as international organisations, such as the World Food Programme. Saudi Arabia and Qatar are either pivotal or facilitating partners, while countries such as Morocco, Tunisia or Egypt, which have technical co-operation agencies and a tradition of sharing knowledge with other countries, are either pivotal or beneficiary partners. As beneficiaries, Sudan, Jordan, the West Bank and the Gaza Strip, and Yemen are active partners in triangular co-operation projects with Arab countries and institutions.

BOX 10: TWO TRIANGULAR CO-OPERATION APPROACHES INVOLVING ARAB PROVIDERS

Arab development co-operation providers’ partnership with Germany. A regional programme Co-operation with Donors from the Arab Gulf Countries was launched in 2009 to strengthen co-operation between Arab donors in the MENA region and the German development co-operation system. The programme’s main aim is to deepen mutual understanding of development approaches between Arab and German development co-operation providers in order to co-ordinate and implement development projects. This partnership allows Germany to leverage greater resources while reducing the overlapping efforts, increasing efficiency and ensuring greater impact. The programme is currently in its fourth phase.

The Islamic Development Bank Reverse Linkage mechanism. The Islamic Development Bank is promoting the principles of South-South co-operation since its inception in 1973. The Reverse Linkage mechanism manifests the IsDB’s commitment to expand its support to results-oriented interventions and to promote connectivity among IsDB countries. In a triangular co-operation mind-set, the Reverse Linkage underlines the IsDB’s role as a facilitator and co-ordinator, supporting development, overcoming obstacles and working with all partners in a collective and collaborative manner. The Reverse Linkage is defined as a technical co-operation mechanism enabled by the IsDB, whereby member countries and Muslim communities in non-member countries exchange their knowledge, expertise, technology and resources to develop their capacities and devise solutions for their autonomous development. The Reverse Linkage mechanism is underpinned by a peer-to-peer approach, ownership, win-win arrangements, inclusivity, and strategic alignment, allowing countries to exchange technology, resources and expertise by means of triangular co-operation.

The OECD also introduced a code for tracking triangular co-operation in its Creditor Reporting System in 2015, but it has not yet been extensively used by reporting countries and institutions, which limits the quantity of quantitative information available.

CIVIL SOCIETY ORGANISATIONS

In 2013-17, Arab providers channelled a total of USD 1.9 billion concessional financing to (2%) and through (98%) CSOs, notably by the UAE (94.5% of this amount). The work with civil society organisations (CSOs) happens in a range of areas (Chart 11), mostly targeting material relief assistance and services (15%), emergency food aid (14%), energy generation in non-renewable sources (14%), medical services (13%) and education facilities and training (7%).

Chart 11. Sector distribution of Arab ODA disbursed to and through CSOs
2013-17 annual average, gross disbursements, 2017 constant prices

Of the Arab financing channelled to and through CSOs in 2013-17, USD 1.5 billion were directed at organisations based in the provider country, USD 120 million at civil society in general and USD 111 million at international non-governmental organisations. The largest amounts went to the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies, with USD 20 million and USD 9 million respectively. The top recipients were Yemen (USD 1 billion in 2013-17, or 55% of total Arab ODA to and through CSOs), Morocco, Pakistan, the West Bank and Gaza Strip and Somalia. Boxes 11 and 12 provide examples of Arab countries and institutions working with CSOs.

BOX 11: THE CONTRIBUTION OF CIVIL SOCIETY TO THE CREATION OF THE ISLAMIC DEVELOPMENT BANK’S MEMBER COUNTRY STRATEGY FOR MOROCCO

Morocco has over 50,000 CSOs promoting national development through partnership, consultation, dialogue and awareness campaigns. Their knowledge of local communities make them a key partner of governments, helping people’s voices being heard, and promoting their involvement in decision-making. Morocco’s national development plan recognises the role of CSOs in improving the targeting of economic and social needs. In addition, the IsDB’s 10-Year Strategy and the IsDB President’s Five-year Programme call for increased participation of civil society in the bank’s interventions. The IsDB views the mainstreaming of CSOs participation in its strategy for Morocco as an opportunity to support pro-poor growth.

7. Funds channelled to CSOs are core contributions and programme-specific funds implemented by the relevant CSOs, while funds channelled through CSOs and other private bodies are used to implement projects initiated by countries and institutions.
The OECD Development Assistance Committee (DAC) collaborates with bilateral providers of development co-operation beyond its membership to respond to the challenges in the global development landscape, and to make the Committee more relevant and inclusive, in line with the DAC Global Relations Strategy and the 2030 Agenda for Sustainable Development. The DAC is open to exchanging of views and experiences with other bilateral providers of development co-operation.

The Development Co-operation Directorate (DCD) supports the DAC in carrying out its mandate to help increase financing for development and to improve the effectiveness of development co-operation for sustainable development. The DCD promotes innovative approaches to development through policy dialogue and outreach, with the aim to inform the international discourse and supporting the global sustainable development agenda. The DCD can also support members and other bilateral providers in advancing strategic planning and programming for development co-operation, monitoring and evaluation, increasing information exchange regarding the principles of effective development co-operation and other thematic issues, such as working with the private sector and the results-based agenda.

The Foresight Outreach and Policy Reform Unit (F.O.R) of DCD is tasked with identifying collaboration opportunities with countries within and beyond the DAC, based on clear criteria.

**BOX 12: THE ARAB GULF PROGRAM FOR DEVELOPMENT (AGFUND) AND THE ARAB NETWORK FOR NGOS (SHABAKA)**

The AGFUND aims at strengthening the work of civil society organisations in Arab countries by developing their institutional and training capacities. In this context, the AGFUND established the Arab Network for NGOs (Shabaka) in Egypt, supporting over 1200 CSOs in the Arab world. Shabaka’s mission is to help local communities roll back marginalisation, helping communities and individuals to i) propose, implement and evaluate programmes and policies, and ii) explore resources and self-capacities within local communities. The Network also aims at building NGO’s institutional capacity to engage in effective partnerships with governments and the private sector, while boosting efficiency, transparency and accountability.
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