



# UNITED ARAB EMIRATES STATISTICAL REPORTING TO THE OECD DEVELOPMENT ASSISTANCE COMMITTEE

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## Introduction

In 2010, the United Arab Emirates (UAE) provided, for the first time, whole-of-government reporting of its aid flows at the activity level to the OECD Development Assistance Committee (DAC), making it the only country outside the DAC's membership to report in such detail at this time. The data show that in 2009, the UAE disbursed USD 1 038.2 million in gross official development assistance (ODA).<sup>1</sup> This exceeds the aid volumes of six DAC donors, making the UAE the third largest donor outside the DAC after Saudi Arabia and China.

Transparency on aid flows is an important tool for accountability – both for the countries benefitting from aid and for citizens of the country providing aid. More detailed and comprehensive information on development co-operation flows allows both providers and recipients alike to make more informed decisions on aid allocations and helps to identify countries and sectors that may be over- or under-funded. The DAC warmly welcomes the efforts of the UAE to collect and report its aid flows, and hopes that all major providers of development co-operation will begin to do so. It stands ready to collaborate with them to improve the tracking of development co-operation flows at the global level.

## Background

Since 1971, the DAC had received reporting from the UAE's Abu Dhabi Fund for Development (ADFD) only, which in 2009 accounted for only 16% of the country's total gross ODA. Data on the UAE's whole-of-government ODA, including expenditures from over 20 extending agencies, were reported by the UAE Office for the Coordination of Foreign Aid<sup>2</sup> which was established by a decree of the Federal Cabinet in 2008. The office has been operational since early 2009 and is mandated to support the nation's delivery of foreign humanitarian and development aid by building capacities, sharing information and facilitating co-operation among donor organizations for the benefit of communities in need worldwide.

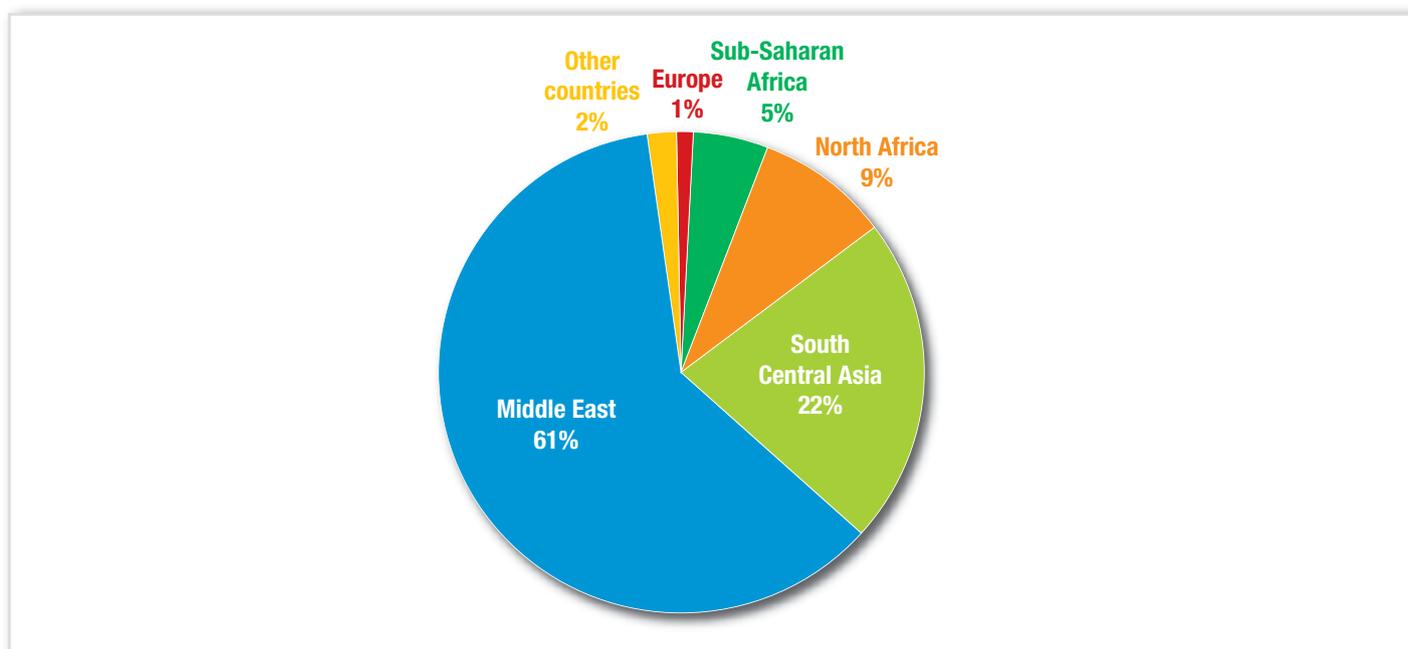
In collaboration with the Statistics and Monitoring Division of the OECD Development Co-operation Directorate (DCD, which also serves as the DAC Secretariat), OCFA has established a reporting system to document all development, humanitarian and charitable assistance that the UAE extends to countries world-wide. This has enabled OCFA to report its aid flows to the DAC at the activity level in the same format required by DAC members – the Creditor Reporting System (CRS) – making the United Arab Emirates the only country outside the DAC's membership to report in such detail at this time.

In a letter to DCD Director Jon Lomoy, OCFA Director-General Hazza Al Qahtani wrote: "I should like to express my sincere appreciation for the support and assistance of the DAC Secretariat in enabling the UAE to record its aid for 2009 in a comprehensive and transparent way, and to become the first non-DAC donor to do so using the DAC's CRS system. I hope that the UAE's example will encourage other non-DAC donors to do the same, thereby improving the quality of the information available to the public about humanitarian and development aid worldwide."

## Overview of UAE aid

Since its foundation in 1971, the United Arab Emirates has emerged as a generous and consistent donor providing assistance to countries in need around the world. The UAE's aid programme is far reaching as highlighted in Figure 1 below. Although the geographic distribution of UAE's foreign aid spans the globe, the largest percentage of UAE ODA in 2009 (61%) went to the Middle East, followed by South Central Asia (22%) and North Africa (9%).

**Figure 1. The regional distribution of UAE's gross ODA in 2009**



In 2009, more than 65 countries received ODA from the United Arab Emirates. The top five aid recipients accounted for 72% of total gross ODA disbursements, with the top ten aid recipients accounting for 90% of total gross ODA flows, as shown in Table 1 below.

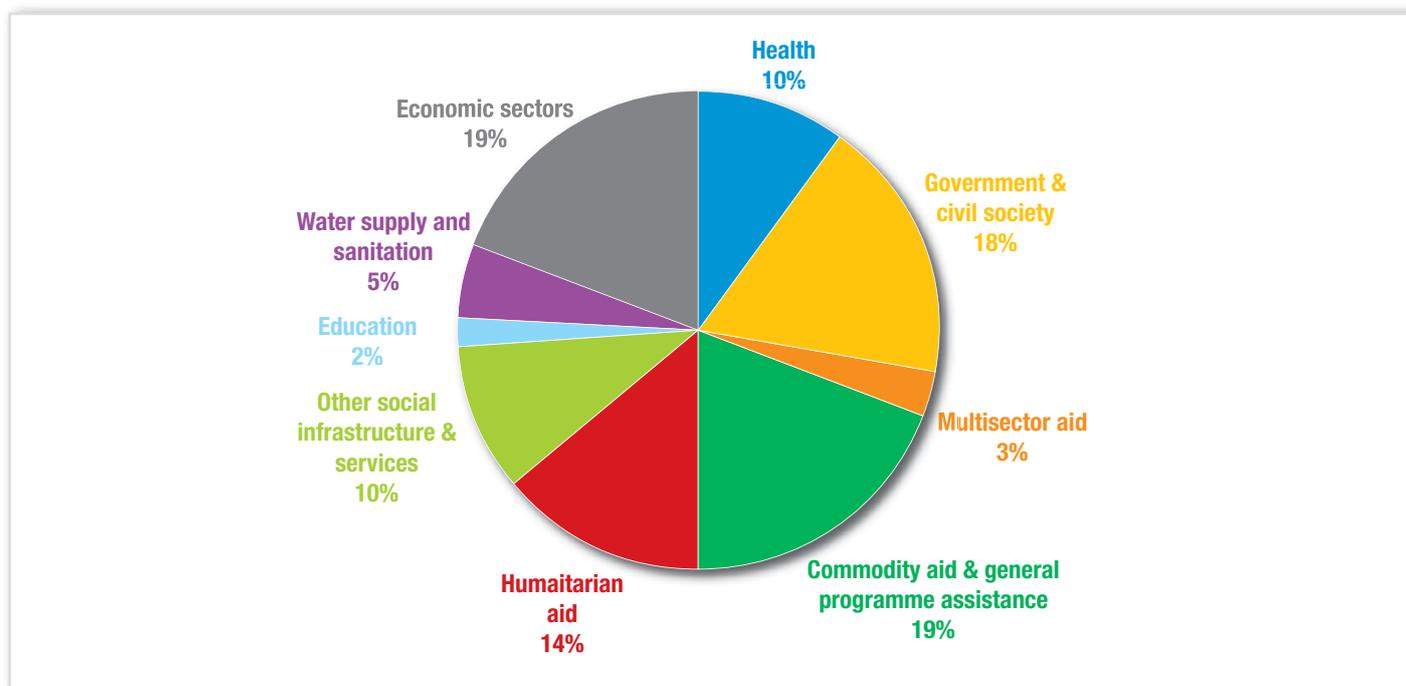
**Table 1. Top ten recipients of UAE gross ODA in 2009**

#	COUNTRY	USD MILLIONS	% TOTAL GROSS ODA
1	Palestinian Admin. Areas	219.8	21%
2	Pakistan	158.6	15%
3	Oman	139.8	13%
4	Yemen	130.0	13%
5	Syria	94.6	9%
6	Egypt	66.5	6%
7	Afghanistan	46.8	5%
8	Lebanon	30.6	3%
9	Sudan	30.3	3%
10	Kazakhstan	22.4	2%

Broadly speaking, the majority of the UAE's 2009 ODA was allocated to social infrastructure and services (45%) which includes support for education, health, water supply and sanitation, governance and civil society as well as other social infrastructure and services. This was followed by aid to economic sectors (19%), primarily for transportation infrastructure, commodity aid and general programme assistance (19%) and humanitarian aid (14%).

More specifically, the UAE provided USD 192.2 million of developmental food aid in 2009, the majority of which went to Yemen (55%) and Syria (42%). Developmental food aid accounted for 19% of total gross ODA. This was followed by USD 184.4 million to economic and development policy/planning, of which the vast majority (USD 175 million or 95%) was given to support public sector policy and administrative management in the Palestine Administrative Areas.

**Figure 2. The sectoral distribution of UAE's gross ODA in 2009**



## Modalities of UAE aid

In 2009, 76% of UAE aid was extended by the government. Another 16% was extended by the ADFD, while the remaining 8% was delivered via UAE foundations and charities. Founded in the same year as the UAE (1971), the ADFD extends concessional loans for development projects from its endowment and administers grants and loans on behalf of the government. It works closely with the eight other Arab bilateral funds and regional institutions that are members of the Arab Co-ordination Group.<sup>3</sup>

The vast majority (91% in 2009) of UAE assistance is provided in the form of grants or in-kind assistance (i.e. food aid). ADFD is the only UAE extending agency that provides concessional loans to developing countries. In 2009, ADFD's total expenditures included loans amounting to USD 94.7 million (57%) and grants amounting to USD 70.6 million (43%) on a gross disbursement basis. However, ADFD made several large grant commitments in 2009 which include USD 270 million to Pakistan and USD 235 million to Afghanistan for various infrastructure development projects.

## Types of UAE assistance

The UAE's assistance is extended primarily by government entities but also by private foundations and NGOs, and can be broken down into three aggregate categories as follows:

- **Development:** assistance provided to activities and programmes aimed at improving overall quality of life, including the construction of roads, hospitals and schools, economic and financial assistance and general budget support.
- **Humanitarian:** assistance designed to save lives, alleviate suffering and maintain and protect human dignity during and immediately after emergencies.

- **Charity:** assistance provided with a cultural or religious motivation or purpose, including the building of mosques, facilitating Hajj or the disbursement of food for the Holy Month of Ramadan.

The first two categories, development and humanitarian aid, fit within the scope of ODA and have been reported as such, provided the assistance was given to or for the benefit of a country listed on the DAC's List of ODA Recipients.<sup>4</sup> Charitable assistance as well as any assistance given to non ODA-eligible countries have been excluded from the UAE's ODA figures. Because of this and the fact that developmental outflows from private sources are not included in ODA, the UAE ODA figures will differ from those found in OCFA's 2009 annual report on foreign aid.<sup>5</sup>

Five major foundations in the UAE have been established to grant funds made available as a result of decisions by the Rulers of the Emirates of Abu Dhabi and Dubai. All but one carry the name of a Ruler: the Khalifa Bin Zayed Al Nahyan Foundation, the Mohammed Bin Rashid Al Maktoum Humanitarian and Charity Establishment, the Zayed Bin Sultan Al Nahyan Charitable and Humanitarian Foundation, the Al Maktoum Foundation and Dubai Cares.

As the Rulers' decisions are those of the state, they are not treated as those of a private person, business or foundation. Therefore, grants provided by these foundations to ODA-eligible countries are treated as ODA. Some of these entities also receive a part of their income from private sources. In these cases, only the portion of funding provided by the Ruler's decision is recorded as ODA. The activities that were financed from private donors are reported as UAE private flows. Similarly, the UAE Red Crescent Authority is a federal government entity and receives a part of its funding from the government. Outflows from the UAE Red Crescent Authority are reported in DAC statistics in the same manner as those funded by foundations receiving both public and private contributions.

## Statistical reporting to the DAC

ODA is a statistical definition for the purposes of collecting and reporting bilateral donors' expenditures on development co-operation. Using the definition of ODA or reporting on its basis does not imply adherence to DAC principles or DAC membership, nor does it disqualify a country from receiving ODA.

The DAC List of ODA Recipients is determined on the basis of countries' gross national income (GNI) per capita as published by the World Bank.<sup>6</sup> Countries become ineligible to receive ODA once they have exceeded the high-income threshold for three consecutive years.

Today, there are many countries that are both significant providers and recipients of ODA. This dual status of countries like India, China and Brazil should by no means be a barrier to engagement and dialogue with, or statistical reporting to the DAC. Indeed, collaboration with all major providers of development co-operation would be enriching, as these countries bring a unique perspective and a wealth of experiences regarding both incoming and outgoing development co-operation flows.

Engaging with other providers of development co-operation from beyond its membership has become of the DAC's priorities. To learn more about the DAC's efforts in this area, please visit [www.oecd.org/dac/opendoors](http://www.oecd.org/dac/opendoors).

1. The concept of official development assistance (ODA) has been used to measure donors' expenditures on aid since the 1960s. For a full definition and more information on which expenditures qualify as ODA, refer to [www.oecd.org/dac/stats/methodology](http://www.oecd.org/dac/stats/methodology).

2. Source: <http://ocfa.gov.ae>.

3. The Coordination Group currently consists of nine institutions, three of which are national institutions including the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, the Abu Dhabi Fund for Development and five regional organisations which include the Arab Fund for Economic and Social Development, the Islamic Development Bank, the OPEC Fund for International Development, the Arab Bank for Economic Development in Africa, the Arab Gulf Program for United Nations Development Organisations (AGFUND), as well as the Arab Monetary Fund. [www.arabfund.org/default.aspx?pagelD=472](http://www.arabfund.org/default.aspx?pagelD=472).

4. See: [www.oecd.org/dac/stats/daclist](http://www.oecd.org/dac/stats/daclist).

5. See: <http://ocfa.gov.ae/EN/pages/AIDReport.aspx>.

6. Accessible at: <http://data.worldbank.org/about/country-classifications>. For additional information on how the DAC List of ODA Recipients is managed see: [www.oecd.org/dac/stats/daclist](http://www.oecd.org/dac/stats/daclist).