THE ARAB FUND
Secretariat of the Arab Coordination Group
AFESD: Hosts the Coordination Secretariat of the ACG

- The Coordination Group of the National and Regional Development Institutions, the IsDB and OFID, established in the mid-1970’s to:
  - Achieve the optimum utilization of the resources of members of the group to serve the development of beneficiary countries through funding of vital projects.
  - Coordination of studies and joint evaluation of projects, and achievement of convergence of systems and uniformity in procedures.
  - Cooperation in the exchange of information on projects and development plans, and coordination of international and regional financing cooperation with institutions.
The Developmental Role Played by the Members of the Arab Co-ordination Group (ACG)

First: Aid Provided by Organizations within the GCC

<table>
<thead>
<tr>
<th>Fund</th>
<th>Africa</th>
<th>Asia</th>
<th>Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Fund</td>
<td>150</td>
<td>236</td>
<td>-</td>
<td>386.1</td>
</tr>
<tr>
<td>Kuwait Fund</td>
<td>124.9</td>
<td>213</td>
<td>102</td>
<td>439.4</td>
</tr>
<tr>
<td>Abu Dhabi Fund</td>
<td>153.3</td>
<td>16</td>
<td>15</td>
<td>184.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>428.2</td>
<td>465</td>
<td>117</td>
<td>1009.8</td>
</tr>
</tbody>
</table>

Figures in million USD; time period: 01/01/2015 – 31/12/2015
The Developmental Role Played by the Members of the Arab Co-ordination Group (ACG)

Second: Aid Provided by Selected Regional Organizations

<table>
<thead>
<tr>
<th>Organization</th>
<th>Africa</th>
<th>Asia</th>
<th>Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDB</td>
<td>3382</td>
<td>4923</td>
<td>37</td>
<td>8341.7</td>
</tr>
<tr>
<td>OFID</td>
<td>506.7</td>
<td>524.5</td>
<td>342.9</td>
<td>1374.1</td>
</tr>
<tr>
<td>AMF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BADEA</td>
<td>363.7</td>
<td>-</td>
<td>-</td>
<td>363.7</td>
</tr>
<tr>
<td>Total</td>
<td>4252.4</td>
<td>5447</td>
<td>379.9</td>
<td>10080</td>
</tr>
</tbody>
</table>

Figures in million USD; time period: 01/01/2015 – 31/12/2015
Over the period 2010-2015, African countries received $13071.75 million in development aid.
Over the period 2010-2015, Asian countries received $20708.956 million in development aid.
How Latin America Benefitted from Developmental Aid Provided by Members of the ACG

Over the period 2010-2015, Latin American countries received $1538.753 million in development aid.

Sectoral Distribution

- **Transport and Communications**: 309.0 million (20%)
- **Energy**: 239.1 million (15%)
- **Water and Sewerage**: 427.2 million (28%)
- **Agriculture and Livestock**: 56.1 million (4%)
- **Other**: 507.3 million (33%)
Distribution of Sectoral and Regional Development Aid (by Sector)

Figures in million USD; time period: 01/01/2010 – 31/12/2015
The Arab Fund for Economic and Social Development ("the Fund") is an autonomous regional Pan-Arab development financing organization.

The Fund commenced lending operations in early 1974.
MEMBERS OF THE ARAB FUND

Membership in League of Arab States

Condition for Membership in Arab Fund

Union of the Comoros
THE ARAB FUND (AFESD)

- AFESD provides financing for economic development projects by extending loans, on concessionary terms, to governments and public corporations and enterprises of member states, giving preference to projects which are vital to the Arab World and *joint Arab projects*.

- AFESD also provides *grants* to Arab institutions and corporations.
PURPOSES OF THE FUND

- Contribute to the **financing of development projects** in the Arab countries

- Give preference to projects which are vital to the Arab World and joint Arab projects.

- Serve as a **catalyst for encouraging investment, directly or indirectly, of public and private capital** in a manner conducive to the development of the Arab economy.

- Provide **expertise and technical support** in the various spheres of economic and social development - **Grants**.
<table>
<thead>
<tr>
<th>Loans</th>
<th>Loan Period</th>
<th>Grace Period</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Countries</td>
<td>18 – 30 years</td>
<td>4 -7 years</td>
<td>2.5 %</td>
</tr>
<tr>
<td>Least Dvlpd. Countries</td>
<td>22- 30 years</td>
<td>5 –7 years</td>
<td>2.0 %</td>
</tr>
</tbody>
</table>
Number of Approved Loans: 650
Number of Financed Projects: 550
Cumulative Amount of Signed Loans: $31 Billion (15 x Multiplier)
Cumulative Cost of Projects Financed: $90 Billion (60 X Multiplier)

Public Sector Loans:
- 1974
- Paid-in Capital: $2 Billion Reached by 1989

Pie chart showing:
- Energy and Electricity: 32.7%
- Transport and Telecommunications: 26.5%
- Industry and Mining: 5.4%
- Agriculture and Rural Development: 14.2%
- Water and Sewerage: 10.5%
- Social Services Sectors: 7.5%
- Other Sectors: 3.2%
SECTORAL DISTRIBUTION OF LOANS AMONG BENEFICIARY COUNTRIES DURING THE PERIOD 1974 - 2016 ($ Million)
GRANTS

- 5% of annual revenue in one year is allocated to Grants offered the next year.
- Over the last few years, the average amount of grants provided by the Arab Fund has been around $20 - $30 Million.

<table>
<thead>
<tr>
<th>Cumulative (1974-2016)</th>
<th>$ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid to Palestine</td>
<td>618</td>
</tr>
<tr>
<td>Grants to All Arab Countries</td>
<td>616</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,234</strong></td>
</tr>
</tbody>
</table>

Amount of aid to Palestine, compared to total amounts of grants to all other Arab countries

- Grants; $94 Million
- Emergency Program; $426 Million
- Program to Support the Resistance of Jerusalem; $98 Million

(All other Arab Countries); $616 Million
PRIVATE SECTOR FINANCING

1974

2001

$500 Million dedicated to private sector projects (subject to general policies and guidelines).

14 Loans (12 projects in 6 Arab Countries)

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Loans</th>
<th>Amount (Thousand USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAHRAIN</td>
<td>1</td>
<td>9,990</td>
</tr>
<tr>
<td>JORDAN</td>
<td>1</td>
<td>14,985</td>
</tr>
<tr>
<td>MAURITANIA</td>
<td>1</td>
<td>3,330</td>
</tr>
<tr>
<td>SUDAN</td>
<td>1</td>
<td>9,250</td>
</tr>
<tr>
<td>EGYPT</td>
<td>1</td>
<td>11,655</td>
</tr>
<tr>
<td>YEMEN</td>
<td>9</td>
<td>137,280</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14</td>
<td>186,490</td>
</tr>
</tbody>
</table>

Plus Equity in 7 Private Sector Companies and Participation in IFC Fund 135,000
• The Arab Fund has been entrusted to manage a $2.0 Billion Special Account Facility to participate in the financing of small and medium size projects in the Arab World.

• Shareholders: 18 countries + AFESD-Totaling $1.3 Billion

• Lending started 2012 (32 Loans to 12 countries and a loan to AG-Fund-Totaling $1.1 Billion).
LANDMARKS IN AFESD LOANS OPERATIONS

- Financing **Inter-Arab Projects**: 68 loans for 32 major projects amounting to $1.3 Billion.

- AF played an important role in **Inter-Arab Power Grid linkage** ($700 million out of $2 Billion project cost).

- Playing an important role in **Inter-Arab Railways linkage** (Arab Railway Network Study- $3.5 Million).

- **Co-Financing Arrangements** with other institutions amounting to $13.5 billion.

- **Arab Fund**: $13.5 Billion (31%)
- **Foreign Governments and Other Development Institutions**: $11.6 Billion (26%)
- **World Bank, IFAD and IDB**: $5.0 Billion (11%)
- **Other Arab Sources**: $2.5 Billion (6%)
- **Other National and Regional Development Institutions**: $11.5 Billion (26%)