

and Development, and Arab Fund for Technical Assistance to African and Arab countries.

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. By January 1986, the eight major Arab institutions had jointly concluded some 1 729 projects in 99 developing countries in conjunction with multilateral institutions and members of the OECD. Among the 14 members of the OECD's Development Aid Committee, Canada ranks third, behind the Federal Republic of Germany and France, in the number of co-financing ventures undertaken with the Arab Funds. In recent years, CIDA has worked with Arab donors on more than 45 projects in a number of Asian, African, Latin American and West Indian countries. These projects have a total value of more than US\$8 billion and represent about \$1 billion in Canadian bilateral official development aid. Most of these projects involve agriculture, infrastructure, energy 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:

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

Sectoral Distribution of Development Assistance

Hydro-electric, transportation and telecommunications, agricultural, industrial and mining projects have received the largest share of Arab funding to date. The Kuwait Fund, the Saudi Fund and the OPEC Fund have been the main Arab donors in power projects, while the Kuwait Fund, the Saudi Fund and the Arab Fund for Economic and Social Development have dominated transportation and telecommunications and agriculture. The Kuwait Fund and the Islamic Development Bank have topped the list in industrial and mining projects.

Sector Donor	Total Financing (To dec 31, 1986) (% of total)		Primary Institutions (US \$Billions)
Transportation and Telecommunications	5	29.2	Kuwait Fund Saudi Fund Arab Fund
Power	3.7	21.6	Kuwait Fund Saudi Fund OPEC Fund
Agriculture and Agribusiness	3.7	21.6	Saudi Fund Kuwait Fund Arab Fund
Industry and Mining	2.9	17	Kuwait Fund Islamic Development Bank
Water and sewage	0.9	5.3	Saudi Fund Kuwait Fund Arab Fund
Education, health and general support	0.9	5.3	Saudi Fund Islamic Development Bank OPEC Fund
Total	17.1	100%	