



The **United Arab Emirates (UAE)** has significantly stepped up its development co-operation efforts in recent years. Its Official Development Assistance (ODA) measured as a share of Gross National Income reached 1.34% and 1.17% in 2013 and 2014 respectively, well above the UN target of 0.7% and higher than all members of the Development Assistance Committee (DAC). However, many other policies beyond the scope of ODA but with an impact on development are carried out by the UAE. To get a better overview of all its official support for development, the UAE has completed a pilot exercise with the OECD. This pilot will also contribute to the current discussion on how a broader measure of international development finance should look like. Such a measure should incentivise public financing in support of the SDGs and mobilise private resources for that purpose¹.

UAE Instruments beyond ODA

Initial results of the pilot show that many policies of the UAE, beyond ODA, support development. Three main areas of official support for development were identified:

A. Support to Global Public Goods

The UAE supports global public goods both directly and through multilateral organisations. This includes (1) peacekeeping and support for security and justice, (2) human rights and (3) contributions to norm-setting multilateral organisations (which partially work on global public goods, and not exclusively in developing countries). Their contributions to and hosting of the International Renewable Energy Agency (IRENA) are examples of the latter.

IRENA is an intergovernmental organisation that supports countries in their transition to a sustainable energy future, and serves as the principal platform for research, international cooperation, and a repository resource and financial knowledge on renewable energy.

At the First Session of the IRENA Assembly in April 2011, the UAE capital Abu Dhabi was announced as the permanent seat of IRENA, making it the first intergovernmental organisation to be headquartered in the Middle East. Since then, UAE has been supporting the programmes of IRENA, with over 20 percent of the total funding provided by UAE Government to multilateral organizations in 2013.

B. Financial Instruments

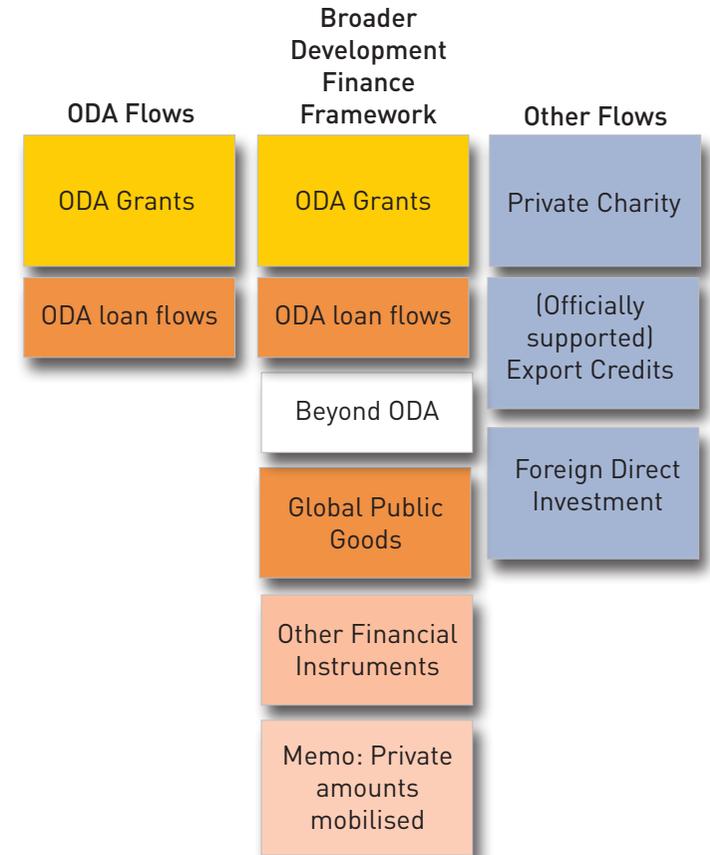
The Abu Dhabi Fund for Development (ADFD), one of the UAE's main agencies for delivering development finance, has several non-concessional loans and equity investments in its portfolio. These equity investments enable private sector companies in developing countries in Africa and Asia to evolve, covering vital infrastructure sectors such as agriculture and fishery (in Mauritania), telecommunications (in Morocco), housing and real estate (in Sudan), and financial and social development (in Bangladesh).

C. Private Finance Mobilised by Official Sector Interventions

Many public sector interventions by the UAE leverage financing from the private domain, including both market-like financing and private charity.

- a. The UAE wants to encourage the private sector to work in developing countries, for example by helping companies to work in a developing country context supporting the creation of the enabling environment within such a country (legal framework, democratic participation, public sector administration etc.). This could include promoting private sector engagement in specific industrial sectors by capacity building in those sectors in the developing country. From the side of the company it would be expected that they comply with Corporate Social Responsibility guidelines and hire people locally.
- b. Private charitable funding could be raised by the public sector through two main instruments: the Zakat Fund and fundraising campaigns for developmental purposes.
 - Zakat is an annual contribution Muslims are required to make for charitable purposes. In the UAE, these contributions are pooled in the Zakat Fund, managed by the official sector and used for charitable purposes both domestically and in developing countries. Zakat contributions are also disbursed, or implemented as social welfare projects by many of the UAE donor organisations.
 - Fundraising is carried out by the UAE NGOs in order to address specific, urgent needs, for example water scarcity in a certain country in the region (the UAE Water Aid Initiative), or the campaign for the education of girls.

A Broader Framework of Development Finance from the UAE



Conclusion

A broader measure of development finance would give a much better overview of UAE's development-related policies. It could be used for analytical purposes and gives visibility of the UAE's efforts in this area. Moreover, if this broader set of activities is reported on in a detailed and transparent way, it would give partner countries a more comprehensive picture of what activities the UAE is carrying out in their countries.

1. "Total Official Support for Sustainable Development" (TOSSD) has been used as a working title for the future measure.