

THE RISE (AND DECLINE?) OF ARAB AID:
GENEROSITY AND ALLOCATION IN THE OIL ERA

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Abstract: Among non-DAC donors, wealthy Arab states are some of the most prolific contributors of foreign aid. Despite this, relatively little is known about Arab foreign aid. The OECD development database offers a paucity of information, aggregating data for “Arab countries” and “Arab agencies,” without identifying the constituent units of either. A further complication is that Arab donors are not uniformly transparent about their aid efforts, publicizing some of them while keeping other donations secret. In this paper, we advance the state of knowledge of Arab foreign aid in a number of ways. We use AidData¹ to document the trends in reported donations from specific bilateral donors (Kuwait, Saudi Arabia, and the United Arab Emirates) and multilateral agencies (Arab Fund for Economic and Social Development, Arab Bank for Economic Development in Africa, OPEC’s Fund for International Development, and the Islamic Development Bank). Notably, Arab bilateral donors have given less generously over time with aid levels remaining relatively stable despite skyrocketing national wealth. We explore reasons for this decline, including that Arab donors have: shifted their giving from bilateral to multilateral channels, given less as DAC donors have given more, and increased domestic spending at the expense of foreign aid with a view to safeguarding regime security. In addition, we look at the sectoral allocations of Arab bilateral and multilateral organizations, and compare the aid practices of Arab donors to their DAC counterparts. Finally, we suggest why an exclusive focus on aid commitments is problematic where Arab aid is concerned.

KEYWORDS: Emerging donor, transparency, Arab foreign aid

ASSESSING ARAB AID:
TRENDS, EXPLANATIONS, AND UNREPORTED TRANSFERS

1. INTRODUCTION

Arab states are some of the most prolific donors of foreign aid. Kuwait, Saudi Arabia, and the United Arab Emirates give the most bilateral assistance outside of Development Assistance Committee (DAC)² members (Nielson, Powers, & Tierney, 2010). Despite this, relatively little attention has been devoted to Arab giving. As a result, the subject of Arab aid has been neglected, both as an aspect of Arab foreign policy and in terms of its impact on international development. A few recent studies have begun to reverse this neglect ([Neumayer, 2003, 2004] and [Villanger, 2007]). Thanks to these works, we know that some practices of Arab donors differ significantly from those of DAC members, on whom development specialists have focused far more attention. For example, Arab aid is: more geographically concentrated, with a majority donated to other Arab states; less targeted toward the poorest countries, since most goes to states in the lower middle income bracket; given without conditionality, in terms of economic or political reforms imposed upon recipients; and notably, less transparent than that of other major donors (Neumayer, 2004). Nonetheless, it has been nearly two decades since the last major country-level survey of Arab aid practices (van den Boogaerde, 1991, p. 25), and the time has come to explore what a new generation of aid information can reveal about Arab foreign policy.

We use newly available data to advance knowledge of Arab aid, while noting relevant information limitations and making recommendations for improving data on Arab aid moving forward. We begin in Section 2 with an overview of the key Arab donors, including the Coordination Secretariat, which has brought together the most significant bilateral and multilateral Arab aid organizations. Regarding Arab bilateral donors, we discuss problems

including limited data reported by national aid organizations, as well as unreported transfers made by Arab states, which do not go through these organizations. In Section 3, we address the fact that Arab bilateral donors have become less generous when considering aid as a percentage of gross national income (GNI), particularly as their national economies have ballooned during the last decade as a result of high oil prices. We consider possible reasons for declining generosity, including: compensation for the shortfall in bilateral aid by increasing multilateral contributions, displacement of Arab aid by rising aid from non-Arab donors, and allocation of funds that could have been used for foreign assistance by Arab donors to their own rising government expenditures. Section 4 examines the sectoral allocation of Arab aid, finding a consistent preference for infrastructure projects, which is shared among Arab bilateral and multilateral donors. When compared with DAC donors, we find that Arab donors differ substantially in the sectoral profile of their aid. In Section 5, we look ahead and offer recommendations for improving data that will benefit future studies of Arab aid. Noting that the reliance on commitment amounts is more problematic for Arab donors than for DAC members, we advocate, if possible, inclusion of disbursement data in future iterations of AidData . We also recommend the expansion of the database to bilateral aid information from other significant Arab donors, including Qatar, Libya, and Iraq. Section 6 offers a brief conclusion about what we know about Arab aid.

2. OFFICIAL ARAB AID: DONORS AND TRANSPARENCY

While Arab states are sometimes referred to as “new” or “emerging” donors, these terms are misnomers (Woods, 2008, p. 1205-06). Far from being new fixtures in the realm of international development, Arab states emerged as major donors in the 1970s. Beginning with

the skyrocketing of oil prices in 1973, Arab oil-producing states collected a windfall of export profits that would last until the mid-1980s. Concerned over the advent of ill will toward them by states in the “Third World” which had been negatively impacted by oil price increases, the oil exporters were keen to improve their image among low-income countries (Hunter, 1984, p. 56). Designating a portion of their newfound wealth for the less fortunate was a good way of doing that, while lobbying for the continued support of developing countries at the United Nations regarding the Arab-Israeli conflict and seeking cover from Western pressure to increase production and lower the price of oil (Porter, 1986, p. 64). Arab aid began in earnest, channeled by a number of bilateral and multilateral organizations, and integrated through an overarching coordination group.

(a) The Major Players in Arab Foreign Aid

(1) The Coordination Secretariat

Based in Kuwait City, the Secretariat of the Coordination Group is an overarching structure which facilitates dialogue and cooperation among the major Arab aid organizations. Existing aid groups broached the need for such an umbrella organization in 1974, and the Secretariat was established the following year in order to improve aid efficiency and maximize the overall impact of Arab aid. The Secretariat’s member organizations include the most significant multilateral donors, as well as bilateral donors, the latter of which are sovereign aid institutions established by major Arab contributing countries.

(2) Multilateral Aid Organizations³

The Arab Fund for Economic and Social Development (AFESD), established in 1974 and located in Kuwait City, played a key role in the establishment of the Coordination Group. As the major multilateral Arab aid organization in existence at that time, AFESD assumed the organizational duties of the Secretariat, and continues to house the Coordination Group and organize its meetings (Coordination Secretariat, n.d.). The AFESD solely gives aid to Arab countries with the stated purpose of facilitating economic and social development, as well as advancing regional integration among Arab states (Arab Fund for Economic and Social Development, 2008). With the exception of Comoros, the other 21 members of the Arab League are members of the AFESD, donating varying amounts to the organization's overall budget. Kuwait and Saudi Arabia are the two largest donors, with the former contributing slightly more than the latter (Osman, 2009). The projects funded by the AFESD have all been requested by the governments of the countries in which they are implemented. Ministers of Finance of all member states sit on the AFESD's Board of Governors, and they present proposals for project support in their own countries. Aid from the AFESD takes the form of concessional loans and small technical assistance grants (Osman, 2009).

The Islamic Development Bank (IDB) is another of the key multilateral donors through which Arab countries contribute foreign aid. Established in 1975, the organization is headquartered in Jeddah, Saudi Arabia, and consists of 56 member states. To be a member of the IDB, a country must be a member of the Organization of the Islamic Conference and make at least a minimum contribution to the IDB's capital stock. The aims of the IDB are to finance "economic development and social progress" within its member countries, as well as to aid Muslim communities within non-member states (Islamic Development Bank, 2009, p. 2). The IDB emphasizes that all of its activities must be conducted in accord with the stipulations of

shari'ah (Islamic law), which prohibits the collection of interest on all financial transactions. Thus, the IDB extends aid in the form of interest-free loans, and charges a service fee in order to recoup its administrative costs (Islamic Development Bank, 2010). Although Arab states constitute a minority of the member-shareholders of the IDB (they number 22 out of 56), the bulk of funds donated to the coffers of the organization come from Arab members. In 2008, the top 8 shareholders in the IDB funded 81 percent of the organization's total shares; of these 6 were Arab countries which provided 64.7 percent of the total. The single largest shareholder in the IDB, by far, was Saudi Arabia (24.4 percent), followed by these other Arab states: Libya (9.8 percent), Qatar (8.6 percent), Egypt (8.5 percent), UAE (6.9 percent), and Kuwait (6.5 percent). The 2 largest non-Arab contributors, Iran (8.6 percent) and Turkey (7.7 percent), round out the top 8 shareholders (Islamic Development Bank, 2009, pp. 2-3).

In 1976, the Organization for Petroleum Exporting Countries established a temporary Special Fund as a clearinghouse for aid that oil-producing states were well-placed to give as a result of sharply increased revenues from oil exports. The OPEC Fund for International Development (OFID), based in Vienna, was formed shortly thereafter and became a permanent fixture among multilateral aid organizations (van den Boogaerde, 1991, p. 25). OFID was particularly concerned with improving ties with poorer states which suffered under the burden of high oil prices. Today, it continues to stress "South-South solidarity," and particularly the goal of enhancing cooperation between OPEC members and developing countries. Most of OFID's work takes the form of concessional loans for development projects, balance of payment support, and trade financing; it also provides modest grants for technical assistance, food aid, research, and emergency humanitarian relief (OPEC Fund for International Development, 2008, p. 2). While OFID is not an Arab-only organization (6 of its 12 current members are Arab states),

contributions from Arab countries account for approximately 65 percent of OFID's direct operations account. Saudi Arabia is the largest donor (34.7 percent), and other Arab contributors include Kuwait (12.5 percent), Libya (6.9 percent), UAE (5.7 percent), Qatar (3.1 percent), and Iraq (1.7 percent). These figures reflect paid-in contributions as of the end of 2008 (OPEC Fund for International Development, 2008, p. 127; based on authors' calculations).

The Arab Bank for Economic Development in Africa (BADEA) is unique among the Arab multilateral organizations in that it has an exclusive focus on channeling aid to non-Arab African states. As Porter (1986, p. 62) notes, Arab countries have long been keen to improve ties with Africa, both in the hopes of displacing Israeli influence on the continent and in order to gain access to Africa's natural resources. Based in Khartoum, BADEA began its operations in 1975, with a mandate to provide financial capital and technical assistance necessary for the economic development of Africa (Arab Bank for Economic Development in Africa, 2008, p. 5). BADEA also promotes Arab-African trade by financing Arab exports to Africa. In the most recent period (2005-09), BADEA has offered concessional loans for periods of 18 to 30 years, at interest rates ranging from 1 to 4 percent per year (Arab Bank for Economic Development in Africa, 2010). The organization has 18 Arab members, and the six highest subscribers control over 90 percent of the shares. They are: Saudi Arabia (24.5 percent), Libya (16.3 percent), Kuwait (15 percent), Iraq (14.3 percent), UAE (12.2 percent), and Qatar (8.2 percent) (Arab Bank for Economic Development in Africa, 2008, p. 111; based on authors' calculations).

There are two other Arab multilateral donors affiliated with the Coordination Secretariat. The Arab Monetary Fund (AMF) was founded in 1976, is headquartered in Abu Dhabi, and its membership includes all 22 countries in the Arab League. The purpose of the Fund is to help in financing balance of payments deficits and promoting concomitant economic reforms, while

fostering closer monetary cooperation among Arab states with the long-term aim of increasing Arab economic integration (van den Boogaerde, 1991, p. 19). The Arab Gulf Programme for United Nations Development Organizations (AGFUND) was founded in 1980 at the initiative of Saudi Prince Talal Bin Abdul Aziz, who continues to be its Director-General. The members of the organization, based in Riyadh, are the states of the Gulf Cooperation Council: Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, and Oman (Arab Gulf Programme for United Nations Development Organizations, 2002, p. 19). While the initial purpose of AGFUND was to coordinate Arab assistance to the United Nations, with all projects implemented in tandem with one of 15 UN bodies (van den Boogaerde, 1991, p. 19), AGFUND more recently has diversified and works with other “international and regional organizations, government institutions and NGO’s” (Arab Gulf Programme for United Nations Development Organizations, 2002, p. 4).

(3) Bilateral Aid Organizations

Three of the largest Arab donors (Kuwait, Saudi Arabia, and the United Arab Emirates) have established their own sovereign funds for disbursing bilateral foreign aid.⁴ Kuwait was the trailblazer in this regard, establishing the Kuwait Fund for Arab Economic Development (KFAED) in 1961. In its early years, the Kuwait Fund provided aid exclusively to other Arab states, but began to diversify its recipients in the mid-1970s by adding aid to non-Arab countries. KFAED offers aid to recipients in the form of loans at concessional terms, generally from 1.5 to 4 percent interest, but occasionally as low as 0.5 percent for highly indebted poor countries. Providing aid through concessional loans rather than outright grants has yielded an important

benefit for KFAED: the fund no longer depends on the Kuwaiti government for its budget, which comes from repayments of loans plus interest, supplemented by investments (Hashim, 2009).

The Abu Dhabi Fund for Development (ADFD), founded in 1971, is owned by the government of Abu Dhabi, the largest of the emirates composing the UAE. Its stated goals are the promotion of sustainable economic development, alleviation of poverty, and provision of support for regional and international development initiatives. ADFD provides most of its assistance in the form of loans, complemented by small grants. The Fund also administers additional development funds allocated by the Abu Dhabi government (Abu Dhabi Fund for Development, 2008, p. 4).

In 1974, Saudi Arabia established the Saudi Fund for Development (SFD), based in Riyadh. The Fund has two objectives. In the realm of development, the Fund provides loans to governments of developing countries to finance projects. SFD's efforts are multi-regional, and the organization claims to prioritize least developed countries. A second objective is the promotion of Saudi non-crude oil exports, which SFD facilitates through the provision of export credit and insurance. This latter mission of the SFD is a newer component of its activities, ratified by the Saudi Council of Ministers in 1999 (Saudi Fund for Development, 2008, p. 6).

(4) Overview of Aid from Coordination Group Members

According to its records, the organizations of the Coordination Group (including the AMF but not the AGFUND) engaged in 184 aid projects during 2008, for a total of roughly \$5.5 billion in aid activity. Since the inception of these eight member organizations, they report contributions of \$90.5 billion worth of aid. Table 1 illustrates the distribution of development

activity by members of the Coordination Group. In the four rows to the right, the numbers at the top of each cell are those provided by the Coordination Group. We generated an alternative set of figures at the bottom of each cell (which appears in brackets) using AidData. Comparing the two sets of figures, some differences are worth noting. Even without data for the AMF, AidData reports more operations and aid donated by the members of the Coordination Group than the Secretariat itself does. While AidData reports that the IDB contributed significantly less in aid than the Secretariat calculates, in all other cases AidData reports higher aid numbers for the various Arab multilateral and bilateral organizations.

[Table 1 Here]

(b) Transparency of Arab Aid

While Arab multilateral aid organizations generally do an admirable job of documenting their aid activities, bilateral donors have been less transparent. Barriers to transparency come in two forms: 1) insufficient data supplied by national aid organizations and 2) additional unreported transfers by Arab governments which bypass the bilateral organizations. We discuss each of these in turn.

Problems with Data Supplied by National Aid Organizations

Data from national aid organizations reflect two deficiencies. First, some Arab bilaterals do not consistently report annual data. Of the three major Arab bilateral aid organizations, UAE's ADFD is the least consistent. It does not report aid from 1988 to 1997, and has a gap

again from 2005 to 2007. During a visit to the Abu Dhabi headquarters of ADFD in August 2009, a representative provided copies of all of the annual reports she had available. As for the missing years, for which she searched unsuccessfully in the ADFD's repository, she was uncertain whether ADFD had not produced annual reports for those years, or had not retained copies of reports. To its credit, the UAE is displaying determination to improve its data collection and reporting. In 2009, the UAE established OCFA, the Office for the Coordination of Foreign Aid (Al Qahtani, 2009). OCFA is charged with collecting data on Emirati non-governmental and official aid, the latter from both ADFD and the Ministry of Presidential Affairs. Hazza Al Qahtani, the Director General of OCFA, indicates that the purpose of the new organization is to "enhance the profile of the UAE as an international donor and activate the role of the UAE in humanitarian work in a more systematic and coordinated way." He adds, "For the first time, UAE will know how much it gave out" in aid (quoted in Olarte, 2009). Regarding Saudi Arabia, over the period since 1975, the Saudi Fund for Development is missing data for 1981, 2000-01, and after 2005. Kuwait's national aid organization has been the most reliable in reporting data. In KFAED's coverage from 1962 through 2007, 1970 is the only missing year.

Second, Arab bilaterals do not report certain types of development aid which DAC donors routinely report. Debt forgiveness is an important example. While the three Arab national aid organizations do not publish figures for debt forgiveness, there are instances in which Arab donors have used such waivers as an inducement to persuade debtors to adopt particular foreign policies. Perhaps most notably, the Gulf states used debt forgiveness as an inducement to help persuade fellow Arab states to join the US-led coalition against Iraq in the first Gulf war. The beleaguered Gulf states were particularly keen to assure that Egypt, a perennial leader in the Arab world, would join the coalition to reverse the Iraqi invasion of

Kuwait. At the time, Egypt was under a heavy debt burden, and in 1990-91, the Gulf states forgave \$7 to 9 billion of Egyptian debt (Pripstein, 1991, p. 20). Since Arab bilateral donors do not report debt forgiveness and Arab multilaterals rarely do,⁵ AidData shows no debt forgiveness for Egypt by any Arab donor, in any year. Data provided by the Saudi Fund for Development actually indicates that in 1990-91 it gave an average annual total of only \$156 million in aid, compared with the SFD average annual total of \$472 million over the 1975 to 2005 time period (both figures in USD2000). Not only do the small figures for 1990-91 leave out debt forgiveness to Egypt, they also neglect the \$2 billion grant for Syria that President George H. W. Bush reportedly helped secure from the Saudis to encourage Syria's participation in the US-led coalition against Iraq (Hinnebusch, 1997, p. 222). This brings us to the second major obstacle in Arab aid transparency, that of undisclosed donations.

(5) Unreported Transfers

A major challenge (or perhaps, hazard) in analyzing Arab aid is the fact that beyond what they disclose through established institutional channels, Arab governments make additional, unreported aid transfers. This is a known phenomenon among scholars ([Neumayer, 2004, p. 282] and [Villanger, 2007, p. 1]), confirmed by those who work in or close to the field of Arab aid ([Hashim, 2009], [Osman, 2009] and [Shaalán, 2010]).

Much as unreported transfers seem to be a norm across Arab donors, some governments appear to utilize them with greater frequency and weight than others. Saudi Arabia stands out in this regard. According to Ahmed Osman, director of the technical department of AFESD, the Saudis conduct a major share of their aid activity off the books, through the Ministry of Finance

rather than the Saudi Fund. As a result, despite the figures in Table 1, which show aid from KFAED outstripping that of SFD, Saudi Arabia is reportedly the largest single donor of aid in the Arab world (Osman, 2009). Kuwait, by contrast, tends to channel a higher proportion of its total aid through KFAED, rendering it a more “regular” and predictable donor. Nonetheless, like the al-Saud family which holds power in Saudi Arabia, there is no doubt that the al-Sabah family in Kuwait makes unreported aid transfers. As a result, Abdul Rahman Al-Sayed Hashim, a regional manager of the Kuwait Fund (KFAED), was unable to estimate the *total* annual aid allocated by the Kuwaiti government. Though a senior official at KFAED, Hashim indicated that he was not privy to this information, which is held solely by the Kuwaiti Ministry of Finance (Hashim, 2009).

As for the UAE, the ADFD is unusual in that its 2007-08 annual report records both its own loans and grants, as well as those undertaken separately by the Abu Dhabi government (Abu Dhabi Fund for Development, 2008, p. 38). The aid specified in the report included ADFD loans (52.9 percent of the annual total), ADFD grants (3.2 percent), Abu Dhabi government loans (18.4 percent), and Abu Dhabi government grants (25.5 percent). Beyond what the ADFD reports, it certainly is possible that the governments of Abu Dhabi and the UAE make additional transfers. Nonetheless, the ADFD report provides us with a rare and helpful glimpse at bilateral aid allocated apart from national aid organizations. In particular, it is worth noting that while the vast majority of aid provided by the ADFD is in the form of loans, the Abu Dhabi government displays a tendency toward grants.

(6) Why is Arab Aid Opaque?

In an aid environment that increasingly has emphasized the importance of transparency, why is Arab aid relatively opaque, compared with reporting by DAC donors? We offer five reasons. First and most important, there is an institutional explanation predicated on regime type and domestic accountability. Unlike DAC members, the states of the Arabian Peninsula are governed by regimes which are, in varying degrees, non-democratic. Lacking democratic channels through which to demand accountability, while simultaneously lulled into quiescence by non-taxation and the subsidies which rentier states provide, citizens of wealthy Gulf states have not pressured their governments for a transparent, reliable accounting of foreign aid expenditures. Thus, these donors have not prioritized regular record-keeping and publishing (leading to problems of missing data) and have little compunction about the practice of providing unreported transfers which bypass their official bilateral aid organizations. In this regard, it is not surprising that China, an autocratic state and one of the few major non-DAC donors outside of the Gulf, does not report the majority of its foreign aid (Woods, 2008, p. 1209). At the same time, it is noteworthy that Kuwait, the most “free” of the three major Arab donors, with a National Assembly that has some real (if limited) ability to subject the executive branch of the Kuwaiti government to accountability,⁶ suffers from the fewest missing data problems and channels a higher proportion of its foreign aid through its national aid organization than does Saudi Arabia. Indeed, as Abdul Rahman Al-Sayed Hashim (2009) of KFAED indicates, his national aid agency must provide transparent and accurate reporting of its activities to the Kuwaiti parliament. The regime leadership and Ministry of Finance are not similarly burdened, however, and guard their prerogative to keep sensitive matters secret.

Second and related, it is likely that Gulf states do not report certain aid transactions because there is something they wish to hide. For instance, a leader may wish to make a donation which he knows will be unpopular with his people, due to the identity of the recipient and/or the amount of the gift. Potentially, the recipient state may not want its people to know of the aid, so the leader of the donor state agrees not to disclose the aid. In addition, the donor may not want a particular third party, or the international community as a whole, to know about a particular instance of aid. Given the non-democratic nature of these governments, it is not unusual for leaders to pursue policies that are in the interest of regime survival but unpopular with their subjects.

Third, there is a norms-based explanation. Whereas DAC members have been socialized to follow particular standards of transparency, non-DAC donors have not received the same exposure to those norms, nor been socialized into following them. As Arab donors participate with DAC donors in co-financed projects and seek more international prestige, we may expect to the former to place more emphasis on reporting data, as long as such transparency does not endanger regime security. Indeed, the UAE's establishment of its new Office for the Coordination of Foreign Aid (AFCO) is likely linked to emulation of DAC norms and desire for prestige commensurate with the scope of its aid effort.

Fourth, the distinctive nature of the domestic political economies of the Gulf oil states may contribute to the opacity of Arab aid. Led by dynastic monarchies composed of large ruling families (Herb, 1999), the distinction between public and private wealth is blurred in the Gulf states. If a leading sheikh makes a donation to an organization that engages in charitable work abroad, what appears to be a private contribution in fact comes from funds that could legitimately be considered public. The distinctive political economy of the Gulf renders

problematic the concept of *official* development assistance as defined by the OECD. In addition, ruling families in the Gulf have increasingly become partners in major business ventures, calling into question whether their overseas investments might be considered analogous to foreign aid. However, we caution against overstating this point. After all, such companies (for example, the Saudi Basic Industries Corporation, or SABIC) pursue for-profit investments which typically fail to qualify as “overseas development assistance” because they are neither concessional in nature nor chiefly concerned with the development and welfare of the recipient. The same can be said of the investments made by the substantial sovereign wealth funds employed by wealthy Gulf states to maximize the profits earned from oil sales.

Fifth, we consider the claim that an Arab cultural norm exists, which frowns on publicizing certain charitable contributions. A. Shakour Shaalan, an Executive Director of the International Monetary Fund who is responsible for casting votes on the IMF Executive Board for the majority of Arab states, makes the case that Arab culture plays an important role in unreported transfers. He indicates that when the leader of a Gulf country gives money to a counterpart of a country that has been stricken by a humanitarian disaster, announcing that charitable gesture would violate a cultural norm regarding publicizing generosity (Shaalan, 2010). Clearly, this cultural taboo does not prevent Arab countries from announcing many of their aid activities, but in certain instances it cause donors to keep their contributions quiet. While this cultural norm, if it exists, is not a necessary condition for underreporting aid transfers (clearly, since China also falls short of DAC standards for aid transparency), it may be part of a broader and more complete understanding of Arab foreign aid practices.

With undisclosed transfers a significant issue, finding a way to document or estimate them would constitute a major step forward in our understanding of Arab aid. As an effort in this direction, we examined balance of payments information for Arab donors and their recipients, checking whether the residual category of “net errors and omissions” (NEO) would reflect regular and substantial debits on the part of donors and credits for recipients.⁷ This effort, which we undertook for the period of 1994 to 2008 using IMF data (International Monetary Fund, March 2001-March 2010) did not yield a “smoking gun.” NEO figures for recipients had mixed signs over the years, as did NEO data for donor state Kuwait. Our other two donors were interesting on grounds of transparency, but mostly because UAE simply does not report NEO data to the IMF, and Saudi Arabia only began doing so in 2005. Over the 2005 to 2008 period in which the Saudis have reported NEO numbers, they have been consistently large and negative, ranging from debits of over \$15 billion to almost \$35 billion. Solely on the basis of this four-year period, however, we are unable to draw any conclusions. While we have more evidence of lack of financial transparency for major Arab donors (specifically, UAE and Saudi Arabia), we cannot report any progress in quantifying unreported Arab aid. The undisclosed nature of a substantial portion of Arab aid remains a major challenge to those who wish to study this important topic.

3. GENEROSITY OF ARAB DONORS

(a) Generosity Relative to DAC Donors and Trends

One salient question raised in existing work on Arab aid is how generous Arab donors are, and whether and how their generosity has changed over time ([Neumayer, 2004] and [Villanger, 2007]). We follow the convention of measuring “generosity” as aid divided by gross national income (GNI), calibrating the extent of giving by a particular state relative to its income. For aid figures, we use bilateral donations recorded in AidData, and we calculate GNI with World Development Indicators (World Bank, 2010). Our data, in Table 2, indicates that Kuwait reports the most bilateral aid relative to its GNI of the three major bilateral donors. The Kuwaitis have been generous by international standards. In 1970, the United Nations called on countries to give a minimum of 0.7 percent of their GNI as official development assistance in UN General Assembly Resolution 2626 of 24 October 1970 (“International Development Strategy for the Second United Nations Development Decade”). Members of the OECD’s Development Assistance Committee (DAC), which does not include Arab states, have not come close to hitting this mark. Between 1975 and 1999, DAC countries reported five-year averages of between 0.24 and 0.36 percent for ODA/GNI (Neumayer, 2004, p. 291). By these standards, Kuwait has been quite generous, while donations by Saudi Arabia and the UAE have been more similar to those of average DAC countries.

[Table 2 Here]

Regarding trends in Arab aid generosity, one important finding is that generosity has declined for two of the bilateral donors – Kuwait and Saudi Arabia – since 2000. (A trend is

more difficult to discern for UAE, which is plagued by missing data and displays less predictability in the years for which we do have information.) Kuwait is the most transparent bilateral donor for which we have complete data, and the decline in its generosity is due almost entirely due to the tremendous jump in Kuwait's GNI. Expressed in current US dollars, Kuwait's GNI increased approximately fourfold from 1998 to 2007 (as indicated in Figure 1). During the same period, Kuwait's bilateral aid increased by 40 percent; once we account for inflation, these figures indicate that aid levels have remained relatively flat. While Kuwait has experienced a substantial increase in prosperity, it has not increased its aid commitments. One reason that reported Kuwaiti aid has remained flat is that, as indicated above, KFAED no longer receives money from the state, instead deriving its budget from loan repayments, (low) interest on concessional loans, and investments. Given Kuwait's surge in GNI, we might expect the state to spend some of its increased wealth on aid, contributing additional funds to KFAED. This begs the question: As high oil prices have bolstered the national wealth of the principal donors of Arab aid in the last decade, why haven't aid allocations kept pace? In the following sections, we offer some potential explanations.

[Figure 1 Here]

(b) Bilateral vs. Multilateral Arab Aid

One possibility is that Arab states have maintained their previous level of generosity, making up for flat levels of bilateral giving by donating more money through multilateral channels. This would be particularly worthy of note, since van den Boogaerde (1991, p. 4)

reports that one of the main characteristics of Arab aid historically is that it has been predominantly bilateral. In Figure 2, we consider whether a shift has taken place by plotting the combined aid of our three bilateral donors (Kuwait, Saudi Arabia, and UAE), as well as the total aid of four multilateral donors (AFESD, IDB, OFID, and BADEA). Indeed, Figure 2 shows that while bilateral Arab aid has been fairly consistent since the late 1980s,⁸ commitments from multilateral Arab institutions have risen rather gradually and consistently over the same period.⁹ However, the increase in multilateral commitments is not sufficient to compensate for the decline in generosity of bilateral aid. In addition, the trend toward increasing aid through multilateral institutions began in the late 1980s and thus precedes the dip in bilateral Arab generosity in the last decade. If Arab donors were shifting their bilateral giving to multilateral venues, we should expect acceleration in this trend in the 2000s, during the period that GNI has increased so substantially. From Figure 2, it is clear there has been no such acceleration. Further, we should note that other countries donate to these multilateral aid organizations besides Kuwait, Saudi Arabia, and UAE, which are not solely responsible for the increase in multilateral commitments.

[Figure 2 Here]

(c) Displacement Effect of Non-Arab Aid

A second possible reason that Arab donors have not contributed more of their vast national incomes to foreign aid is that non-Arab donors have increased their commitments to traditional recipients of Arab aid. We find support for this notion that Arab aid has been displaced by non-Arab aid, particularly where Arab recipients are concerned. Van den

Boogaerde (1991, p. 4) observed that wealthy Arab states have tended to give a majority of their aid to fellow Arab countries, and this is still true. Over the full period from 1973 to 2007, 53.9 percent of Arab aid was allocated to Arab recipients; from 1998 to 2007, that figure was 59.5 percent (authors' calculations based on Nielson, *et al.*, 2010).¹⁰ As Figure 3 indicates, aid to Arab recipients from non-Arab sources has always been significant, and indeed, has outstripped reported bilateral aid contributions from Arab donors. During the same period of substantial GNI growth by the Arab donors (since 2002), non-Arab donors have sharply increased their commitments to Arab recipients. In particular, the United States has compensated friendly regimes like those in Egypt and Jordan since 2003 for their quiet assistance during the war in Iraq (Shulman, 2008). Given the surge in donations to Arab recipients from non-Arab sources, it is possible that Arab donors have not perceived a need to increase their aid to fellow Arabs. Aid to Arab recipients from Arab donors has been displaced, and Arab donors have found other uses for their recently increased wealth: namely, they have spent it at home.

[Figure 3 Here]

(d) Increasing Government Expenditures by Arab Donors

A third factor that explains the decline in generosity of Arab donors is that wealthy Arab states have substantially increased their government expenditures. If political leaders in these states face increasing opposition, we would expect to see increasing domestic expenditures aimed at ensuring their political survival (Bueno de Mesquita, Smith, Siverson, & Morrow, 2003). Certainly, Saudi Arabia faces internal unrest, particularly from homegrown Sunni

extremists (including al-Qaeda on the Arabian Peninsula, which claimed responsibility for the May 2003 attacks on a number of housing compounds in Riyadh) and discontented Saudi Shi'a, coupled with opposition from increasing numbers of Saudi citizens angered by official corruption and demanding transparency ([Cordesman & Obaid, 2005, pp. 264-284] and [Hegghammer, 2006]). The US-friendly policies adopted by the Gulf states before and during the 2003 invasion of Iraq have been controversial domestically, and increasing spending at home to promote domestic tranquility is a wise response by governments with vast resources which seek to ensure regime survival.

As a first cut at the question of whether Arab donors have been prioritizing domestic spending for regime survival, we examine growth in general government final consumption expenditure¹¹ and compare it to growth in development assistance. Focusing on Kuwait (for which we have the best data), we find domestic expenditures have grown more rapidly – and began their increase earlier – than GNI. By 1981, each of these measures had doubled from its 1975 level. During the 1980s, while GNI remained flat and aid commitments decreased, domestic expenditure doubled again, to four times the 1975 level. When GNI began to accelerate rapidly in the 2000s, domestic expenditures also accelerated. Based on their stability over the last three decades, development assistance commitments do not appear to be sensitive to changes in the size of domestic budgets. Growth in government expenditures are quite likely a salient part of this picture.

(e) Decreasing Arab Generosity? Provisional Conclusions

This study supports previous research findings that bilateral Arab aid efforts are decreasing. Over the past decade, it is clear that bilateral aid commitments have not kept up with rapidly increasing GNI in Kuwait. We observe much the same situation in Saudi Arabia (Table 2).¹² An increasing emphasis on multilateral aid can account for some of this decline in Arab generosity. It also appears that Arab aid has been displaced both by non-Arab development assistance and by increasing domestic expenditure.

4. SECTORAL TRENDS IN ARAB AID

In this section, we explore the sectoral priorities of Arab aid organizations, considering whether they are consistent across bilateral and multilateral Arab donors and over time. We also provide comparative perspective, by juxtaposing the sectoral breakdown of aid by Arab and DAC donors. To do so, we leverage the sector and project codes for non-DAC donors in AidData to learn about the priorities of Arab aid organizations.

(a) What Types of Projects Does Arab Aid Support?

Beginning with the major Arab bilateral donors (Kuwait, Saudi Arabia, and the UAE), we look at the sectoral breakdown of aid commitments in three 10-year periods: 1978-87, 1988-97, and 1998-2007.¹³ Table 3 shows that aid priorities of the Arab bilateral donors have been remarkably stable over time. In each ten-year period, infrastructure projects have dominated the agenda, with the top three sectors emerging as: 1) transport and storage, 2) energy generation and

supply, and 3) water supply and sanitation. Not only have sectoral priorities remained constant, the overall share of total aid devoted to the top three sectors has increased over time. The three largest sectors accounted for similar amounts in 1978-87 and 1988-97 (approximately 60 percent), but that level has risen to 67.2 percent in the most recent period, 1998-2007. It is worth noting that the three major Arab bilateral donors are quite similar to each other in terms of their sectoral preferences. The only difference that stands out is that in the earliest period, UAE's top funding priority was government and civil society (specifically, government administration) to which it devoted 38.1 percent of its bilateral aid. As a result, that sector receives the sixth-largest amount of Arab bilateral aid from 1978-87, the only period in which government and civil society is among the top ten sectors for Arab bilateral commitments.

(b) Arab Multilateral Aid by Sectors

Having explored sectoral allocation by Arab bilateral donors, we turn to the question of whether Arab multilateral organizations display a similar pattern in their aid commitments. This question is especially important since multilateral commitments have outstripped bilateral ones since the late 1980s, and the gap appears to be widening (see Figure 2). This upsets the conventional wisdom that Arab states give most of their aid bilaterally, which would enable them to maximize the foreign policy leverage they can derive from development assistance efforts. Delegation theory (Hawkins, Lake, Nielson, & Tierney, 2006, p. 12) offers one reason why donors might increasingly use multilateral channels. If the aid priorities of Arab donors have shifted away from large-scale infrastructure projects toward small-scale social welfare projects

(in health and education, for example), then the use of multilateral channels might reflect the benefit of project-related institutional expertise.

Our findings indicate, however, that the sectoral priorities of Arab bilateral and multilateral aid agencies are largely the same. Arab multilateral development institutions allocate the majority of their funds to transport, energy, and water, just as Arab national aid organizations do. Arab multilateral institutions have further mirrored Arab bilateral agencies by growing more focused over time. As Table 3 shows, the top three sectors accounted for about 51.8 percent of multilateral commitments from 1978-1987. That figure grew to 54.2 percent from 1988-97 and 67.4 percent from 1998-2007. Since sectoral allocation, which is quite similar among all Arab aid organizations, cannot explain what appears to be an increasing tendency toward aid provision through multilateral channels, the reason for the apparent move to multilateral giving remains an open question. It is possible that the trend reflects an increase in Arab solidarity, though this explanation flies in the face of the conventional wisdom of regional specialists who find that the Arab world is going increasingly fragmented as Arab states and national identities are strengthening ([Ajami, 1978], [Barnett, 1998], and [Gause, 2003]).

[Table 3 Here]

(c) Comparing Sectoral Allocation among Arab and DAC Donors

Having explored Arab donors' funding priorities, how do they compare with the sectoral allocation of DAC member countries? There are certainly salient differences. While Arab

donors have focused their aid on infrastructure, and especially transport, energy, and water, DAC members have spent far less on those items and have decreased their emphasis in these areas over time. In both 1978-87 and 1988-97, DAC states allocated roughly 20 percent of their aid budgets to transport, energy, and water, and this proportion decreased to 15.1 percent in 1998-2007 (Table 2). While aid allocation for Arab donors is highly concentrated in a few areas and consistent over time, DAC donors support a much broader portfolio of projects, the foci of which has shifted over the years. In the earliest of the three decades covered, the top three sectors were general budget support, food aid, and agriculture. In the most recent period, the top sectors were action relating to debt, budget support, and education aid.

It is clear that Arab states and DAC members allocate aid according to different priorities. While DAC member countries have increasingly funded projects to support specific goals (e.g., the Millennium Development Goals), Arab donors consistently fund projects designed more to promote general economic growth. Recent calls for functional coordination among donors (e.g., the 2003 Rome Declaration on Harmonisation) make sense in light of the stark disparity we observe in sectoral priorities between Arab and DAC donors. Arab states and DAC members appear to be diverging on the issue of the relative importance of economic growth, on one hand, and social and humanitarian goals, on the other, in promoting development.

5. LOOKING AHEAD: MOVING FORWARD WITH ARAB AID

(a) Issues with an Exclusive Focus on Commitment Data

One lesson that we have learned from using AidData is that an exclusive reliance on commitments creates difficulties for the study of Arab donors. The main reason is that Arab donors have been resolutely immune to norms favoring more numerous, but smaller, development projects (see Figures 4 and 5, below). As a result, even when Arab aid data are complete, they remain extremely noisy. Large, expensive projects that take a long time to complete may entail disbursements over a number of years. Assigning the full value of these projects to one year is ultimately arbitrary, if our aim is to measure aid effort over time. Another difficulty that results from an exclusive focus on commitments is the inability to measure gaps between committed aid and disbursed aid. If donors tend to make numerous small commitments, it may be reasonable to assume that this gap is not large. If a donor wishes to use aid strategically, it may “punish” recipients by making fewer commitments in the future. This option makes less sense for donors (including Arab states) that favor large, multi-year projects. These countries are more likely to reduce their disbursements of existing commitments. Countries that make larger, multi-year commitments are also more likely to run into difficulties following through on those commitments, even when they have the political will to do so. For example, Saudi Arabia’s disbursements fell sharply in the 1980s, following declining oil prices.¹⁴

This is a potentially serious problem because the major Arab donors are united in their preference for large aid projects. In 1977, Kuwait made 25 bilateral aid commitments, with a mean value of more than \$45 million (USD2000). In the same year, DAC member Norway made 103 bilateral commitments with a mean value of just over \$2 million. In recent years, this gap between Arab donors’ and DAC members’ commitment practices has become a chasm. In

2007, Kuwait made 30 bilateral commitments with a mean value of \$30 million; Norway made more than four thousand commitments, with a mean value just over \$0.5 million.

[Figures 4 and 5 Here]

(b) Broadening Coverage of Arab Donor States

By collecting systematic, project-level information on Arab bilateral commitments, AidData has made a major contribution to the study of development assistance in the Arab world (Tierney *et al.*, 2011). We are also encouraged to see that AidData has begun to incorporate data from other Arab donors outside the “big three” (for example, Qatar’s 2007 bilateral aid is included). As we noted in Section Two, many Arab states make significant contributions to Arab multilateral institutions, and they may also make noteworthy bilateral contributions despite not having national aid organizations. In addition to Qatar, Libya fits into this category, as does Iraq, which has been an important donor in the past, and may well become one again as its oil revenues increase and its economy stabilizes. If AidData were able to build on these early successes and expand its coverage beyond Kuwait, Saudi Arabia, and the United Arab Emirates, it certainly would contribute to our knowledge of Arab aid.

6. CONCLUSION

Nearly two decades have passed since the last major country-level survey of Arab aid practices (van den Boogaerde, 1991, p. 25). How well does the conventional wisdom hold up, in light of recent developments in foreign aid information? Our work shows that Arab aid is not as geographically concentrated as previously thought. The Islamic Development Bank alone has worked with more than 90 recipients. This number is twice as high as was previously reported. Likewise, our work calls into question the wisdom that Arab donors primarily give to Arab recipients. In recent years, significantly more than half of the aid given by Arab donors has been allocated to non-Arab recipients. Unfortunately, our work does support one element of the old conventional wisdom: Arab donors as a group are significantly less transparent than their DAC counterparts. As new Arab donors (like Qatar) emerge, and as Arab multilateral institutions grow in importance, we hope to see this trend start to reverse.

Though our work here is primarily exploratory, we feel confident in drawing the following conclusions. First, there has indeed been a decline in the “generosity” of Arab giving. With respect to Kuwait, at least, this appears to be less a case of declining aid effort in an absolute sense, and more a case of aid failing to keep pace with rapid income growth over the past decade. Further work will be necessary to establish convincingly the causes of this phenomenon. However, our work has identified three plausible candidates: movement toward aid through multilateral organizations, which may be a partial explanation; the tremendous increase in aid commitments to Arab recipients from non-Arab donors following the 2003 Iraq war; and the acceleration of government expenditures by Arab donors in recent years. Second, we are confident that the increase in Arab multilateral aid cannot be explained by changing sectoral preferences. Arab multilateral institutions fund the same types of projects that bilateral

aid agencies fund – and they have done so consistently over the entire time period covered by AidData. If there is variation between projects funded by bilateral and multilateral organizations, this variation occurs at a finer grain than current data captures. Even if bilateral and multilateral aid activity occurs in the same sectors, it may still be the case that Arab donors use bilateral aid strategically to reward specific people or regions within recipient countries. Third, it is clear that Arab donors differ from the more widely studied DAC donors in their continuing preference for high-profile, expensive infrastructure projects. One of the key contributions of AidData is the systematic attention given to non-DAC donors, including Arab aid organizations, and we hope to see this coverage expand.

¹ AidData is available at www.aiddata.org; for discussion of data see Tierney *et al.*, 2011).

² Composed of 24 members of the Organization for Economic Cooperation and Development (OECD), DAC countries conduct peer assessments of each others' aid practices with an eye toward reducing poverty and achieving the UN's Millennium Development Goals ([OECD, 2010a] and [United Nations, 2010]). DAC includes member states from Europe, North America, and the Asia Pacific region.

³ The Coordination Secretariat indicates that it has five multilateral members. However, there are two organizations alternatively listed as the fifth member: the Arab Monetary Fund (AMF) and the Arab Gulf Programme for United Nations Development Organizations (AGFUND).

⁴ Iraq had a national aid agency, the Iraqi Fund for External Development, from 1974 to 1982, at which point the organization halted its assistance during the Iran-Iraq War. While Libya does not have an aid agency, it often has directed project loans through the Libyan Arab Foreign Investment Company, which bears some similarity to a national aid agency (van den Boogaerde, 1991, p. 5). Qatar is in the process of establishing a sovereign agency known as the Qatar Development Fund, modeled closely after bilateral aid organizations in other Gulf states. The new agency, chaired by the Minister of Foreign Affairs, will have approximately \$300 million of capital (Al Sheeb, 2010).

⁵ Among the Arab multilaterals, AidData indicates one record in which AFESD forgave debt, and four instances in which BADEA did so.

⁶ Freedom House (2010) has rated Kuwait "partly free" in each of its annual "Freedom in the World" rankings since 1992-93, while labeling both the UAE and Saudi Arabia as "not free" during the same period. On a scale of 1 (free) to 7 (not free), Freedom House rated Kuwait a "4," the UAE a "5.5," and Saudi Arabia a "6.5" in 2010.

⁷ T. J. Cheng deserves credit for contributing this innovative suggestion.

⁸ One exception, the spike in bilateral aid in 1998 is attributable to unusually high aid commitments by the Saudi Fund for Development, which accounts for approximately \$2 billion of the \$2.5 billion total for that year. In the ten years prior to 1998, SFD's average annual commitment was \$153 million. The Saudis contributed about half of the \$2 billion in 1998 to two recipients: Syria, for a power station in Aleppo; and Egypt, for "a number of projects." They divided the remainder of the aid committed that year among 16 other recipients.

⁹ The two considerable dips in multilateral aid since 1988 are the results of missing data. There are no reported commitments from the Arab Fund for Economic and Social Development in 1995, and none for the OPEC Fund for International Development in 2001. Assuming that those organizations committed the average amount over the preceding 10 years for the two years in question, the dip in 1995 would disappear, and the 2001 decrease would be cut in half.

¹⁰ Of the three major Arab bilateral donors, UAE has given the highest percentage of its aid to fellow Arab states, at 62 percent. Over the same period (1973-2007), the figures for Kuwait and Saudi Arabia are 53.1 and 52.8 percent, respectively.

¹¹ This indicator, obtained from World Development Indicators Online, includes “expenditure . . . incurred by general government on both individual consumption goods and services and collective consumption services” (OECD, 2010). Specifically, individual consumption goods and services include health, housing, recreation, and related expenditures. Collective consumption services include items such as defense, public safety, and environmental protection.

¹² The decline in aid effort appears to be less precipitous in the United Arab Emirates. However, data on UAE aid commitments is less reliable than those for Kuwait and Saudi Arabia.

¹³ Arab bilateral commitments for 1988-97 include commitments from Kuwait and Saudi Arabia only, since we lack data for UAE during that period.

¹⁴ From 1980-1989, Saudi Arabia’s disbursements were only 55 percent of its commitments (van den Boogaerde, 1991, p. 52).

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Table 1

| Institution | Location | Founded | Aid from/to | Countries Aided (#) | Operations (#) | Amount (US\$ mil.) | % |
|------------------------------|----------------------|----------------|--------------------|----------------------------|-----------------------|---------------------------|----------------|
| Islamic Dev. Bank (IDB) | Jeddah, Saudi Arabia | 1975 | OIC/Muslims | 56 [96] | 2,111 [2,092] | 26,298.64 [19,835.61] | 29.1 [19.5] |
| Arab Fund (AFESD) | Kuwait City, Kuwait | 1974 | Arab/Arab | 17 [22] | 525 [1,200] | 20,814.32 [24,945.37] | 23.0 [24.6] |
| Kuwait Fund (KFAED) | Kuwait City, Kuwait | 1961 | Kuwait/world | 103 [108] | 769 [1,044] | 15,655.27 [24,098.23] | 17.3 [23.7] |
| Saudi Fund (SFD) | Saudi Arabia | 1974 | Saudi Arabia/world | 71 [67] | 470 [339] | 8,722.07 [13,236.62] | 9.6 [13] |
| OPEC Fund (OFID) | Vienna, Austria | 1976 | OPEC/world | 107 [118] | 1187 [1,930] | 7,230.19 [11,081.85] | 8.0 [10.9] |
| Arab Monetary Fund (AMF) | Abu Dhabi, UAE | 1976 | Arab/Arab | 22 [n/a] | 141 [n/a] | 5,151.36 [n/a] | 5.7 [n/a] |
| Abu Dhabi Fund (ADFD) | Abu Dhabi, UAE | 1971 | Abu Dhabi/world | 49 [44] | 160 [158] | 3,651.24 [4,172.80] | 4.0 [4.1] |
| Arab Bank for Africa (BADEA) | Khartoum, Sudan | 1975 | Arab/Africa | 42 [46] | 451 [845] | 2,983.52 [4,188.62] | 3.3 [4.1] |
| Totals | | | | | 5,814 [7,608] | 90,506.62 [101,588.09] | 100 [100] |

Table 1. Cumulative financing distribution of Coordination Group members through 1998 (figures from the Secretariat on top; figures generated using AidData on bottom in brackets) Sources: ([Neilson, Powers, and Tierney, 2010] and [Secretariat of the Coordination Group, 2009])

Table 2

| | 1975-79 | 1980-84 | 1985-89 | 1990-94 | 1995-99 | 2000-04 | 2005-07 |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Kuwait | 1.80% | 1.66% | 1.02% | 1.84% | 1.61% | 1.09% | 0.56% |
| Saudi Arabia | 0.50% | 0.20% | 0.21% | 0.12% | 0.28% | 0.12% | 0.07% |
| UAE | 0.27% | 0.59% | 0.12% | n/a | 0.24% | 0.26% | n/a |

Table 2. Generosity of Arab aid as percentage of GNI, 1975-2007

Source: (Nielson, et al., 2010) and authors' calculations

Figure 1

Kuwait General Government Final Consumption Expenditure, GNI and Development Assistance (1975=1)

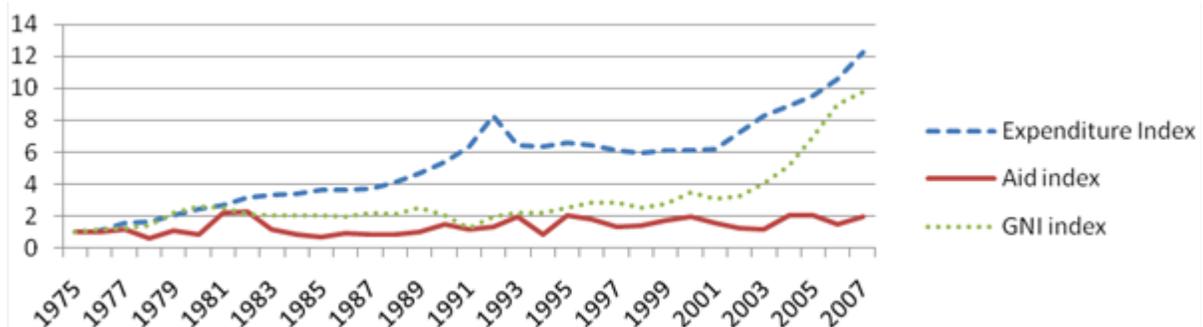


Figure 1. Ratio of Kuwaiti government expenditure, bilateral aid, and GNI (nominal USD)
Sources: ([Nielsen, et al., 2010] and [World Bank, 2010]) and authors' calculations

Figure 2

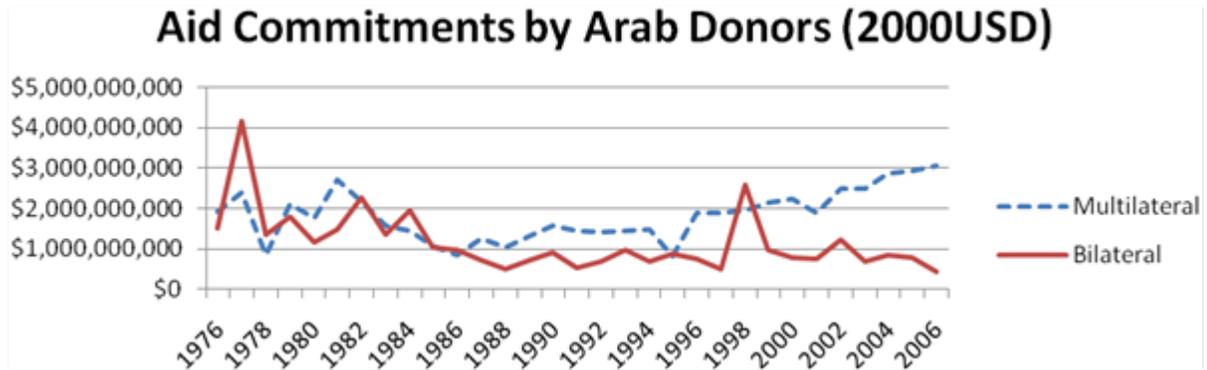


Figure 2. Arab Aid commitments by multilateral and bilateral institutions, 1976-2006
Source: (Nielson, et al., 2010) and authors' calculations

Figure 3

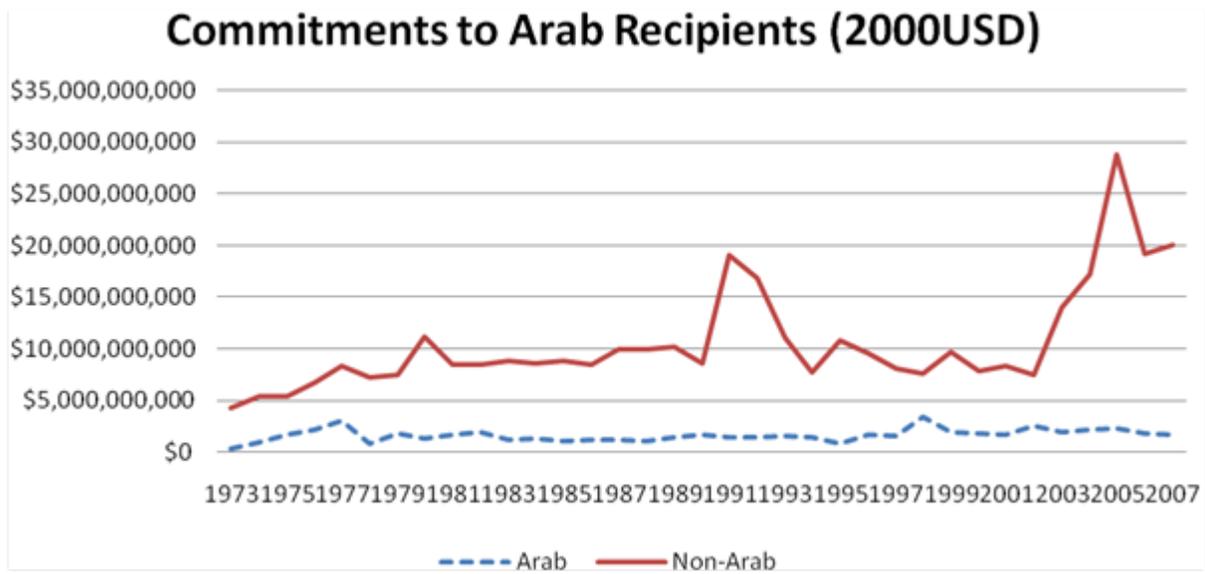


Figure 3. Commitments to Arab recipients by Arab vs. non-Arab donors, 1973-2007
Source: (Nielson, et al., 2010) and authors' calculations

| | Arab Bilateral Commitments | | | Arab Multilateral Commitments | | | DAC Commitments | | |
|---------------------|----------------------------|-----------|-----------|-------------------------------|-----------|-----------|-----------------|-----------|-----------|
| | 1978-1987 | 1988-1997 | 1998-2007 | 1978-1987 | 1988-1997 | 1998-2007 | 1978-1987 | 1988-1997 | 1998-2007 |
| Transport & Storage | 27.6% | 24.3% | 34.6% | 19.2% | 10.8% | 31.9% | 8.5% | 8.6% | 6.5% |
| Energy | 18.3% | 18.9% | 21.8% | 16.3% | 26.1% | 21.0% | 8.1% | 7.6% | 4.9% |
| Water & Sanitation | 13.8% | 16.9% | 10.8% | 7.4% | 15.6% | 14.5% | 3.3% | 4.3% | 3.7% |
| Agriculture | 9.7% | 8.9% | 3.3% | 16.3% | 12.5% | 3.9% | 9.5% | 5.6% | - |
| Industry | 6.8% | 8.9% | - | 8.3% | 9.7% | 2.6% | 4.9% | 4.0% | - |
| Other / Multisector | 4.8% | 6.2% | 4.8% | 5.3% | 5.4% | 7.6% | 3.4% | 5.1% | 4.3% |
| Gen Budget Support | - | - | - | 6.7% | - | - | 10.8% | 9.3% | 4.0% |
| Food Aid | - | - | - | 6.1% | - | - | 10.2% | - | - |
| Action Rel. to Debt | - | - | - | - | - | - | - | 5.7% | 11.5% |
| Education | 2.0% | - | 3.6% | - | 5.5% | 3.6% | - | 3.5% | 5.5% |

Table 3

Table 3. Aid Commitments by Sector (Sectors comprising < 2% are blank. Note: only top sectors are shown. Columns will not sum to 100%)

Figure 4

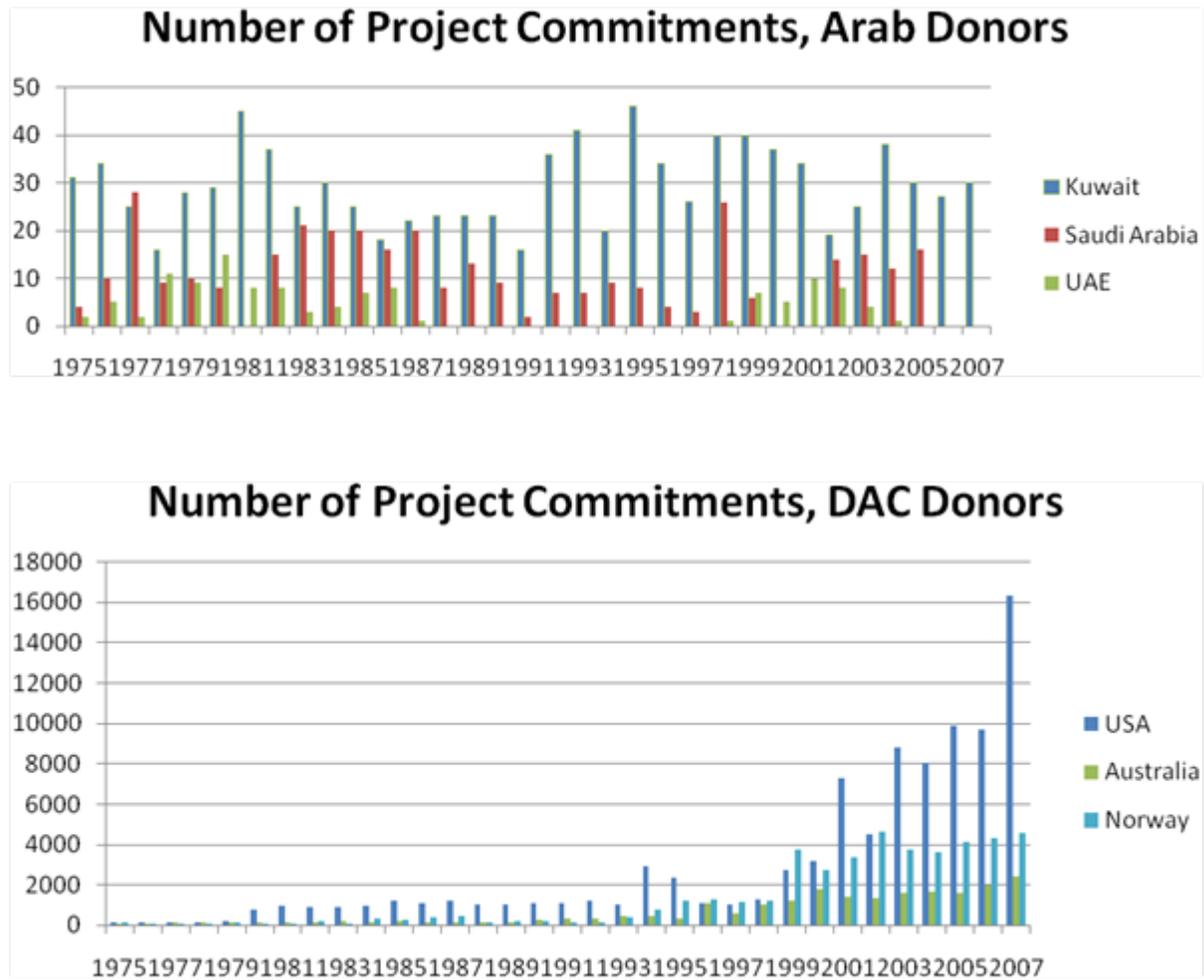


Figure 4. Number of Annual Commitments, Arab Donors and DAC Members
 Source: (Nielson, et al., 2010) and authors' calculations

Figure 5

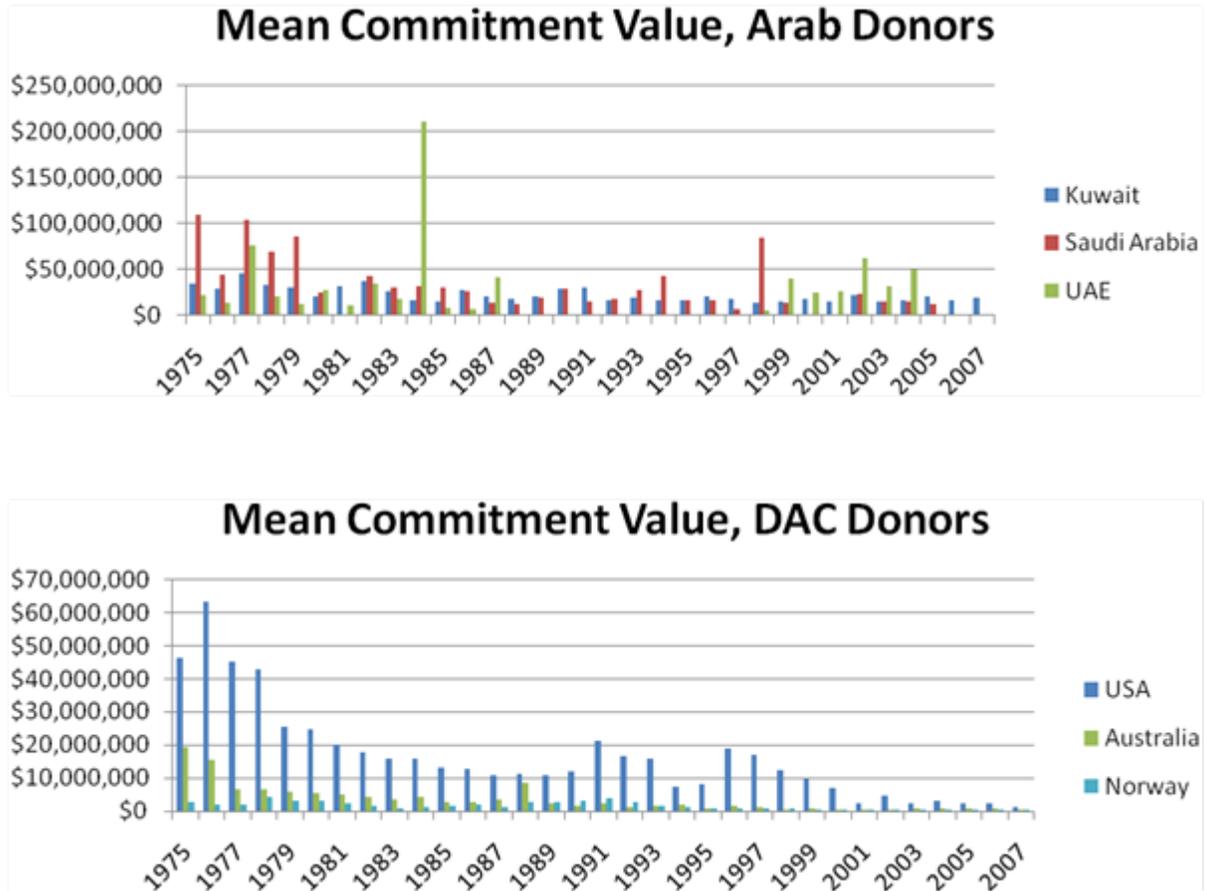


Figure 5. Mean Commitment Value (USD2000)
Source: (Nielson, et al., 2010) and authors' calculations