

Name	Type	Location	Capital Authorized (US \$M)	Total Loans Signed (US \$M)
Saudi Fund for Development	National Institution	Riyadh	7,289	4,389
Kuwait Fund for Arab Economic Development	National Institution	Kuwait	7,000	4,452
OPEC Fund for International Development	Mixed	Vienna	4,000	1,883
Arab Fund for Economic and Social Development	Arab	Kuwait	2,745	1,992
Islamic Development Bank	Mixed	Jeddah	2,146	3,434
Abu Dhabi Fund for Arab Economic Development	National Institution	Abu Dhabi	1,089	1,063
Arab Bank for Economic Development In Africa	Arab	Khartoum	988	587
Iraqi Fund for External Development	National Institution	Baghdad	924	1,733

Other Arab Institutions include the Libyan Arab Foreign Bank, the Islamic Solidarity Fund, the Arab Monetary Fund, and the Arab Authority for Agricultural Investment and Development. All these institutions primarily provide project financing for client countries, although general assistance and balance of payments support is also available.

Because the Arab nations face a shortage of the technical and managerial expertise required for large development projects, they frequently channel their development assistance through other multilateral organizations or they co-finance projects in co-operation with other donor institutions which can contribute such expertise. To date some 350 projects in more than 80 developing countries have been co-financed by the Arab Funds in conjunction with multilateral institutions and members of the OECD. CIDA presently ranks in third place among OECD members, behind West Germany and France, in the number of co-financing ventures undertaken with the Arab Funds. These projects, numbering 35 altogether, have involved about \$1 billion of CIDA funds, primarily in the areas of hydro-electric power and transportation.

(ii) Investment Banks

Arab investment banks operate in a variety of ways. Some, such as the First Arabian Corporation, will invest in any opportunity, including those in industrialized countries. The investment activities of most banks, however, are more specialized. The Arab Petroleum Investment Corporation, for example, operates in a single industrial sector and the UBAN-Arab Japanese Finance Company operates in a specific regional area (Asia and the Middle East). Other important Arab banks include the Arab Bank for Investment and Foreign Trade and the Arab Investment Bank.

The UBAN-Arab Japanese Finance Company is an example of a joint merchant bank which operates with Arab capital and an industrialized country partner. There are other joint banking ventures that have similarly been formed between Arab institutions and Institutions in non-oil exporting countries. These banks operate either principally or exclusively in the non-oil exporting countries that host the institutions.

Basic Objectives

Arab aid has focused to a large extent on the needs of the poorer nations, both Arab and non-Arab, among the 99 nations that have received aid support. Africa in particular has become an area of growth for Arab lending since 1973 because of its relative poverty while aid to fellow-Arab countries has fallen in importance, from 97 per cent of total aid in 1973 to 50 per cent by 1981.

Geographic Coverage

Since 1973, the Arab funds have diversified their operations greatly beyond the Arab world. The scope of operations of the largest institutions are as follows:

Abu Dhabi Fund for Arab Economic Development	Arab countries, Asia, Africa
Arab Bank for Economic Development in Africa	Non-Arab African countries
Arab Fund for Economic and Social Development	Arab countries
Iraqi Fund for External Development	Arab countries, Africa
Islamic Development Bank	Islamic states
Kuwait Fund for Arab Economic Development	All developing countries
OPEC Fund for International Development	All developing countries
Saudi Fund for Development	All developing countries

Sectoral Distribution of Development Assistance

Power projects have received the largest share of Arab funding to date, followed by transportation and telecommunications, and industry. The Islamic Development Bank and the Kuwait Fund have been the primary donors in power projects, while the Saudi Fund and the Kuwait Fund dominate transportation and telecommunications.

Sector	Total Financing (to January 1984) (U.S. \$ billions)	Financing (% of Total)	Primary Donor Institutions
Power	5.2	26.5	Islamic Development Bank/Kuwait Fund/Saudi Fund
Transportation and Telecommunications	4.9	25.0	Saudi Fund/Kuwait Fund
Industry and Mining	3.3	16.8	Islamic Development Bank/Kuwait Fund
Agriculture and Livestock	3.0	15.3	Kuwait Fund/Saudi Fund
Balance of payments, tourism, education and general support	2.1	10.7	Iraqi Fund/OPEC Fund
Water and sewage	1.1	5.6	Saudi Fund/Arab Fund/Kuwait Fund