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**PARTNERSHIP IN DEVELOPMENT
AND SOUTH-SOUTH COOPERATION**
**OFFICIAL DEVELOPMENT ASSISTANCE OF THE
KINGDOM OF SAUDI ARABIA**



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SOUTH-SOUTH COOPERATION
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**MINISTRY OF FOREIGN AFFAIRS, MINISTRY OF FINANCE, THE SAUDI FUND FOR DEVELOPMENT,
KING SALMAN HUMANITARIAN AID AND RELIEF CENTRE
AND
UNITED NATIONS DEVELOPMENT PROGRAMME
KINGDOM OF SAUDI ARABIA
2016**



FOREWORD BY MINISTER OF FOREIGN AFFAIRS

Over the past decades, and since its unification by His Majesty King Abdulaziz Al Saud, the Kingdom of Saudi Arabia has - based on the principles of Islam - been offering assistance to countries afflicted by a range of calamities and helping in the development of needy countries.

The legacy of the humanitarian work of successive Saudi rulers is also apparent in the establishment of foundations, philanthropic societies as well as national campaigns the Kingdom undertakes to alleviate the pain and suffering of countless people in crises across the world, some 80 countries.

In the footsteps of his predecessors, Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud has continued to ensure the Kingdom supports people in need of humanitarian and development assistance, and recently established the King Salman Humanitarian Aid and Relief Centre to effectively coordinate humanitarian work and act as a beacon in this field.

At the opening of the Centre, HM King Salman gave the motivation and vision for the Kingdom's assistance as:

"Out of the teachings of our Islamic religion which dictates relieving the forlorn, helping the needy, preserving human life, dignity and well-being, as well as the humanitarian role of the Kingdom of Saudi Arabia and its global mission in this field, we hereby declare the establishing and laying of the foundation stone of the Centre which will be dedicated for relief and humanitarian work and will be a leading international centre to help relieve communities that suffer from disasters and ease their suffering in order that they can live a decent life".

Saudi Arabia also founded the Saudi Fund for Development (SFD) as early as 1975 to finance development projects around the world. SFD today assists over 80 countries in social infrastructure, transportation and communications, power and agriculture to enhance socio-economic resources through soft loans under terms designed to benefit millions of people and not pose a burden on receiving countries.

Saudi Arabia also leads in humanitarian and development assistance, often in close partnership with international organizations, particularly the United Nations. Assistance through the United Nations is intended to ensure aid reaches intended beneficiaries according to the highest standards of transparency and accountability thus promoting the role of the Kingdom in alleviating poverty and working towards peace, stability and global welfare.



H.E. Adel al-Jubeir
Minister of Foreign Affairs
Kingdom of Saudi Arabia

FOREWORD BY UNDP RESIDENT REPRESENTATIVE

This Report has been prepared by a Committee comprising of the Ministry of Foreign Affairs, Ministry of Finance, The Saudi Fund for Development and the United Nations Development Programme in Saudi Arabia.

The Report articulates the extensive nature of the development and humanitarian assistance that has been provided by the Kingdom of Saudi Arabia (KSA) over the years. It shows that in recent years KSA has increased its assistance significantly and now ranks among the top donors globally. In particular, the Kingdom's commitment is notable for responding urgently to some of the dire humanitarian crises in recent years such as in Haiti, Myanmar, Nepal, Iraq, Syria, and most recently in Yemen. What is perhaps less well known is the large amount of other grants, loans and contributions that the Government has been making over the years. What is perhaps also even less well known is the significant private donations, including through philanthropic organizations, that the people of Saudi Arabia give to people in need internationally.

UNDP is pleased to have had the opportunity to work with the Government to bring the magnitude and diversity of Saudi development and humanitarian assistance to a wider audience based on available Government data and information.



Dr. Ashok Nigam
UNDP Resident Representative
Kingdom of Saudi Arabia

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ABBREVIATIONS

AIB	Asian Infrastructure Investment Bank
BADEA	Arab Bank for Economic Development in Africa
CAP	Consolidated Appeals Process
DAC	Development Assistance Committee
EU	European Union
FDI	Foreign Direct Investment
G8	Group of Eight
G20	Group of Twenty
IBSA	India-Brazil-South Africa
ICT	Information and Communications Technology
IDB	Islamic Development Bank
IDA	International Development Association
KARCPP	King Abdullah's Relief Campaign for Pakistani People
KFF	King Faisal Foundation
KSC	King Salman Humanitarian Aid and Relief Centre
KSA	Kingdom of Saudi Arabia
GDP	Gross Domestic Product
GNI	Gross National Income
GHA	Global Humanitarian Assistance
MDG	Millennium Development Goal
MENA	Middle East and North Africa
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OFID	OPEC Fund for International Development
OPEC	Organisation of the Petroleum Exporting Countries
SAGIA	Saudi Arabian General Investment Authority
SAR	Saudi Arabian Riyal
SDG	Sustainable Development Goal
SFD	Saudi Fund for Development
SRP	Strategic Response Plan
UN	United Nations
UN GA	United Nations General Assembly
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNRWA	The United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFP	World Food Programme

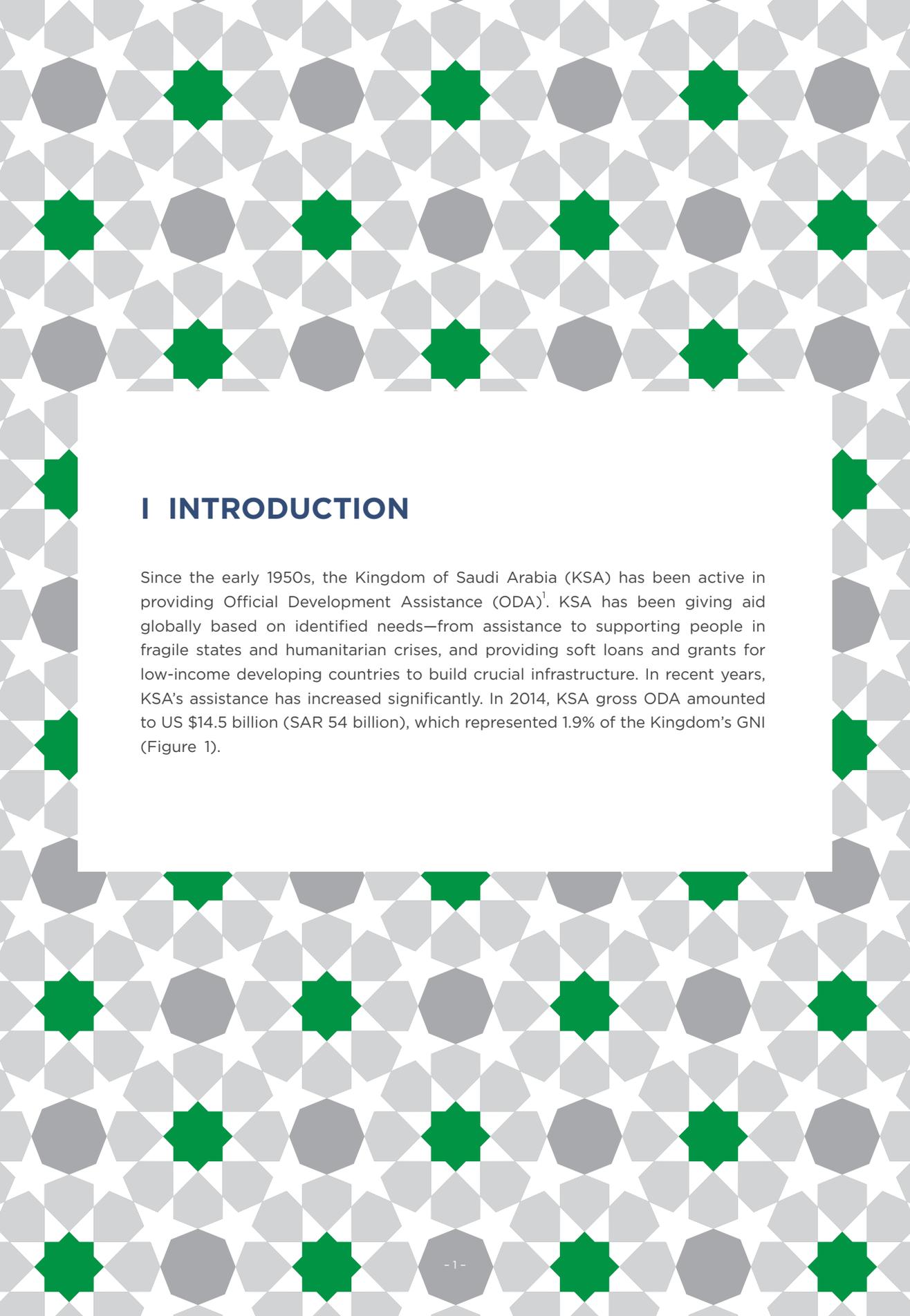
Exchange rate: US\$1 = SAR 3.75

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَمَا تُقَدِّمُوا لِأَنفُسِكُمْ مِنْ خَيْرٍ تَجِدُوهُ عِنْدَ
اللَّهِ إِنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ

*“And perform the prayer, and give alms. Whatever good you forward for yourselves,
you will find it with God. Surely; God is Seeing of everything you do.”*

(Al-Baqarah: 110)

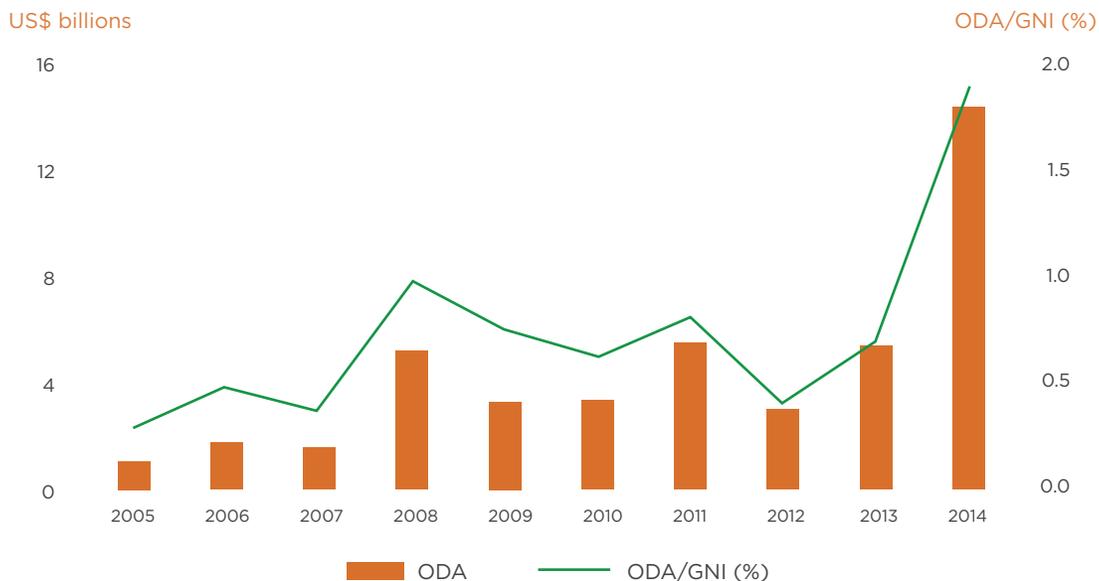


I INTRODUCTION

Since the early 1950s, the Kingdom of Saudi Arabia (KSA) has been active in providing Official Development Assistance (ODA)¹. KSA has been giving aid globally based on identified needs—from assistance to supporting people in fragile states and humanitarian crises, and providing soft loans and grants for low-income developing countries to build crucial infrastructure. In recent years, KSA's assistance has increased significantly. In 2014, KSA gross ODA amounted to US \$14.5 billion (SAR 54 billion), which represented 1.9% of the Kingdom's GNI (Figure 1).

FIGURE 1

Saudi Arabia ODA (current prices, US\$ billions) and Gross ODA/GNI (%), 2005-2014



Source: KSA, Ministry of Finance and Central Department of Statistics

KSA is a Muslim country where Islamic practice and law shape and guide the day-to-day lives of people and the operation of the government. As such, overall aid and charitable giving is guided by the tenets of Islam and principles of Zakat, which include promoting individual virtuousness around possession of wealth and solidarity with people and neighbours.

Charitable giving and helping others in need is a fundamental part of the religious commitment of all Muslims. Islam calls on its followers to give a fixed percentage of their income to the poor (Zakat) and engage in regular charity (Sadaqa). These are the principles that guide Saudi Arabia in the assistance it provides. In Islam, charity is best offered quietly without need for recognition. As such, KSA has a quiet yet significant presence in development assistance.

Saudi assistance is provided bilaterally, through institutions such as the Saudi Fund for Development (SFD) and the newly created King Salman Humanitarian Aid and Relief Centre, and multilaterally through regional bodies such as the Islamic Development Bank, the Arab Fund for Economic and Social Development, the African Development Bank, and the Arab Bank for Economic Development for Africa (BADEA), and global organizations such as the International Monetary Fund, OPEC Fund for International Development (OFID), the United Nations and the World Bank.

Driven by the needs of recipient countries, there has been a sharp increase in the volume and country coverage of Saudi assistance. Total assistance went up dramatically in 2014 from the previous year by 230%, from US \$4.3 billion to US \$14.5 billion (SAR 16 billion to SAR 54 billion).

KSA responds quickly and generously to humanitarian needs—this has been the case in Haiti, Iraq, Nepal, Pakistan, Syria and other developing countries. This aid has been largely delivered in close partnership with multilateral institutions, such as the United Nations. In 2014, Saudi Arabia was the

seventh largest humanitarian donor in the world.² In the humanitarian context, Saudi aid strives to meet needs in underprovided emergencies.

Apart from aid allocated by the government, public giving is an important force for Saudi assistance. The Custodians of the Two Holy Mosques and other leaders regularly mobilize national public campaigns for humanitarian needs. In total, such campaigns have mobilized an additional SAR 3.8 billion (a little over US \$1 billion) since their establishment.³

This report highlights the volume and nature of official development assistance and the South-South Cooperation of Saudi Arabia. It updates the figures on Saudi assistance (till 2014), and provides a breakdown of data concerning grants and humanitarian assistance, contributions to organizations and charity bodies, and multilateral cooperation and loans by the Ministry of Finance. It is hoped that this report will not only bring attention to Saudi assistance but also provide consistent national data on aid giving.



During the 2008 global food crisis, KSA provided assistance to Pakistan through the Saudi Fund for Development (SFD)

II KSA ASSISTANCE: TRENDS AND HIGHLIGHTS

Apart from a slowdown in 2012 and despite the continuing global recession, the Saudi economy has performed reasonably well. The country has averaged 5.5% per annum growth rates in GDP over the past decade (Annex 1). Although not the only factor, this economic progress has also enabled KSA aid to grow over the years. More, generally, aid is driven by the policies of the Kingdom of Saudi Arabia's government and needs identified in countries around the world.

KSA is a founding member of the United Nations and has played an active role in shaping the final outcome on the Sustainable Development Goals (SDGs) at the United Nations. KSA has been active in helping countries respond to rapid changes in the global and regional context, especially given the rise of countries of the South.⁴ It recognizes that these changes in turn will affect its future priorities and the institutional arrangements for the conduct of its aid projects and overall development cooperation. In particular, there is now growing interest in furthering South-South Cooperation, both directly with specific countries and regions and in partnership with other countries.

Table 1

Kingdom of Saudi Arabia: Official Development Assistance 2005-2014 in US \$ million (current price)*

Year	Humanitarian & Development Assistance (MOF)	Contribution to International Organizations and Institutions (MOF) **	Multilateral Cooperation (SFD) ***	Grants (SFD)	Concessional Loans (SFD)	Total Gross ODA	ODA/GNI %
2005	500	100	46	186	214	1,047	0.3
2006	1,196	92	45	247	275	1,854	0.5
2007	963	101	25	234	296	1,619	0.4
2008	4,329	351	20	249	311	5,260	1.0
2009	1,754	390	209	452	529	3,335	0.8
2010	1,745	108	609	298	650	3,410	0.6
2011	3,627	155	322	800	638	5,541	0.8
2012	317	248	342	1,103	1,096	3,105	0.4
2013	2,472	297	295	634	690	4,389	0.6
2014	11,864	124	362	1,434	686	14,470	1.9
Total	28,767	1,966	2,276	5,637	5,385	44,030	

Source: KSA, Ministry of Finance, and Saudi Fund for development (SFD)

* Annex 2 provides the data in SAR.

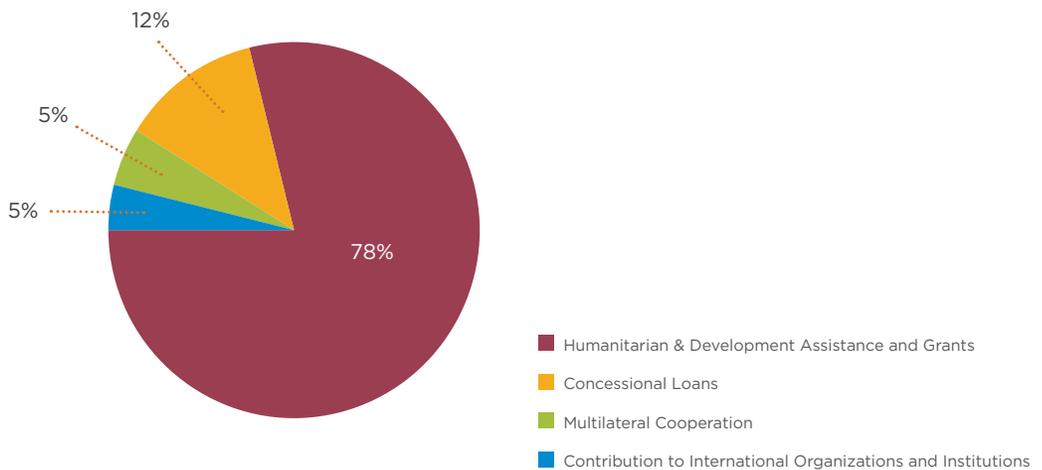
**International Organizations and Institutions are: United Nations organizations and programmes, Organization of Islamic Cooperation, Arab humanitarian and development organizations and programmes, and authorized charity bodies.

***Multilateral cooperation includes contributions to IMF, World Bank and Islamic and non-Islamic development institutions.

As highlighted earlier, Saudi aid is significant and growing. In 2014, it rose to US \$14.5 billion placing Saudi Arabia among the top five donor countries of the world with a ODA/GNI ratio of 1.9%, the highest achieved by any country. The highest achieved by any country, making Saudi Arabia one of the most generous aid giving countries in the world.

Most of the assistance provided during the period 2005-2014 was in grants and humanitarian assistance amounting to 78%. Concessional loans represented 12%, while contributions to organizations and charity bodies amounted to 5% and to multilateral cooperation 5% (Figure 2). Grants and humanitarian assistance accounted for US \$ 13.3 billion (SAR 50 billion) in 2014. While overall aid amounts in individual years have varied, the trend has been positive with 2014 registering a sharp increase in grant support to a number of countries which were vulnerable due to conflict. KSA has, for example, provided since 2010 US \$2.5 billion each to Bahrain and Oman, and US \$1.25 billion each to Jordan and Morocco.

Figure 2
Total Saudi official development assistance 2005-2014



Source: KSA, Ministry of Finance

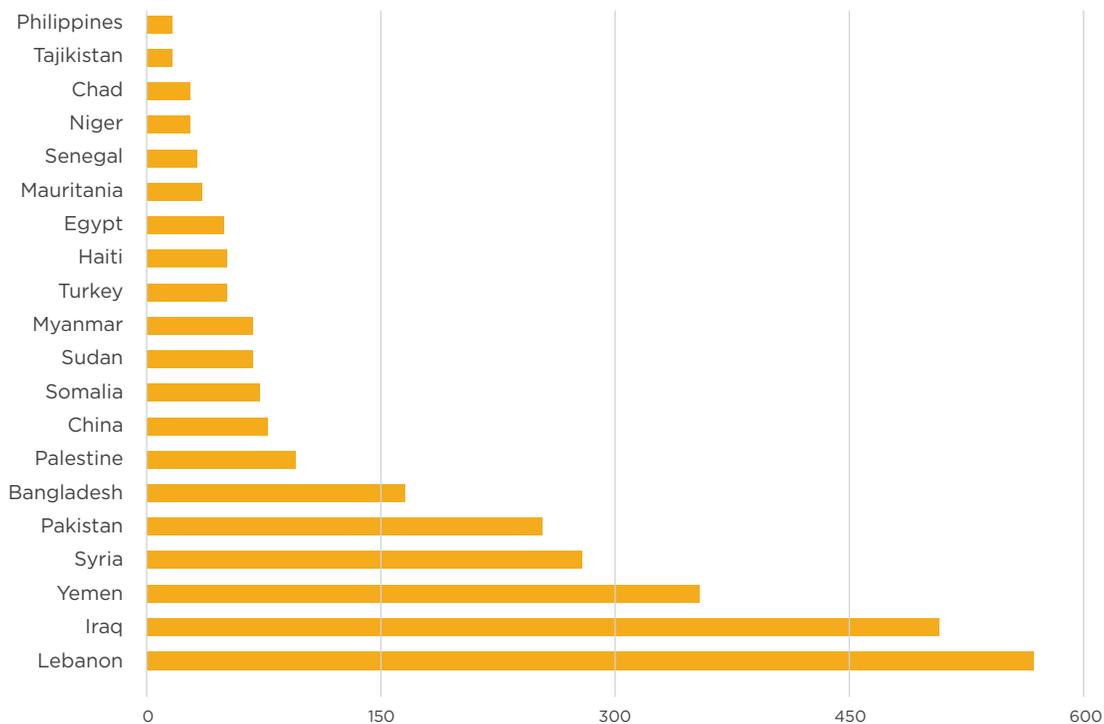
While Saudi aid has traditionally been directed towards Arab States, as a guiding principle KSA focuses on supporting the needs of poor communities, low-income developing countries and supporting countries in conflict in the region.

KSA has also consistently supported funds for least developed countries, and has in recent years been an active contributor to international funding for disasters, humanitarian relief and countries in the Arab region that are vulnerable due to conflict.

In the case of humanitarian efforts, Saudi aid is often delivered in close partnership with the UN system when disaster strikes and there is profound need, such as in the cases of Nepal in 2015 and Haiti in 2010. KSA delivers large contributions regardless of religious affiliation or ethnicity. Figure 3 shows the top 20 recipients of KSA humanitarian assistance for the period from 2005 to 2014 (Detailed data in Annex 3).

Figure 3

Top 20 countries receiving Saudi Arabia Humanitarian Assistance 2005-2014 (US\$ million)



Source: KSA, Ministry of Finance

DEVELOPMENT ASSISTANCE

This section provides a brief trend analysis of KSA aid policy, the factors shaping it, and how it breaks down between grants and loans. It also outlines the balance between development assistance, humanitarian support and the growing interest in South-South Cooperation. It further presents a profile of the aid provided to key recipient countries.

KSA works directly with developing countries or through multilateral institutions and charity bodies/NGOs. KSA has developed its aid programme to meet needs as they arise, offering direct assistance to countries to meet critical needs. Most concessionary loans and other development assistance are managed directly with developing countries on a project by project basis.

KSA aid practices are largely comparable to regional practices. Saudi development assistance is traditionally focused on infrastructure, which is a common stance among all Arab donors.⁵ Development aid includes soft loans to develop crucial infrastructure, such as hospitals, social housing and water treatment facilities. Grants continue to play a major role in Saudi assistance.

KSA aid has grown dramatically, particularly since 2007. It is generally delivered bilaterally and managed directly with recipient national governments and relevant delivery partners. Through

direct relationships with the recipient country and implementing partners it has strived to ensure efficient and effective use of resources. In bilateral development assistance, it takes the view that it is simpler to address “principle agent” problems by having fewer actors involved and focusing on their local partners.

Saudi Arabia supports the SDGs, though it recognizes that they need to be within the country’s context and values. Equally, it recognizes that future Saudi development aid and humanitarian assistance will be driven by the need and priorities of developing countries themselves. In this context, Saudi Arabia is committed to helping poor countries and poor communities become more resilient. In this spirit, KSA is also an active supporter of South-South Cooperation—providing both direct aid and budgetary support to developing countries and engaging in various forms of South-South Cooperation through specific bodies created for that purpose such as the Arab Bank for Economic Development in Africa (BADEA).

BOX 1: SUSTAINABLE DEVELOPMENT GOALS: AMBITION AND GLOBAL ACTION

In 2000, a Special Session of the UN General Assembly, the largest gathering of world leaders at that point, agreed to eight Millennium Development Goals (MDGs) which became the primary development framework for the world for 15 years until 2015. The MDGs established—among other development imperatives—measurable and universally agreed objectives for eradicating extreme poverty and hunger, preventing deadly but treatable disease, and expanding educational opportunities to all children.

Expanding on the success of the MDGs, a new more comprehensive development agenda of the Sustainable Development Goals (SDGs) to 2030, has been endorsed at the UN General Assembly's Special Session in September 2015.

The 17 Sustainable Development Goals (SDGs) are a remarkable statement of transformative development with the human being at the centre. Focusing on linking economic, social and environmental challenges, the goals incorporate growth, poverty eradication, structural change, employment, environmental sustainability, financial stability, food security and social inclusiveness.

These SDGs are universal and as such apply to all countries, but recognize that they need to be within the country's context and values. They are expected to guide policy and funding for all countries over the next 15 years. The SDGs are interconnected. They recognize that economic policies have to connect to environmental and social considerations, and vice-versa. They represent an ambitious effort not only to eliminate poverty and protect the environment, but also recognize that this can only happen if measures are put in place to transform the global economy, re-organize economic activity itself and deepen partnerships.

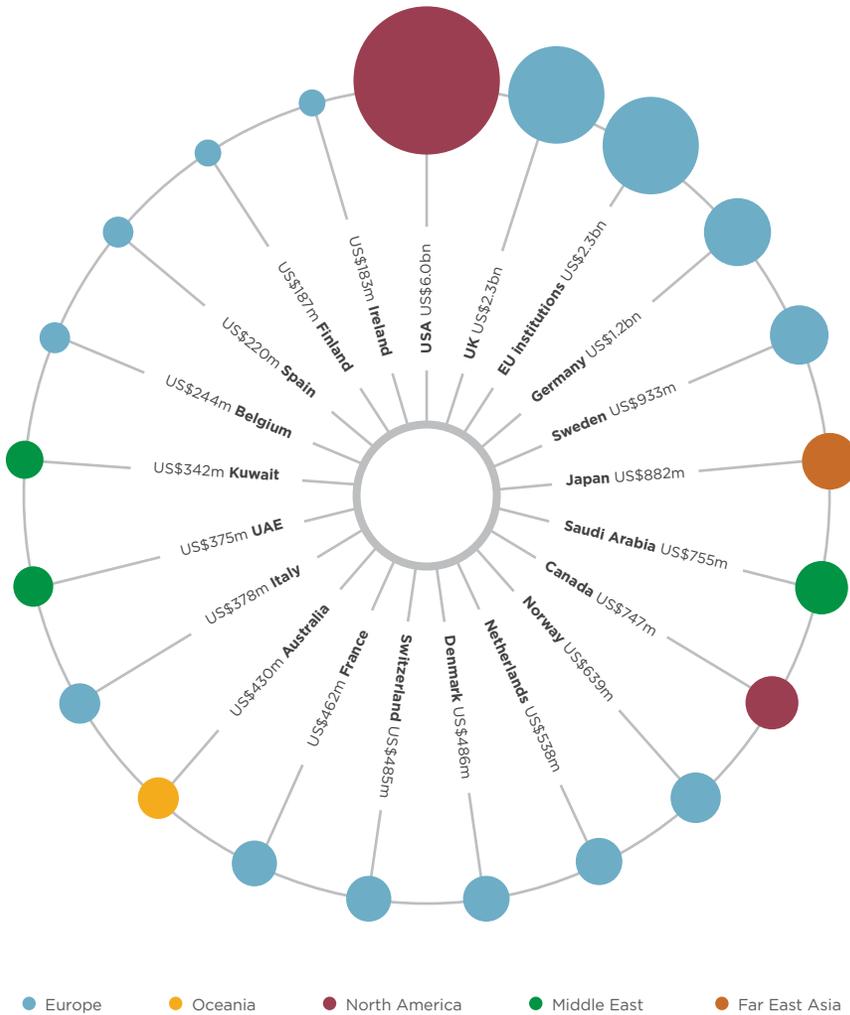
In addition, KSA has made significant contributions to the capital of Arab, regional and international development and financial institutions (Annex 4). In June 2015, Saudi Arabia joined the Asian Infrastructure Investment Bank (AIIB) as a Prospective Founding Members taking an equity stake of 2.6% of shares and 2.5% of votes.⁶

Apart from aid allocated by the government, public giving is an important force for Saudi development assistance. The King himself and other leaders regularly mobilize national public campaigns for humanitarian needs.

HUMANITARIAN ASSISTANCE

KSA has responded quickly and generously to humanitarian needs in Haiti, Iraq, Myanmar, Nepal, Pakistan, Syria, Yemen and other developing countries. In 2014, KSA was the seventh largest humanitarian donor in the world (Figure 4). In the humanitarian context, Saudi aid particularly strives to meet needs in underfunded emergencies, including Syria in 2013 and 2014, Pakistan in 2012 and most recently Iraq and Yemen. (Figure 5) below details the shifting composition of Saudi aid from 2013 to 2014. It shows that the huge increase in humanitarian aid from 2013 to 2014 is largely driven by a US \$500 million contribution to Iraq and in 2015, KSA committed US \$274 million to Yemen through the UN.

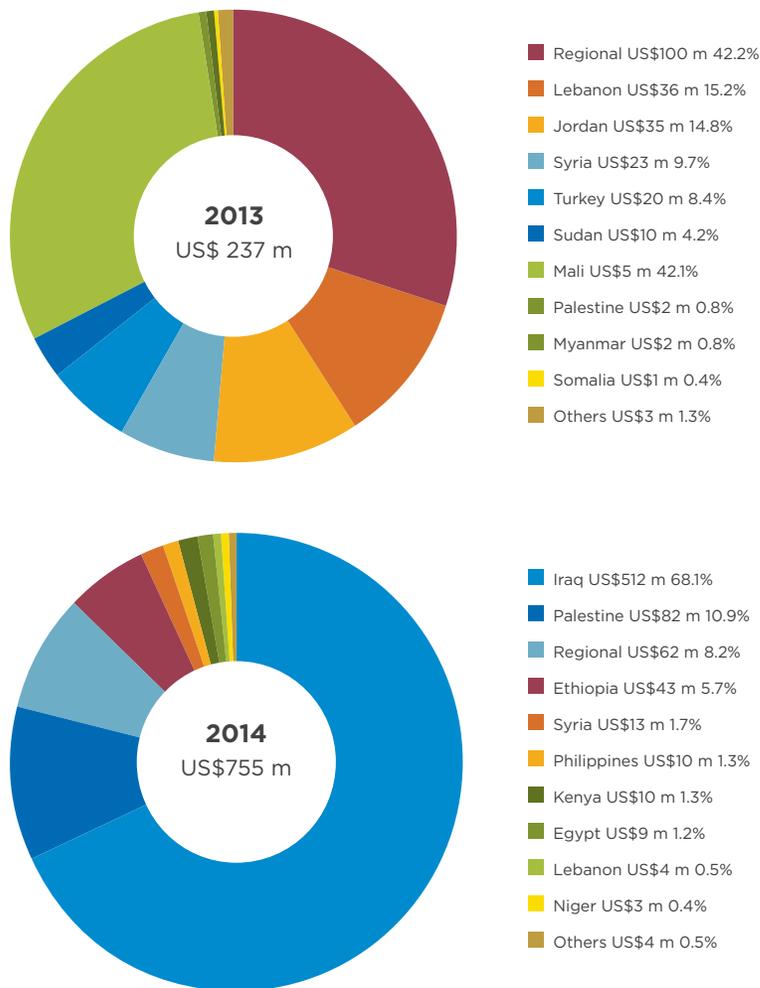
Figure 4
Largest contributors of international humanitarian assistance 2014



Source: www.globalhumanitarianassistance.org

Figure 5

Recipients of Saudi Arabia's international humanitarian assistance, 2013 and 2014



Source: www.globalhumanitarianassistance.org

Within Saudi aid, humanitarian aid is a relatively small percentage of overall aid, despite its actual large size. For the 10 year period between 2005 and 2014, humanitarian aid made up 6.5% of total Saudi ODA. By comparison, OECD/DAC humanitarian assistance was 8% of their total ODA for 2013 (latest data available).⁷

In humanitarian crises, KSA acts as part of a global community, filling needs in underprovided emergencies. As such, the pattern of countries receiving Saudi humanitarian aid continues to shift. Between the periods of 2005 to 2010, year on year, the main recipients of aid are spread across the globe.

KSA provides humanitarian relief in a range of ways across a wide variety of countries. It gives a mixture of public and private funds, often in large cash donations. Highlights include bilateral response in Bangladesh, a contribution to the UN Emergency Response Fund for the Haiti

earthquake, direct aid from public donations to Pakistan in combination with contribution to multilateral action through local UN organizations, and a global multilateral contribution to the World Food Programme during the 2008 global food crisis.

In 2007, Cyclone Sidr hit Bangladesh killing 3,000 people and leaving millions homeless. KSA provided US \$103 million in relief in a direct cash donation.⁸ KSA was by far the largest donor, contributing over half of the relief funds.

In 2010, in response to the Haiti Earthquake, the government of KSA contributed US \$50 million in cash to the UN Emergency Response Fund.

In 2008, in the aftermath of the earthquake in Pakistan, Saudi Arabia donated US \$160 million. In 2010, floods devastated Pakistan with a fifth of the country submerged under water, killing 2,000 people and affecting 20 million. More than US \$220 million was given by Saudi Arabia through a mixture of public and private donations. A relief campaign, initiated by His Majesty Late King Abdullah, raised more than US \$120 million in a few days. This money was earmarked for building 8,000 houses, distributing 500,000 blankets, 10,000 tents, 2,500 winterized tents and 100,000 stoves and food. SFD contributed and managed US \$100 million in humanitarian aid delivered through UN agencies in Pakistan. The Saudi Royal Air Force alone delivered relief supplies worth US \$100 million.

Responding to a call by the World Food Programme (WFP) during the 2008 global food crisis, KSA gave a single US \$500 million cash donation. This was the largest donation WFP has ever received. This contribution focused on both emergency and long-term solutions to food scarcity, from rising food and fuel costs. KSA gave another US \$104 million to WFP in 2014. This included US \$52 million to assist about 1.7 million Syrian refugees, US \$42 million for refugees sheltering in Ethiopia, many from south Sudan, and US \$10 million to provide nutrition to refugees in Kenya.

BOX 2: COUNTRY HIGHLIGHTS

HAITI

Saudi Arabia is a newcomer to aid in the Caribbean. After the Haiti earthquake in 2010, Saudi Arabia contributed US \$50 million to the UN appeal for Haiti. This amount made Saudi Arabia the fourth largest donor funding the appeal and the seventh most generous in terms of overall funding. Saudi Arabia and Brazil were the two biggest non-DAC donors to the Haiti crisis. While Saudi Arabia made its contributions in other crises through different channels, in Haiti the Saudi contribution was channelled entirely through the UN Consolidated Appeal Process (CAP) to the Emergency Response Relief Fund for Haiti.⁹

IRAQ

Historically, Saudi aid to Iraq has been bilateral with a focus on financial, oil and developmental packages. The total Saudi foreign aid to Iraq reached a staggering US \$25 billion in the period between 1980 and 1988. Post 2003, Saudi Arabia announced substantial debt-relief for Iraq—up to 80%. Saudi Arabia is the biggest Iraqi creditor (both inside and outside the Paris Club) with an estimated debt of US \$30 billion. In 2014, Saudi Arabia made a one-off contribution of US \$500 million, which exceeded the US \$312 million requested by the UN for the Strategic Response Plan (SRP) of 2014 for humanitarian assistance to 1 million targeted beneficiaries in Iraq. This grant made Saudi Arabia the largest humanitarian donor to Iraq in the five-year period between 2010 and 2014.¹⁰

INDONESIA

Over the years, natural disasters such as tsunamis, earthquakes and floods have hit Banda Aceh, Java, Sumatra and other areas of Indonesia. Saudi Arabia conducted a number of air-lifts, especially in 2005, contributing mostly in-kind assistance involving tents, food, blankets etc. Direct financial assistance was also provided, including an immediate support of US \$5 million in 2006 after the Java Island earthquake. In addition, the Saudi Charity Campaign for the Relief of East Asian Earthquake & Tidal Waves Stricken Victims in Indonesia and Sri Lanka raised US \$86 million through a telethon¹¹. Saudi Arabia is also committed to reconstruction through the Saudi Fund for Development by providing loans for infrastructure.

ETHIOPIA

Until 2010, Ethiopia was a major recipient of global humanitarian aid. Between 2001 and 2010, the country received almost 6% of international humanitarian assistance. Saudi Arabia actively contributed to the global appeals for assistance. In 2010 and 2011, Saudi Arabia donated in-kind assistance and meals for school children in Ethiopia through the Food-for-Education programme, mostly in partnership with the World Food Programme. Saudi Arabia has also been active bilaterally in supporting

economic development projects in Ethiopia, particularly in infrastructure, a key element of the country's Growth and Transformation Plan. Additionally, Saudi Arabia has provided development support to the country through multilateral agencies such as the IDB, OPEC and BADEA.

PALESTINE

Saudi Arabia is among the top donor to Palestine, with aid being provided through a number of channels in the economic and humanitarian areas. Saudi Arabia has provided budgetary support to the Palestinian State at an amount of US \$240 million on annual basis. Since 1994, grants and other means of financial support have totalled around US \$4.5 billion. The SFD is the main Saudi channel providing grants to Palestine for projects construction in different sectors including health, education, infrastructure and social sector amounting to US \$2.11 billion.

At the humanitarian level, Saudi Arabia has been providing its aid to Palestine both bilaterally and through the UN system. In 2001, for example, 98% of humanitarian assistance from Gulf States for the West Bank and Gaza Strip was from Saudi Arabia. The Saudi Committee for the Relief of Palestinian People was the window for Saudi assistance, spanning from humanitarian assistance through UNRWA to grants supporting education (US \$2.9 million in 2013) through UNESCO.¹²

The Saudi Committee and their various Campaigns for the Relief of the Palestinian People is one of the most dedicated Arab partners of the UNRWA in the Gaza Strip. During the last few years, the Campaign contributed over US \$30 million towards food assistance, medication and fuel for the benefit of Palestinian refugees in Gaza, the West Bank, Syria, Lebanon and Jordan.



The inauguration of Shagram Bridge, Pakistan, 2015. The Reconstruction of Bridges and Irrigation Canals (RBIC) project is funded by the Saudi Fund for Development

SAUDI ARABIA AND OTHER DONORS

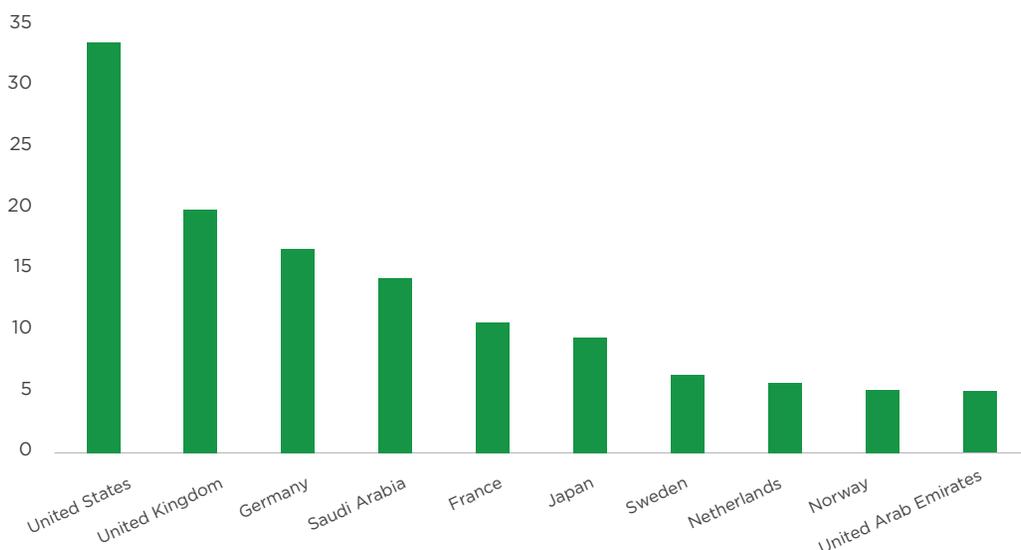
In absolute terms, in 2014 Saudi Arabia ranked fourth in the league of donors just after the US, UK and Germany (Figure 6).¹³ As a percentage of GNI, Saudi Arabia ranks first among nations—far above the 0.7% GNI target set by the UN (Figure7). For the 10 year period 2005-2014, Saudi Arabia ranks as the 10th largest provider of ODA as shown in Figure 8 (Annex 5 provides the detailed data - Saudi data is gross ODA).

While the gross ODA/GNI figure for KSA in 2014 is high globally, it is in line with assistance being provided by other Arab Gulf countries—with Saudi Arabia being the highest among that group. Arab donors on average gave 1.5% of GNI from 1973 to 2008.¹⁴ While over half of Arab aid had traditionally been to other Arab countries, aid giving to other countries, particularly Asian and African countries, has been growing recently.¹⁵ KSA has provided generous and consistent support to Palestinian people, Iraq and Lebanon.

Saudi Arabia and the Gulf countries in particular expanded their financial assistance in response to the 2008-2011 financial crisis.¹⁶ Official Development Assistance from Kuwait, Saudi Arabia and the UAE peaked at US \$6.5 billion in 2008 at the height of the global financial crisis. Since then, it has remained relatively high at US \$4.8 billion annually (on average).¹⁷ In real terms, ODA from the three countries increased by two-thirds during the crisis, compared to the four-years preceding the crisis. Saudi Arabia increased its aid the most, continuing to lead among the three and accounting for 80% of total aid during the crisis.

Figure 6

Top 10 Donors 2014 – Net ODA (US\$ billion)¹⁸



Source: OECD-DAC (2015) - www.oecd.org/dac, and KSA Ministry of Finance (Saudi Arabia data is Gross ODA).

Figure 7

Net ODA Total, % of gross national income, 2014*

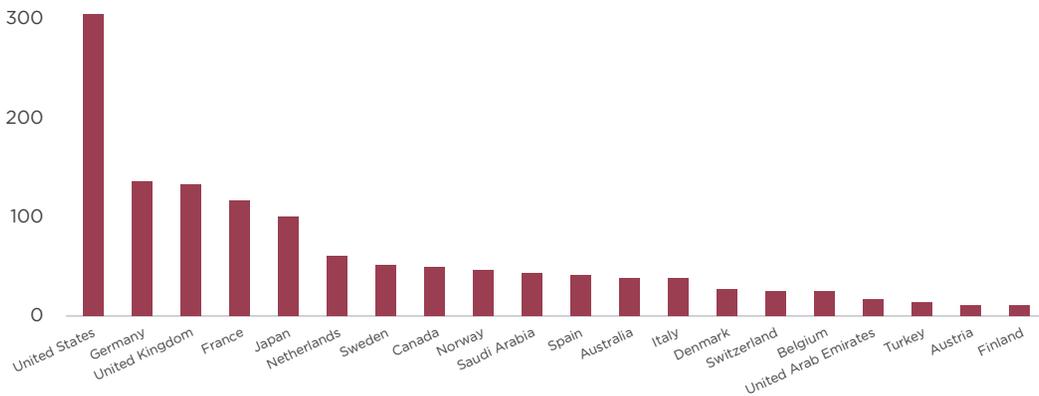


Sources: OECD-DAC www.data.oecd.org/oda/net-oda. and KSA Ministry of Finance for Saudi Arabia

* For Saudi Arabia data is Gross ODA

Figure 8

Country ranking by Net ODA* 2005-2014 (US\$ billions)

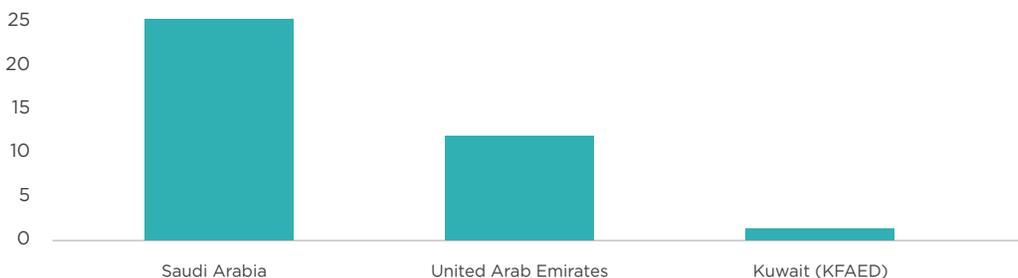


Source: OECD-DAC (2015) www.data.oecd.org/oda/net-oda, and KSA, Ministry of Finance.

*Saudi Arabia data is Gross ODA

Figure 9

Saudi Arabia and other Arab countries, 2007-2013 by volume (US\$ billion, current prices)



Sources: OECD/DAC Statistics; oecd.dac/stats Non-DAC Providers of Development cooperation

Figure 9 confirms the pattern of aid giving by key Arab aid donors over time. Total ODA from the three also increased significantly as a share of gross national income (GNI), reaching 0.55% during 2008 and 2011, compared to 0.49% in the previous four years—a figure higher than the DAC average of 0.31%. For Saudi Arabia, as highlighted earlier, it is substantially higher than the UN target of 0.7%. Most aid from the three countries continues to be bilateral 94%, channelled through their governments and as grants 92%.¹⁹ The share of grants increased slightly during the crisis, as did the role of multilateral assistance.

The World Bank's 2010 study, *Arab Development Assistance: Four Decades of Cooperation*, highlighted the generosity of Arab countries as aid donors, particularly the three Gulf countries of Kuwait, Saudi Arabia and the United Arab Emirates (UAE) which together represent over 90% of total Arab aid. During the global financial crisis, all three Gulf countries stepped up their aid even though they themselves were not immune; in 2009 alone, crude oil prices dropped by 40% (in real terms), a phenomenon that is being repeated in 2015, and may continue in 2016.

Regional Arab financial institutions in turn were equally responsive to this new reality arising from the financial crisis and collectively scaled up financial assistance to address critical development and humanitarian needs in developing countries.



The Saudi Fund for Development (SFD) project for power generation and transmission in Eritrea

III OFFICIAL AID INSTITUTIONS AND PUBLIC PRIVATE PARTNERSHIPS

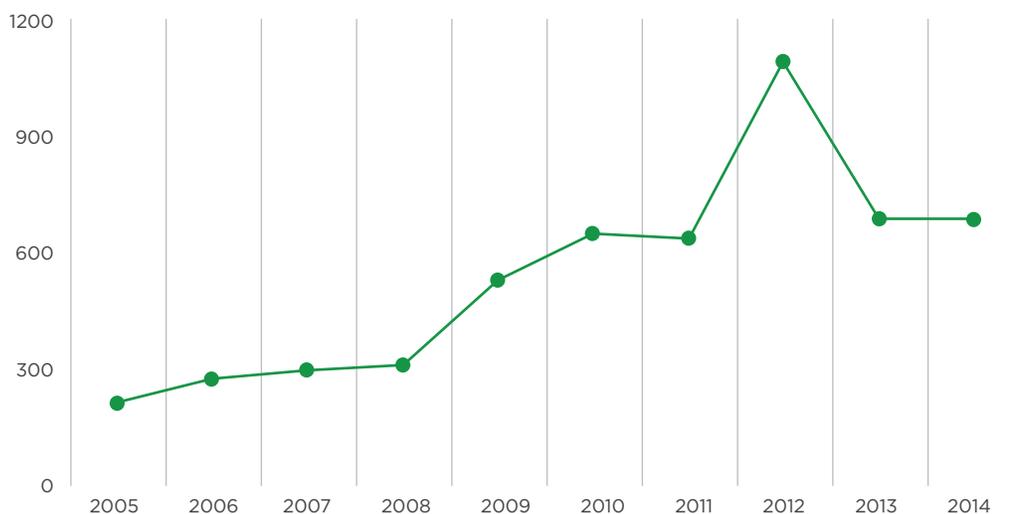
This section outlines current institutional arrangements with a focus on the Saudi Fund for Development (SFD) that was established in 1974 and the new King Salman Humanitarian Aid and Relief Centre that was established in May 2015.

The Saudi Fund for Development is KSA's primary development assistance institution. It was founded in 1974 by Royal Decree as an independent legal entity and commenced operations in 1975. As defined by its charter, the SFD's main objective is to assist developing countries by providing soft loans for development projects and to encourage national non-crude oil exports by financing and guaranteeing them. Its current capitalization is around SAR 31 billion (US \$8.27 billion).²⁰ It channelled an estimated 30% of KSA's overall aid in the form of multilateral cooperation, grants and concessional loans over the period 2005 - 2014. SFD is a key provider of development loans; reaching 83 countries since its inception with 58 countries receiving soft loans between 2005 and 2014 (Figure 10 gives the trend of SFD loan agreement 2005-2014).

It also manages loans and grants financed by the Ministry of Finance. SFD loans are provided on a highly concessional basis: an average interest rate of 1-2%, a repayment period of up to 50 years and a grace period of up to 10 years. SFD loans have one of the highest grant elements globally estimated between 35-59%.

Saudi aid is typically administered directly in partnership with the recipient government and local implementing partners. SFD takes an activist approach to administering loans and grants and has an operations department that focuses on the follow up and administration of funds. This has been the preferred method as a way of promoting aid effectiveness and timely delivery of project goals.

Figure 10
SFD Loan Agreements 2005-2014 (US\$ million)



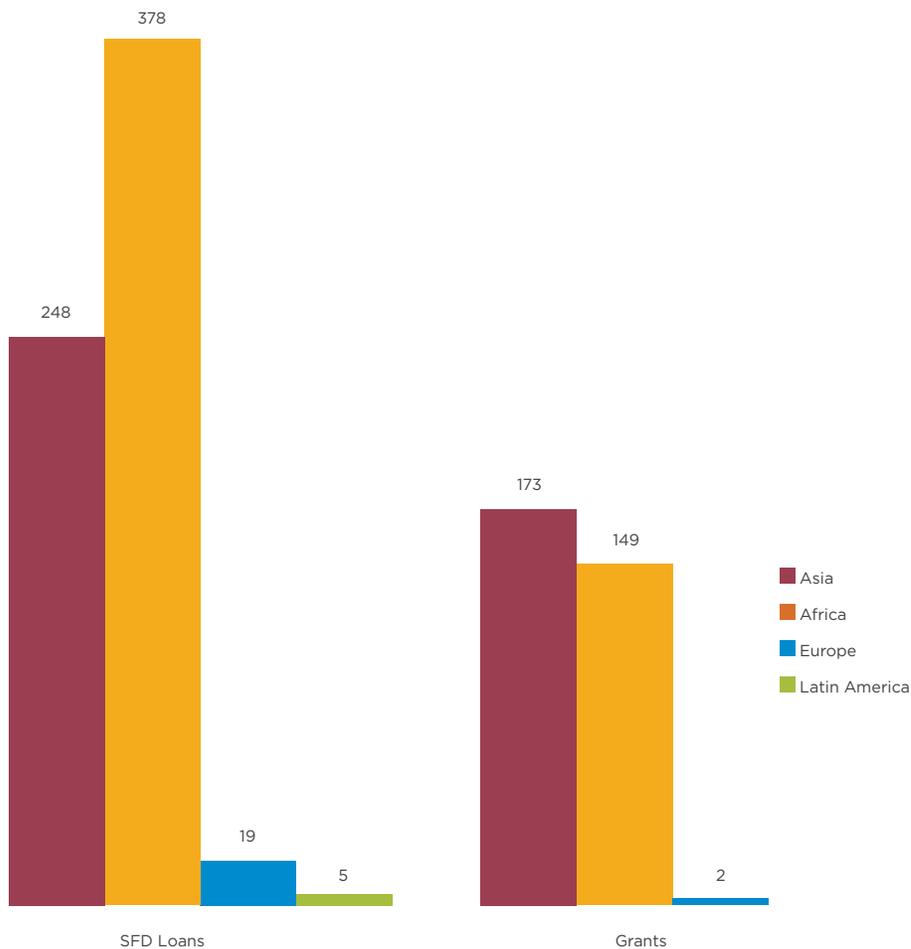
Source: SFD Annual Reports

While the perception is that Saudi aid has been focused on Muslim countries, the main development assistance agency, SFD, effectively demonstrates that its loan operations are driven by need. All developing countries are eligible, but least developed, low income countries are prioritized based on need and quality of projects. Figure 11 and 12 shows the number and direction of SFD loans and grants managed by SFD between 2005 and 2014 showing that it was allocated to 58 countries (Annex 6 provides the detailed list of countries). According to SFD, 48% of its loan assistance is provided to non-Muslim countries while 52% goes to Muslim countries. The scope of SFD activities is not restricted geographically. The total activities of SFD since 1975 span across 83 countries: 45 African, 31 Asian, four European and three Latin American countries.

It is important to note that SFD's actual work goes beyond the provision of loans from its own capital. At the request of the Ministry of Finance, SFD also manages Ministry of Finance loans and grants with these being a bit higher than SFD loans.

Figure 11

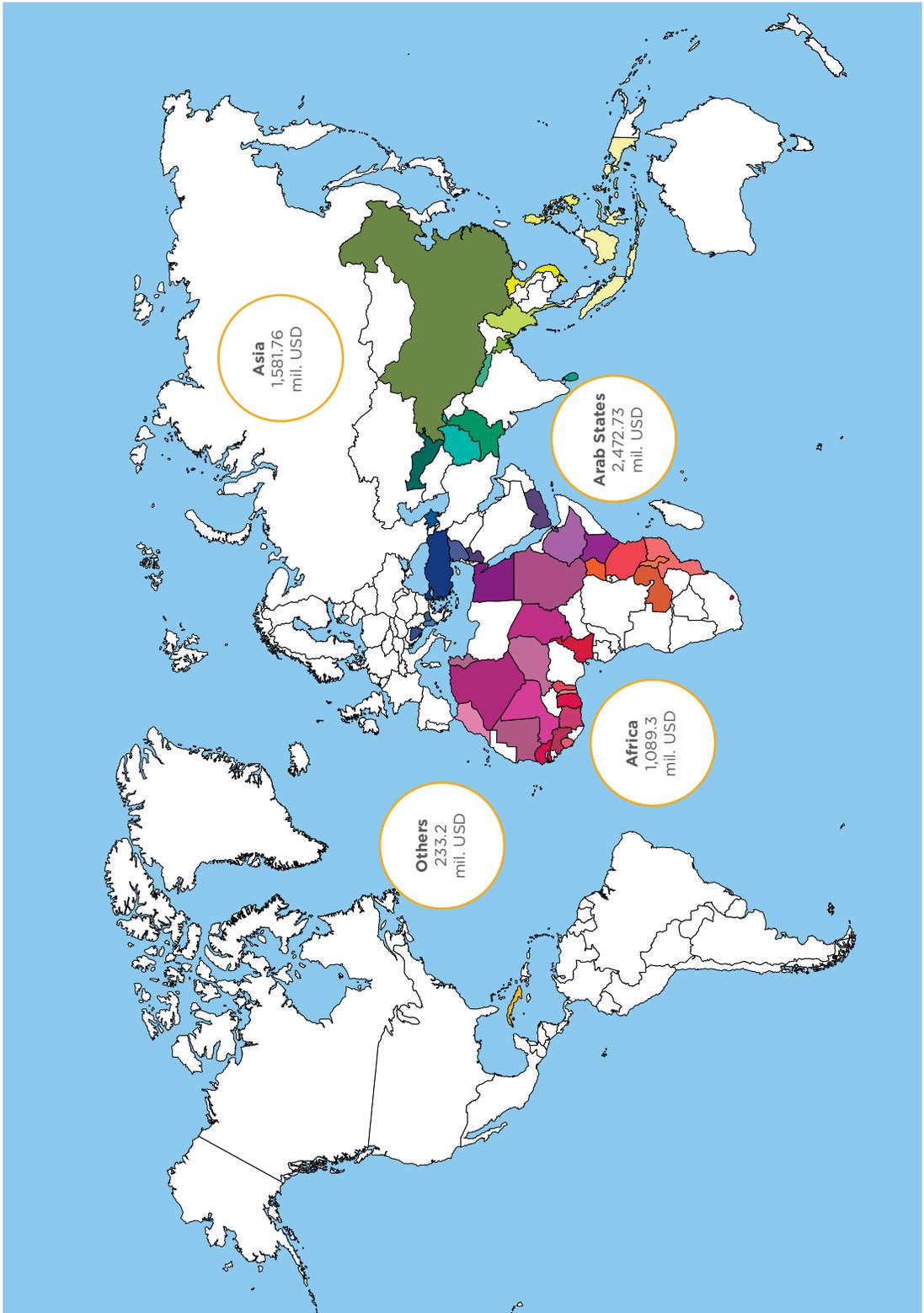
SFD Cumulative number of projects in various regions (1975-2014)



Source: Saudi Fund for Development

Figure 12

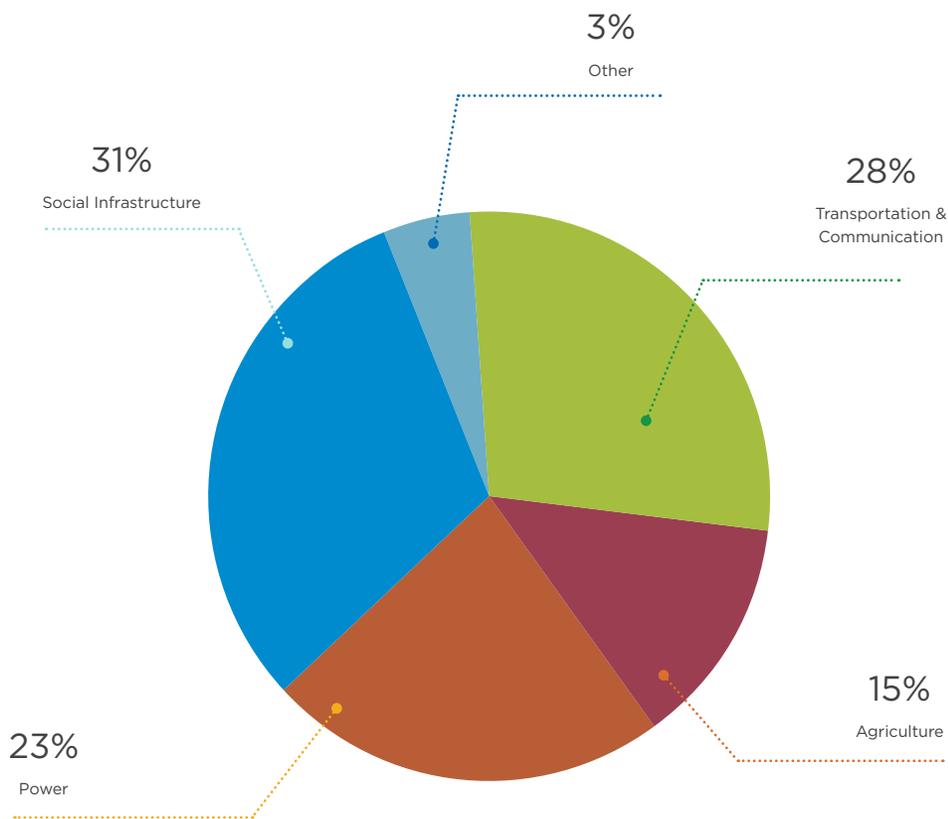
Regional Distribution of SFD Loans 2005-2014



SFD gives priority to least developed and low-income countries. Its emphasis mirrors KSA's own development strategy with primary focus on the development of basic infrastructure, such as social infrastructure, transportation and communication. Between 2005 and 2014, 31% was directed towards social infrastructure, 28% to transportation and communications, 23% to power and 15% to agriculture (Figure 13). However, in recent loans, there has been increasing emphasis on social sectors, for instance in 2014 social infrastructure accounted for 39% of signed loan agreements (Annex 7).

Figure 13

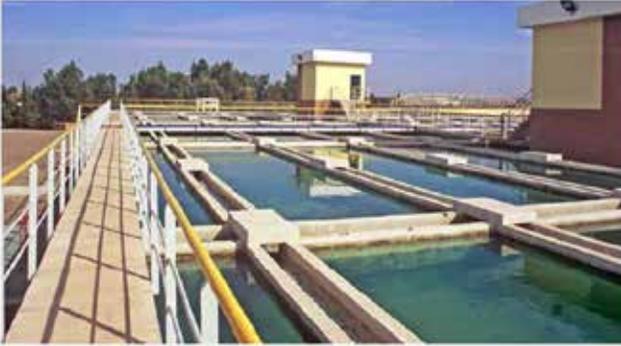
Saudi Fund for Development Sectoral Distribution of Signed Loan Agreements 2005-2014



Source: Saudi Fund For development

Cuba

Rehabilitation of Drinking Water Network of Havana City



Project Description and Objectives:

The project aims to modernize and replace the existing drinking water network in the eastern and western provinces of the city of Havana due to being old and worn out in addition to its high waste percentage. The project involves the following sections:

A. Civil and mechanical works including:

1. Executing the excavation works and replacing the main and sub-lines along with the backfilling works.
2. Supplying the polyethylene raw materials including the raw materials required for manufacturing the water network pipes.

3. Provision of the hydraulic equipment including supplying the hydraulic water pumps and main parts required for their operation.
4. Supplying and installing the necessary equipment including valves, tanks, meters and some excavation equipment.

“ Total Cost
SR. 408.75 million

SFD Contribution
SR. 112.50 million

Date Agreement Signed
22/ 04 / 2013

Project Estimated Completion Date
End of 2014

Executing Agency
National Institute for Water Resources ”

- B. Consultancy and administrative services necessary for project follow-up and completion.

SFD has signed loan agreements amounting to US \$12 billion (SAR 45 billion) since 1975 and dispersed and managed US \$18.7 billion (SAR 70.3 billion) in grants and US \$1.4 billion (SAR 5.2 billion) in loans on behalf of the government since its inception.¹⁷ SFD also manages some government grants assistance. The mix of countries that SFD has managed to aid include Afghanistan, Chad, Cote d'Ivoire, Mali, Niger, Palestine, Pakistan, Sudan, Syria, Thailand, and Yemen. Grants are dispersed through a range of organizations—from UN agencies to the Carter Centre or the Amal Bank. This is not the case in Palestine, where the bulk of assistance is bilateral for development projects.

Two examples of SFD supported projects include the rehabilitation of the drinking water network in Havana, Cuba and the construction of 6,400 water wells in Africa serving people and livestock. From 2013 to 2014, SFD worked with the National Institute for Water Resources in Cuba to overcome high levels of water wastage in its capital improving Havana's water network.

BOX 3: DRINKING WELLS IN SUB-SAHARAN AFRICA

Between 1981 and 2014, SFD funded several projects for digging wells in the Sub-Saharan Africa. These water projects helped thousands of people living in remote villages in the African continent. For example, in one project in the remote village of Boursouma in Burkina Faso, completed in 2010, a woman expressed her gratitude for saving her children's lives through access to safe water from an SFD-funded well. She had lost two children from water-borne diseases due to the lack of access to clean water in the village and being forced to depend on rainwater ponds which they shared with animals. The woman says that she now has two healthy children after getting access to safe drinking water.



The Saudi Fund for Development (SFD) has undertaken a project for digging wells in Boursouma village, Burkina Faso



The The Saudi Fund for Development (SFD) project for digging wells in Niger

The King Salman Humanitarian Aid and Relief Centre (KSC) was established in May 2015 as the first centralized body for the coordination of provision of humanitarian aid. The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud has, since ascending the throne in February 2015, announced significant humanitarian assistance for the region and also for global needs. He has encouraged rationalizing the government's humanitarian assistance under one body from the earlier practice of a number of government institutions, including ministries, which would directly provide humanitarian assistance to countries.

KSC aims to boost KSA's already significant presence in global humanitarian relief as well as streamline provision of Saudi humanitarian relief.¹⁸ The centre envisages two phases: the current, more immediate one in which it is focused on the delivery of the Kingdom's relief efforts for Yemen for which a budget of US \$274 million has been set aside through the UN, in addition to US \$267 million (SAR 1 billion) which has been given by King Salman for global humanitarian assistance; the second phase involves developing a long term strategy for the coordination and reorganization of Saudi humanitarian assistance under one roof. For this purpose, it anticipates action on several fronts: in setting up a system of recording humanitarian assistance, focusing mostly on coordination (as opposed to implementation), and in upgrading the capacity of Saudi NGOs and relief agencies in the delivery of humanitarian assistance. KSC will also oversee public campaigns on humanitarian assistance. Furthermore, as the system evolves, consideration will also be given to having the centre take on the coordination of overall development assistance.

The Saudi Red Crescent (SRC) was the main agent for relief in 2010. SRC funding is provided by the Ministry of Finance. However, since 2010 its role has been declining with the emergence of other institutions.

While formally it is a Charity body, it has functioned almost as a government agency. It was founded in 1963 and is part of the international Red Cross/Red Crescent system. The organization's priority is domestic healthcare and looking after the many pilgrims who come to KSA for the Hajj; it also directly delivers relief around the world, including Sudan, Pakistan and countries affected by the Indian Ocean Tsunami. Its budget is comparable to major international NGOs such as Save the Children—in 2009 it spent US \$373 million and in 2010 US \$433 million.¹⁹ The Saudi Red Crescent

has an operational presence in a number of countries around the world. It has geographic, cultural familiarity and experience dealing with local authorities in its regions.

PHILANTHROPY AND PUBLIC-PRIVATE PARTNERSHIPS

Other important institutions in Saudi aid include Royal Foundations as well as public humanitarian campaigns. Public philanthropy and public-private partnerships, particularly in the provision of humanitarian assistance, is an important presence in Saudi aid. The principles of Zakat and Sadaqa, which enjoin all Muslims to help others in need, are also evident in the practices of the Royal Foundations and campaigns to coordinate humanitarian assistance. NGOs, semi-governmental organizations and public relief campaigns are increasingly engaging in more countries outside of their traditional profiles.

The general Saudi public is an active and generous provider of humanitarian aid. Individual giving in response to public appeals is large and organized through public relief campaigns and committees, and supervised by H.R.H Crown Prince Mohammed Bin Naif, Minister of Interior, with the coordination of the Office of Saudi Relief Committees and Campaigns. Significant sums are generated through telethons in response to humanitarian appeals. The committee itself has kept its administrative costs to the minimum; this is around 1.5% which is estimated on a cumulative basis (Saudi Relief Committee).

The current system was set up following the 9/11 tragedy in New York, to ensure private donations are directed to intended beneficiaries and not for any unauthorized purposes. Special funds open to the public are created for specific crises. Starting 16 years ago for Pakistan, there are currently nine of them, with the Iraq Special Fund discontinued after a while. Donations can be in-kind or in cash. The Relief Committees work closely with recipient governments and communities. Cumulatively they have raised about US\$ 1 billion (SAR 3.8 billion).

Table 2

Saudi Relief and Committees Campaigns

	CAMPAIGN / RELIEF NAME	No Of Prog.	SAR million	US\$ million
1	Saudi Committee for the Relief of Palestinian People	58	885	236
2	Saudi National Campaign to Support the Brothers in Syria	118	850	226
3	Saudi Public Campaign for the Relief of the Pakistan Quake Victims	29	580	154
4	Saudi public Campaign for the Relief of Afghan People	16	71	19
5	Saudi Public Campaign for the Relief of the Lebanese People	29	92	25
6	Royal Campaign for the Relief of the Palestinian People in Gaza	21	238	63
7	Saudi Charity Campaign for Earthquake Relief and Tsunami for East Asia	36	341	90
8	Saudi Committee for the Relief of the Iraqi People	10	93	25
9	Saudi National Campaign for the Relief of the Somali People	35	561	149
Total Programme		352	3,713	990

Source: Saudi Relief and Committees Campaigns

BOX 4: SAUDI RELIEF CAMPAIGNS FOR PAKISTAN

In the wake of the devastating floods that hit Pakistan in 2010, the late King Abdullah initiated the King Abdullah's Relief Campaign for Pakistani People (KARCPP) under the supervision of HRH Crown Prince Mohammed bin Naif, Minister of Interior and Patron-in-Chief of the KARCPP. The multifaceted campaign has been working on relief, rescue and rehabilitation in the worst flood-torn areas of Pakistan.

During the campaign, US \$ 107.2 million (SAR 402 million) were collected from the Saudi people. Since 2011, the campaign started its relief efforts by sending six relief convoys and establishing a fully equipped camp in Thatta district of Sindh province.

KARCPP has sent about 2000 trucks with all essential supplies including tents, blankets, quilts, rice, flour, beans, pulses, dry milk, and cooking oil in the different provinces of Pakistan for distribution among millions of people living in distress during the time of disaster.

The Campaign work does not end there. KARCPP efforts continue through carrying out several rehabilitation projects in affected areas. These include drilling of boreholes and installation of water pumps, installation of water purification and filtration plants in hospitals, mosques, and local communities living in the Punjab and Sindh flood zones. This project is expected to benefit about 25,000 residents of those areas. The Campaign also started several reconstruction projects to build housing units beginning with 5000 houses in different flood-stricken areas of Pakistan.

(Source: www.karccpp.org/index.php)

KSA is committed to ensuring responsible aid practices, even in its facilitation of private philanthropy. Central coordination ensures relief is channeled to reputable delivery partners. In recent years, there has been more oversight and control over public giving. This has been in response to concerns that private aid flows might be spilling over into local organizations for unauthorized purposes. As such the campaigns are initiated by the government and centrally coordinated. Direct delivery is also preferred in order to maximize the efficacy of funds.

Private foundations, such as the King Faisal Foundation, the King Khalid Foundation, the Prince Sultan bin Abdelaziz Foundation and the Alwaleed bin Talal Foundation, also have strong international presence. Alwaleed bin Talal Foundation undertakes humanitarian and development work in Africa, the MENA region and Asia.

BOX 5: EXAMPLE OF PRIVATE GIVING IN KSA

The King Faisal Foundation (KFF) is an international philanthropic organization established in 1976 with the mission of furthering King Faisal's vision of contributing to a better world by ensuring humanitarian principles are embedded in the plans and policies that influence people's lives regardless of their color, gender, or faith. Since 1977, KFF has invested hundreds of millions of Saudi Riyals in establishing its programmes and executing numerous other philanthropic projects, such as building schools, universities, mosques, medical centres and research institutes, as well as providing required infrastructure to help Islamic Societies reach a better standard of living.

The Nolabbee Al Nedaa is a Saudi initiative headed by Prince Turki bin Talal bin Abdulaziz that has spent US \$14 million on humanitarian projects locally and externally in Palestine, Lebanon, and Syria. These Projects have mainly focused on supporting refugees by building residential suitable accommodations, and providing food, medicine, and winter clothing. This initiative focuses on the homeless- elderly men, children, and women who had to leave, or were evicted from their homes.

IV SOUTH-SOUTH COOPERATION

South-South Cooperation among developing countries is a multi-faceted relationship. It extends beyond aid flows and also includes trade and investment dimensions.

Saudi assistance to other countries started early, in the 1950s, based on the principles of self-respect, collective self-reliance and mutual solidarity. KSA played an important role in the landmark Buenos Aires Plan of Action of 1978 that committed countries to the promotion of technical cooperation among developing countries as a key strategy for responding to their development challenges—in effect learning from each other. Saudi Arabia has benefited much from the technical advice it received from other developing countries.

In the last decade, however, there has been a material shift in the scale and scope of South-South partnerships. Saudi Arabia joins countries like China, India, Brazil and South Africa that have substantially expanded their South-South Cooperation. This shift has occurred as part of the broad progress in human development with the emergence of many developing countries onto the global stage, a phenomenon that has been described as the “rise of the South”. A striking feature of the South today is its diversity and the transformation of many developing countries into dynamic economies that are doing well both in economic growth and trade and in progressing rapidly on human development. In turn, many of these countries are rapidly expanding South-South ties, especially in trade and investment areas.

The South has risen at an unprecedented speed and scale. Developing countries, which continue to grow despite difficult global conditions and a lingering global recession, now account for almost one third of the world’s output. By 2050, just Brazil, China and India combined are projected to account for 40% of the world’s output (in purchasing power parity terms). By 2030, two-thirds of the world’s middle class will be in Asia.

These changes are beginning to have an impact on broader global governance arrangements Saudi Arabia and other key countries from the South are members of the G-20, with KSA representing the Arab countries in G8 as well. This has led to South-South and Triangular Cooperation being included in the G-20 Multi-Year Action Plan since 2010. There is also renewed debate about aid and how best to maximize its impact. As was visible in Busan (2011) and other forums on aid effectiveness, KSA will continue to contribute to these discussions. What is clear is that development models and development strategies have to be adapted to local circumstances and be led by national leaders and national institutions. Like other emerging donor countries from the South, KSA respects national sovereignty and does not make any policy conditions in the delivery of its aid. This was the spirit of the 2009 outcome document of the High Level Forum on South-South Cooperation held in Nairobi.²⁰ KSA endorses and fully supports the Nairobi call for “reinvigorated support for South-South and triangular cooperation.”

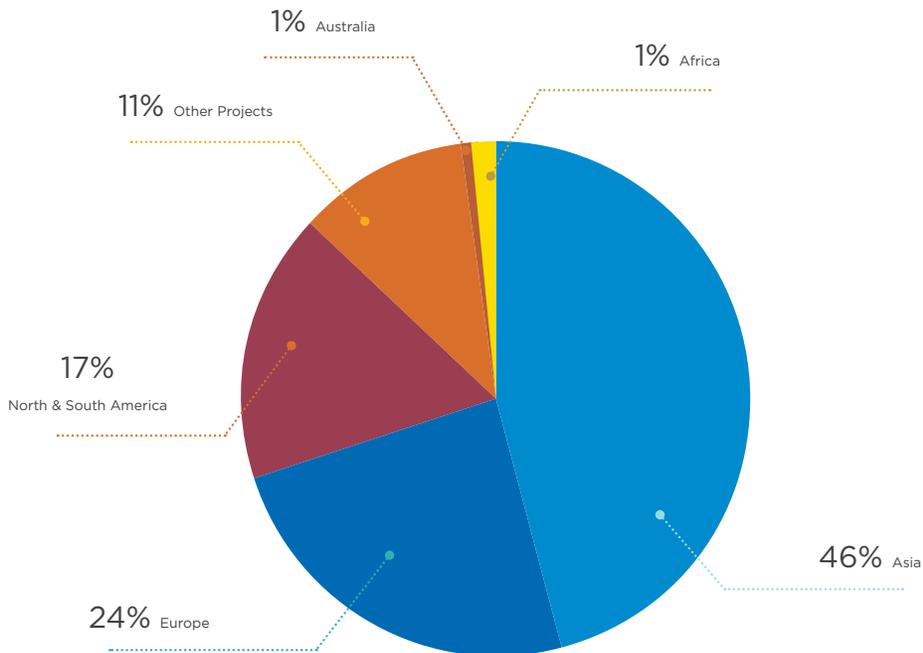
The changes being seen in the South-South architecture call for new institutions and new initiatives, as highlighted in the 2013 UNDP Human Development Report on *The Rise of the Global South*. In this spirit, Saudi Arabia has become one of the founding members of the recently launched Asian Infrastructure Investment Bank. Other new political and overall coordination arrangements include BRICS (the BRICS development bank is under preparation), and the India-Brazil-South-Africa (IBSA) Dialogue Forum, which has contributed to accelerating free trade agreements and in promoting clean sources of energy such as biofuels. Similarly, KSA has joined other Arab countries

in reinforcing ties with South American and African countries to increase trade and investment. Saudi Arabia alone represents about 64% of Arab ODA to Africa from 1973 to 2008.²¹

The South is now emerging alongside the North as fertile ground for technical innovation and creative entrepreneurship. North-South trade and investment have helped newly industrializing countries in building capacities to efficiently manufacture complex products for global markets. In this context, the Saudi economy can now offer its world-class capabilities in petrochemical industries, among other areas. In turn, South-South partnerships enable companies in the South to adapt and innovate with products that are better suited to local needs and can reach local consumers. Saudi public and private investments in agriculture and in hydropower in other developing countries are beginning to show positive results in strengthening regional food security and in diversifying energy options. While recognizing that some of the agricultural cooperation programmes are driven in part by ensuring the food security of Saudi Arabia itself, emphasis is being placed in the design and implementation of development cooperation programmes in those areas so that local communities and poor farmers, in particular, benefit from the assistance extended.

These global shifts are having an impact on Saudi trade patterns. Trade with China has grown dramatically, not only in oil and petroleum products, but also in the rise of capital goods imports from China. These patterns are likely to accelerate further as Saudi Arabia deepens its links with

Figure 14
Inflows of Foreign Direct Investment 1990-2014



Source: SAGIA Annual Report

other developing countries, and other regions where it had not played a significant role in the past, such as Latin America.

In 2012, starting from a low base of US\$ 14.9 billion (SAR 56 billion) in 2000, exports to China reached US\$ 50.18 billion (SAR 188.2 billion) in 2012, almost comparable to the USA. Similar growth patterns are observed for exports to South Korea, Indonesia, Turkey and India (SAGIA Report).

A similar picture emerges when examining investment patterns. Asia already represents the largest percentage of FDI flows to Saudi Arabia in 2014, some 46% (Figure 14). In earlier years, Europe and America were the leading sources.

BOX 6: SOUTH-SOUTH PARTNERSHIP AND DIALOGUE ARE EXPANDING AT MANY LEVELS

Brazil is a growing partner for Saudi Arabia. Trade flows have sharply increased over the years. Whereas food and beverage products continue to represent the most exported Brazilian products to Saudi Arabia, valued at more than US \$2.38 billion in 2012, KSA also remains the biggest export destination of Brazilian products in the Middle East, with exports reaching a value of over US \$3 billion in 2012.

Apart from food and beverage, Brazil also exported more than US \$216.7 million worth of machinery and equipment, including auto parts, which accounted for a 30.5% growth from over US \$166 million in 2011. Against this backdrop, the Brazilian Trade and Investment Promotion Agency (Apex-Brasil) now regularly brings to Saudi Arabia business delegations to further promote trade and investment, covering sectors that include food and beverage, housing and construction, machinery and equipment and auto parts. In confirmation of this, a delegation of Saudi Parliamentarians from the Majlis Shoura visited Brazil in March 2015. This visit included meetings with Vice-President of Brazil Michel Temer and Representatives of the Brazilian Congress from both the Deputy Chamber and the Federal Senate. These meetings reinforced aspects related to the political articulation process between the two countries, promoting mutual knowledge of their parliaments and exchange of legislative and advisory experience. The Saudi delegation also met members of the Brazil-Saudi Arabia Parliamentary Friendship Group, established by the Brazilian Congress, which works as an instrument for expressing special interest in strengthening parliamentary relations between the Brazilian Parliament and the Saudi Shoura Council.

THE ‘DIGITAL GOOD’

The Ministry of Foreign Affairs in cooperation with UNDP organized a series of Saudi International Youth Dialogue Forums to provide opportunity for Saudi youth to engage with their peers from different countries, exchange knowledge, and culture and reach creative solutions for local and global challenges. These forums covered various themes such as renewable energy, management of slums, ICT for development, architectural identity, biodiversity, medical research, and e-education and smart cities. Countries visited included Germany, Brazil, India, Korea, China, Spain and Tanzania. Following the visit to India, an initiative suggested by the Saudi youth was to utilize ICT as a major tool for development and create an online platform to which people around the world could contribute.

This youth initiative has been supported by KSA through a generous grant to UNDP to create an interactive digital platform—UNDP ‘Digital Good’—that will, for the first time, allow individuals and communities to play a direct role in supporting the new Sustainable Development Goals (SDGs). The platform will help raise the much-needed funds for the implementation of Sustainable Development Goals and at the same time build a strong and lasting global community of supporters for SDGs by engaging individuals, including the youth, worldwide. The Digital Good platform was launched in New York during the 70th UN General Assembly coinciding with the adoption of the SDGs. The Government of Saudi Arabia donated US \$500,00 to the platform in support of the SDGs implementation projects all around the world.



Saudi-Indian Youth Dialogue Forum during a visit to Narayana Hrudayalaya Hospital Hyderabad, India

BOX 7: SOUTH-SOUTH YOUTH EXCHANGE: “BEST EXPERIENCE EVER”

India, a traditional partner of Saudi Arabia, where new dimensions are being explored in recent years, for instance, in culture, and youth exchange. Over 50% of the Saudi population is 25 years and under. KSA places high priority on youth development and in raising young people’s leadership capacities. For this purpose, the Saudi Ministry of Foreign Affairs (MOFA) with support from UNDP initiated a Youth Exchange initiative to promote dialogue among nations. Saudi Indian Youth Exchange on Information and Communications Technology (ICT) was undertaken in 2012.



Saudi-Indian Youth Dialogue Forum on ICT

Mohammed Al Reefi, an 18 year old Saudi student participating in the ICT Saudi India Forum shares his story: “I’m the oldest of five children I have always wanted to be a doctor and travel the world and one of my future goals is to be with Doctors without Borders. Before the Saudi International Youth Dialogue Forums, I had a limited network of friends,” “I have always been fascinated with different cultures and how people are diverse”.

He added “India is so advanced in the field of Information Communication Technology, most global IT companies have major offices in India, ICT use is growing exponentially”. “This trip made me discover myself. It gave me the self-confidence and self-appreciation that made me who I am today. The experience gave me the opportunity to grow as a person.”

BOX 8: ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA)

An early Arab commitment to South-South partnership is represented by the Arab Bank for Economic Development in Africa (BADEA). Created in 1974 with 18 Arab countries, BADEA is an independent financial institution located in Khartoum. It aims to strengthen economic, financial and technical cooperation between the Arab and African regions and is the embodiment of Arab-African solidarity.

BADEA responds to priority projects of beneficiary countries, which are usually part of their development plans BADEA is guided by its overarching objectives of poverty alleviation, food security, human resources development, women's participation in development and environmental protection of the countries Starting in 2015, a new US \$450 million private sector support programme was launched as part of BADEA's Seventh Five Year Plan (2015-2019).

BADEA's contribution to the financing of any given project can reach 60% of the total cost of the said project provided that the amount of financing for the said project may not exceed US \$20 million BADEA commitments during 2014 stood at US \$200 million, the equivalent of 100% of the planned allocations, of which US \$192 million was earmarked for project financing and US \$8 million for the funding of technical assistance operations.

Source: www.badea.org

V CONCLUSION

Saudi Arabia is deeply committed to helping people in need both at home and around the world. This principle is embedded in Islamic teachings—the principles of Zakat and Sadaqa drive Saudi development aid and humanitarian assistance. Saudi assistance is provided without any consideration for race or religion. Saudi Arabia will continue to prioritize providing development assistance on the basis of the fundamental Islamic principles. The country is also proud of its record as one of the leading aid donors in the world, both in absolute amounts and as a percentage of gross national income. In line with its principles, much of the assistance is provided in the form of grants.

At the same time, like other aid providers, Saudi Arabia recognizes the need for greater attention to robust systems of recording and regular reporting on aid, and more generally on strengthening the overall effectiveness of Saudi aid. The new King Salman Humanitarian Aid and Relief Centre is a major step in this direction. The Centre will not only seek to coordinate humanitarian assistance, it will also put emphasis on upgrading the capacity of Saudi civil society to conduct overseas relief activities and projects. Institutions like SFD have had long and valuable experience in the provision of development aid. Saudi Arabia has also evolved innovative public-private partnerships in organizing specific national campaigns for coordinating public giving in response to specific crises.

ANNEX

Annex 1: KSA - GDP, GNI and Growth Rates, 2005-2014

Annex 2: KSA Gross Official Development Assistance 2005 -2014 SAR millions (current prices)

Annex 3: KSA Humanitarian Assistance by Countries from 2005-2014

Annex 4: Contributions of the Kingdom of Saudi Arabia to Arab, Regional and International

Annex 5: Country ranking by Net ODA 2005-2014 US dollars millions

Annex 6: SFD Signed Loan Agreements 2005- 2014

Annex 7: SFD Loan Agreements by Sector 2005-2014

Annex 1

KSA- GDP, GNI and Growth Rates, 2005-2014

Year	GDP Current	GDP in Constant Prices	GNI Current SAR	Annual GDP Growth Rate %
SAR millions				
2005	1,230,771	803,910*	1,252,710	7.3
2006	1,411,491	848,742*	1,443,294	5.6
2007	1,558,827	899,601*	1,582,799	6.0
2008	1,949,238	975,412*	1,983,614	8.4
2009	1,609,117	993,254*	1,641,416	1.8
2010	1,975,543	1,975,543**	2,001,958	4.8
2011	2,510,650	2,172,286**	2,546,966	10.0
2012	2,752,334	2,289,252**	2,793,541	5.4
2013	2,791,259	2,350,373**	2,831,633	2.7
2014	2,826,869	2,435,896**	2,860,276	3.5

Source: Central Department of Statistics

*Constant Price 1999, **Constant prices 2010

Annex 2

KSA Gross Official Development Assistance 2005 -2014 in SAR millions (current prices)

Year	Humanitarian & Development Assistance (MOF)	Contribution to International Organizations and Institutions (MOF) **	Multilateral Cooperation (SFD) ***	Grants (SFD)	Concessional Loans (SFD)	Total Gross ODA	ODA/GNI %
	SAR million						
2005	1,874	376	174	698	803	3,925	0.3
2006	4,484	343	168	926	1,031	6,953	0.5
2007	3,613	379	94	878	1,110	6,072	0.4
2008	16,233	1,316	77	934	1,166	19,726	1
2009	6,579	1,463	784	1,695	1,984	12,504	0.8
2010	6,543	404	2,285	1,118	2,438	12,787	0.6
2011	13,601	581	1,206	3,000	2,393	20,780	0.8
2012	1,189	929	1,282	4,136	4,110	11,646	0.4
2013	9,271	1,115	1,107	2,378	2,588	16,459	0.6
2014	44,488	465	1,357	5,378	2,573	54,261	1.9
Total	107,875	7,372	8,534	21,139	20,194	165,113	

Source: KSA, Ministry of Finance

**Organizations and charity bodies are: United Nations organizations and programmes, Organization of Islamic Cooperation, Arab humanitarian and development organizations and programmes, and authorized charity bodies.

***Multilateral cooperation includes contributions to IMF, World Bank and Islamic and non-Islamic development institutions.

Annex 3

KSA Humanitarian Assistance by Countries from 2005-2014

Country	Amount (SAR) 000'	Amount US\$ 000'	Country	Amount (SAR) 000'	Amount US\$ 000'
Lebanon	2,101,875	560,500	Central Africa	15,000	4,000
Iraq	1,877,375	500,633	Cameron	14,171	3,779
Yemen	1,306,798	348,479	Guinea	13,305	3,548
Syria	1,027,197	273,919	Tunisia	10,477	2,794
Pakistan	938,140	250,171	Jordan	10,149	2,706
Bangladesh	610,227	162,727	Kyrgyzstan	7,500	2,000
Palestine	350,171	93,379	Eritrea	6,931	1,848
China	285,748	76,200	Maldives	6,312	1,683
Somalia	269,433	71,849	Zambia	5,752	1,534
Sudan	252,888	67,437	Rwanda	5,625	1,500
Myanmar	249,343	66,492	Bosnia & Herzegovina	5,112	1,363
Turkey	187,500	50,000	Liberia	4,730	1,261
Haiti	187,500	50,000	Vietnam	4,675	1,247
Egypt	179,327	47,821	Mozambique	4,653	1,241
Mauritania	132,558	35,349	Sierra Leone	4,229	1,128
Senegal	121,625	32,433	Thailand	3,687	983
Niger	102,001	27,200	Iran	2,653	707
Chad	101,367	27,031	Gambia	2,431	648
Tajikistan	52,109	13,896	Guinea Bissau	1,875	500
Philippines	51,722	13,793	Lesotho	1,732	462
Indonesia	47,189	12,584	Benin	1,447	386
Mali	43,095	11,492	Ghana	1,184	316
Ethiopia	28,677	7,647	Algeria	1,125	300
Sri Lanka	24,634	6,569	Madagascar	1,117	298
Afghanistan	22,725	6,060	Uganda	836	223
Burkina Faso	22,644	6,038	Mauritius	824	220
Djibouti	22,402	5,974	Gabon	797	213
Tanzania	19,876	5,300	India	750	200
Kenya	17,537	4,677	Zanzibar	545	145
Comoros	16,635	4,436	Libya	227	61
			Bahrain	32	9
Grand Total				10,790,202	2,877,387

Source: KSA, Ministry of Finance

Annex 4

Contributions of the Kingdom of Saudi Arabia to Arab, Regional and International Development Institution up to 31/12/2014

Institutions	Capital (USD)	Contribution of the KSA in USD	Contribution of KSA (% of the Capital)
Arab Monetary Fund*	3,265,487,000	487,001,250	14.91
Arab Fund for Economic and Social Development **	6,840,034,200	1,640,985,158	24.00
Arab bank for Economic Development in Africa	2,800,000,000	684,952,444	24.46
Arab Investment Guarantee Corporation**	134,574,164	23,303,100	17.32
Islamic Development Bank ***	26,280,000,000	6,204,416,000	23.61
OPEC fund for International Development	3,435,008,438	1,033,279,607	30.00
International Bank for Reconstruction and development	232,791,000,000	8,022,800,000	3.44
International Monetary Fund ****	351,556,491,000	10,313,252,500	2.93
The International Development Agency	225,800,000,000	2,498,330,000	1.11
International Finance Corporation	2,502,450,000	30,062,000	1.20
International fund for Agricultural Development	3,652,000,000	462,923,000	12.67
Multilateral Investment Guarantee Agency	1,918,180,000	59,813,000	3.12
African Development Bank	103,561.81 3.800	193.912.200	0.20
African Development Fund	-	371.318.163	-
Arab Authority for Agricultural Investment and Development**	485.735.172	108.990.000	22.43
Islamic Corporation for Investment Insurance and Export Credit ***	584,000,000	87,600,000	15.00
Islamic Corporation for Private Sector Development	1,000,000,000	150,000,000	15.00
International Islamic Trade Financing Corporation	750,000,000	120,000,000	16.00
Islamic Solidarity Fund for Development	10,000,000,000	1,000,000,000	10.00
The Special Account for Financing Small and Medium - Size Private Sector Projects in the Arab Countries	2,000,000,000	500,000,000	25.00

* The capital of the Arab Monetary Fund was calculated by changing the Arab Dinar into US \$ according to the prevailing exchange rate based on the value of the Special Drawing Rights which is equivalent to US \$1.46 (December 2014).

** The capital of each of the Arab Fund for Economic and Social Development, Arab Investment Guarantee Corporation and the Arab Authority for Agricultural Investment and Development, on the basis that the Kuwaiti Dinar exchange rate is equivalent to US \$3.42 (December, 2014)

*** The Capital of both Islamic Development Bank and the Islamic Corporation for Investment Insurance and export Credit was calculated by changing the Islamic Dinars into Dollars

**** The Special Drawing Rights is equal to US \$1.48 for the International Monetary Fund (December 2014).

Source: KSA, Saudi Fund for Development

Annex 5

Country ranking by Net ODA* 2005-2014 (US\$ millions)

	Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
1	United States	32,398	26,486	23,892	28,436	30,763	32,003	31,937	31,125	31,497	32,215	300,751
2	Germany	11,906	12,163	12,919	13,833	12,154	13,641	13,949	13,639	14,228	15,940	134,373
3	United Kingdom	11,191	12,452	8,801	11,037	12,305	13,957	13,949	13,936	17,871	18,078	133,576
4	France	11,978	12,273	10,231	10,467	12,512	13,334	12,669	12,522	11,339	10,298	117,623
5	Japan	13,475	12,221	8,627	9,582	8,570	9,616	8,712	8,616	11,582	9,804	100,806
6	Netherlands	6,061	6,261	6,432	6,705	6,356	6,532	6,203	5,767	5,435	5,522	61,274
7	Sweden	4,454	5,082	4,969	5,179	5,558	5,173	5,696	5,501	5,827	6,470	53,908
8	Canada	5,201	4,645	4,722	5,347	4,835	5,544	5,391	5,555	4,947	4,420	50,608
9	Norway	4,315	4,164	4,684	4,411	5,224	5,071	4,793	4,835	5,581	5,341	48,418
10	Saudi Arabia*	1,047	1,854	1,619	5,260	3,335	3,410	5,541	3,105	4,389	14,470	44,030
11	Spain	3,586	4,316	5,164	6,410	6,353	6,023	4,021	2,119	2,375	1,893	42,259
12	Australia	2,761	3,356	3,645	3,846	3,790	4,234	4,700	5,090	4,846	4,498	40,765
13	Italy	6,224	4,327	4,222	4,785	3,298	3,142	4,257	2,868	3,430	3,332	39,885
14	Denmark	2,669	2,746	2,810	2,804	2,893	3,012	2,914	2,821	2,927	2,974	28,570
15	Switzerland	2,545	2,334	2,237	2,426	2,707	2,585	2,912	3,081	3,200	3,495	27,522
16	Belgium	2,453	2,385	2,108	2,399	2,689	3,190	2,776	2,427	2,300	2,374	25,101
17	United Arab Emirates	603	906	2,608	1,294	999	432	701	763	5,402	4,861	18,569
18	Turkey	754	874	631	735	747	938	1,267	2,528	3,308	3,577	15,357
19	Austria	1,924	1,782	1,928	1,705	1,154	1,273	1,095	1,160	1,171	1,127	14,320
20	Finland	1,135	1,031	1,081	1,183	1,330	1,440	1,411	1,396	1,435	1,615	13,056
21	Korea	819	461	672	899	1,013	1,281	1,364	1,656	1,755	1,770	11,690
22	Ireland	769	1,051	1,102	1,193	974	927	893	843	846	808	9,404
23	Portugal	450	454	480	591	500	661	689	614	488	416	5,342
24	Greece	466	493	516	659	574	500	396	330	239	254	4,429
25	New Zealand	385	385	402	449	438	409	449	467	457	489	4,330

Source: data.oecd.org/oda/net-oda.htm & for KSA, Ministry of Finance.

* Figures for Saudi Arabia are Gross ODA from KSA Ministry of Finance.

Annex 6

Saudi Fund for Development Signed Loan Agreements 2005-2014

Country	Total in SAR million	Total in US\$ million	Country	Total in SAR million	Total in US\$ million
Afghanistan	113	30	Lesotho	136	36
Albania	139	37	Madagascar	32	9
Algeria	212	57	Malawi	135	36
Azerbaijan	341	91	Maldives	234	63
Bahrain	288	77	Mali	188	50
Bangladesh	839	224	Mauritania	804	214
Benin	188	50	Morocco	1,110	296
Bosnia and Herzegovina	255	68	Mozambique	173	46
Burkina Faso	275	73	Myanmar	30	8
Burundi	120	32	Nepal	169	45
Cameroon	83	22	Niger	158	42
Cape Verde	75	20	Pakistan	1,312	350
Chad	94	25	Philippines	75	20
China	1,026	274	Rwanda	214	57
Comoros	113	30	Senegal	348	93
Cote d'Ivoire	195	52	Sierra Leone	75	20
Cuba	338	90	Sri Lanka	484	129
Djibouti	113	30	Sudan	1,250	333
Egypt	1,700	453	Syria	900	240
Ethiopia	328	87	Tajikistan	269	72
Gambia	141	38	Tanzania	180	48
Ghana	90	24	Togo	87	23
Guinea	268	72	Tunisia	1,536	410
Indonesia	266	71	Turkey	83	22
Jordan	388	103	Uganda	143	38
Kenya	163	43	Uzbekistan	363	97
Kosovo	60	16	Vietnam	318	85
Kyrgyzstan	94	25	Yemen	793	211
Lebanon	180	48	Zambia	120	32
Sub-Total	8,481	2,262	Sub-Total	11,715	3,124
			Grand Total	20,195	5,385

Source: KSA, Saudi Fund for Development Annual Report 2005-2014

Annex 7

SFD Loan Agreements by Sector 2005-2014

Sector		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
		US\$ million										
1	Social Infrastructure	118	113	126	129	78	237	70	186	364	255	1,676
2	Transportation and Communications	91	130	79	56	210	36	198	357	178	174	1,509
3	Power	0	8	0	100	80	253	173	283	127	203	1,227
4	Agriculture	5	24	64	0	108	79	115	270	0	54	718
5	Other	0	0	27	27	53	45	82	0	21	0	255
Total		214	275	296	311	529	650	638	1,096	690	686	5,385

Source: KSA, Saudi Fund for Development

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END NOTES

1. The DAC defines ODA as “those flows to countries and territories on the DAC List of ODA Recipients and to multilateral institutions which are:
 - i. provided by official agencies, including state and local governments, or by their executive agencies; and
 - ii. each transaction of which:
 - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).”
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10. www.fas.org; www.globalhumanitarianassistance.org
11. www.gppi.net; www.alyoum.com
12. www.unesco.org/new/en/media-services/single-view/news/the_saudi_committee_grants_usd_29_million_to_education_in_palestine/#.VeVv3oOVhbp
13. www.oecd.org/dac/stats. The figures may not be strictly comparable, since the Saudi aid figures are in gross, not net ODA. However, as Saudi loans have a high grant element and represent only 12 percent of the total, as such they provide a useful order of magnitude for comparison.
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16. World Bank MENA Knowledge Series, Dec 203, Number 112
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