

Official Development Assistance in Arab countries

Azzam Mahjoub

Arab NGO Network for Development (ANND)

Main demographic, economic, social and human characteristics of the Arab world

Population

The estimated Arab population (22 state members of the Arab League) is about 318 million people according to 2005 statistics, about 4.9% of the world population. The demographic growth rate was 2.2% between 1995 and 2005. The demographic dynamics remain intense in the Arab countries despite the tiny decrease (2.1% between 1995 and 2005, and 2.4% between 2000 and 2005) and the demographic change achieved in many countries such as Tunis and Morocco (1.1% and 1.2% between 2000 and 2005). The demographic challenge remains important in the Arab world.

Gross Domestic Product (GDP)

The Arab world gross domestic product (GDP) increased in 2005 and reached 1088.8 billion dollars, 2.7% of the world GDP. The growth average in the Arab world reached 6.6% per year between 1990 and 2005. From 1990 until 1995, the growth was only 2.3%. Then, it highly increased and became 8.1% between 1995 and 2000, and 9.6% between 2000 and 2005. The oil price fluctuations explain this economic development.

GDP per capita

The average of GDP per capita was 3,423 dollars in 2005, 54.7% of the world average. This average conceals the big disparity among the Arab countries. For instance, GDP per capita in Yemen was 455 dollars in 2005, while in Qatar it was 54,024 dollars.

GDP per capita and the purchasing power parity (PPP)

When the purchasing power parity was considered in the Arab world, the per capita income reached \$5,578 in 2005. In comparison with the USA and the European Union (in particular the countries of the Monetary Union), we find that the GDP per capita is 14% relative to the USA and varies between 19% and 20% in comparison with the EU. This gap between the Arab world and the USA or the EU has not been reduced since 1990.

Furthermore, it is important to see if the disparities among the Arab countries have decreased or increased since 1990. From this point of view, the average income in the Gulf Cooperation Council (GCC) states (the richest states such as Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates) was used as the basis of the comparison (index 100).

Except for Tunisia, gaps between individuals living in the rich Gulf states

Official Development Assistance in Arab countries

and the other Arab states did not change. In comparison with other Gulf states, GDP per capita in Yemen is 6%. For the less developed Arab countries: Djibouti, Sudan, Comoros, Somalia and Mauritania (12%-13%), the disparities remained the same or decreased weakly in the last 15 years.

This huge difference of wealth characterizes the Arab world: GCC states population constituted, in 2005, 10.8% of the Arab world population and had 56.6% of the Arab GDP (616 billion dollars). Less developed Arab countries contribute to 4.5% of the Arab GDP and represent 23.4% of the Arab world population.

External trade

The amount of external Arab trade is around 878.3 billion dollars, 4.2% of the international trade of 2005. The Arab world participation in international trade increased between 1990 and 2005, from 3.6% to 4.2%. However, GCC states monopolized more than 2/3 of the Arab world trade (65.1% in 2005). Due to trade openness, the Arab world trade increased to 80.9% because of oil exportations. It is important to note the weakness of the inter-Arab trade (9%-10%), the exports among the Arab countries is only 9.3% and imports reached 10%.

Foreign direct investment (FDI)

The foreign direct investment inflows rose to about 48.7 billion dollars, 5.1% of the international total FDI in 2005. The Arab share during the decade 1990-2000 was only 2.1% (1% between 1990 and 1999).

Then, it highly increased from \$6 billion between 1995 and 1999 to \$48.7 billion in 2005. Moreover, 34.7% of the Arab world FDI's inflows come from Arab countries.

Human development

In 2005, according to the United Nations Development Program (UNDP), the human development index (HDI) was 0.699 in the Arab countries and 0.691 in the developing countries, although the Arab income per capita in purchasing power parity (PPP) was higher (\$6,776 versus just \$5282 in the developing countries in general). This shows the lack of efficiency in transforming the economic growth into human development.

The Arab world suffers from severe lack in the education domain. Compared to developed countries' rates, adult literacy rate is 76.7% in developed countries and only 70.3% in the Arab world. The Arab world net enrollment ratio is a bit higher with 65.5% in comparison to developing countries, where the ratio is 64.1%, but below the international average which is 67.8%. Disparities between male and female regarding adult literacy rate, school enrollment or participation in active labor force are relatively high when compared to developing countries. For example, labor women participation rate in developing countries is 52.4%, twice the rate in the Arab world at 26.7%.

Unemployment rate in North Africa and the Middle East is very high compared to the rest of the world. In 2006, according to the evaluations of the International Organization of Labor, the unemployment

Official Development Assistance in Arab countries

rate was between 11% and 12% in North Africa and the Middle East while the world rate is 6.3%. Unemployment is affecting women more than men, mostly in the Arab world. In North Africa and the Middle East, the unemployment rates vary between 16% and 17% among women, and between 9% and 10% among men (difference of 7.9%). On the international level, the unemployment rate among men is 6.1% and 6.6% among women (difference of 0.5%).

Official Development Assistance (ODA): Introduction

The ODA organizes the loans (with payment facilities) or the assistance given to the states and regions stipulated in the first part of the list of the beneficiaries from the assistance given by the Development Assistance Committee (DAC) to the developing countries. The DAC is formed by the states members in the Organization for Economic Cooperation and Development (OECD).

The developing countries' recipients are classified as follows:

- Less developed or low-income countries (in the Arab world these countries are: Comoros, Djibouti, Mauritania, Somalia, Sudan, Yemen and the Palestinian territories);
- Lower middle income countries (in the Arab world these countries are: Algeria, Egypt, Iraq, Jordan, Morocco, Syria and Tunisia);
- Upper middle income countries (in the Arab world these countries are: Saudi Arabia, Lebanon, Libya and Oman); and

- High income developing countries (Bahrain, United Arab Emirates (UAE), Kuwait and Qatar).

The OECD statistics distinguishes the donors as following:

1. All donors:
2. DAC member states, mainly USA, France, Germany, Japan and the United Kingdom
3. States that are not members in the DAC, some other Arab countries here are donors: Saudi Arabia, UAE and Kuwait; and
4. Multilateral organizations, such as the European Union and the Arab agencies.

Official Development Assistance delivered by all the donors to the Arab countries

DAC donors contributed, within the OECD, to 77.5% of the ODA received by the Arab countries between 2000 and 2006. Other donors contributed to 6%, and the Arab donors presented only 4.7% of the total received assistance. Multilateral organizations gave 16.5%, the Arab agencies only contributed to 0.23% of the ODA between 2000 and 2006. The rest, 7%, was offered by some UN organizations. The European Commission participation was about 9.2%.

The United States is in the top of the DAC donors list, the average of its ODA donated is 37.4% of the assistance the Arab world receives. Some European countries follow the United States: France-8.3%; Germany 5.8%; United Kingdom-3.81% (around

Official Development Assistance in Arab countries

18% together). The Japanese share of the donations given to the Arab world reaches 8%. Other DAC donors are responsible for the rest which is around 14%. If we add the European donations, bilateral or multilateral, we find that the contribution of the EU and the USA are almost equal.

For the Arab country donors and Arab donating agencies, it is important to note their weak participation in the ODA given to Arab countries between 2000 and 2006 (5% only). The net ODA amount (calculated after paying the debts) given by all donors to 22 Arab state members at the Arab League increased to 17.1 billion dollars in 2006, or 19.6% of the total ODA donated by all donors to developing countries.

The assistance to the Arab states during seven years (2000-2006) reached 82.5 billion dollars, which means 18.9% of the assistance given to all the developing countries. The annual average is about 11.9 billion dollars. The amount and the share of the Arab countries in the ODA highly increased between 2000 and 2006, from 4 billion dollars (11.4%) in 2000, to almost 29.2 billion dollars (31.63%) in 2005, but it decreased a bit in 2006 with 17.1 billion dollars (19.16%).

This evolution is related to the geopolitical and military events occurring in the region that reflect the strategies of the main international actors in the region. Therefore, 46% of the assistance given between 2000 and 2006 to the Arab countries were transferred to Iraq (invasion and occupation). The Palestinian

Territories got 9.4% and Sudan 7.5%. These three countries receive 63% of the total assistance.

As mentioned ODA is subject to a number of conditions dealing with politics and strategies, imposed by the big DAC donors corresponding to their interests (USA and EU in particular).

In 2000, Egypt, Jordan and the Palestinian Territories which were under the Fatah government, were in line with the dominating powers' strategic orientations. Thus, Egypt got 37%, Jordan 12.5% and the Palestinian Territories 10%. These three countries received 60% of the net ODA given to the Arab countries.

However, since the occupation of Iraq, the conflict in Darfur and the outbreak of the second Intifada, especially the victory of Hamas in Gaza in the 2006 elections, Iraq has been getting 50.6% of the assistance, Sudan 12%. It is clear that the assistance given to the Arab countries by the big DAC donors is affected by strong political and geostrategic concerns that determined its distribution. As for the assistance offered to the Palestinian Territories, it remained the same in 2003, 2004 and 2005. It is explained later in the present report how the multilateral organizations compensated, to some extent, the lack of assistance to the Palestinians especially when the Americans and the Europeans had stopped this assistance after Hamas victory.

Another flagrant example is the status of Syria. This country received \$150 million in

Official Development Assistance in Arab countries

2000 but the assistance decreased to \$27 million in 2006. DAC donors reduced a lot of the assistance amounts given to Syria and it became negative in 2006.

The big DAC donors are applying a political and strategic conditionality. This bias appears clearer when comparing the share of the Arab countries to that of the developing countries. The ODA dedicated to the Arab world is higher than the Arab demographic size. For instance, the total Arab countries population constituted 5.2% of the developing countries population, yet they received 11.4% of the ODA in 2005: demographically speaking, the Arab countries should get 5% -6% of the ODA but they actually get 33.6%! This picture must be relativised, because Iraq received almost half of the Arab assistance (46%). Moreover, the share of the Arab ODA per capita was still higher in comparison with the the other developing country ODA per capita in 2000 (\$15.2 in the Arab world and \$6.7 in the developing countries). The gap increased in 2005, each Arab was getting \$94.3 while in the other developing countries the part was only \$16.5 per capita.

The ODA represents 3% of the Arab countries' GDP and 0.9% of the developing countries' GDP. The demographic size of the less developed Arab countries, Djibouti, Sudan, Comoros, Somalia, Mauritania, the Palestinian Territories and Yemen, is 23%. These countries' allotment of the Arab ODA was 25.3% between 2000 and 2006. Here, one must insist on the necessity for these countries to be considered as priority to

get more important assistance that would exceed its demographic size. For example, in 2005, the average per capita of the assistance donated to the Arab world was \$94.3. But, this average in Comoros did not exceed \$42, \$62 in Mauritania, \$28.9 in Somalia, \$50.5 in Sudan, and \$16 in Yemen. However, the Palestinian Territories average was \$293.6 and Djibouti \$99.

Obviously there is a need for the reorientation of the assistance to countries suffering from severe lack in human development. Without this significant change, the millennium development goals are impossible to be achieved.

In order to complete the approach related to the distribution of assistance, it is necessary to note that Egypt received from DAC donors, between 2000 and 2006, 10% of the Arab ODA (23% of the Arab population). The ODA was reduced in Egypt from \$19.6 in 2000 to \$12.5 in 2005!

Finally, for the three Maghreb countries¹, Morocco's assistance increased to almost one billion dollars in 2006 while it was half this amount in 2000. Tunisia experienced a big progress, the assistance amounts doubled between 2000 and 2006 (220.4 million dollars in 2000 and 432 million dollars in 2006). Algeria also had a variable progress and reached almost 260 million dollars per year.

DAC donors

The ODA from OECD/DAC donors represent 77.5% of the total ODA received by the Arab

¹ Generally Morocco, Algeria, and Tunisia.

Official Development Assistance in Arab countries

countries (13.7 billion dollars in 2006), equivalent to 21.7% of the total ODA given to all the developing countries. Between 2000 and 2006, the Arab countries share was 21.1%, a huge increase from 11% in 2000 to 14% in 2003 and it reached 37.5% exceptionally in 2005 (3 billion dollars in 2000, 26.5 billion dollars in 2005 and 13.7 billion dollars in 2006).

Iraq, alone, received 56.5% of the total ODA dedicated to the Arab region, Egypt got 10%, Sudan 7.1%, the Palestinian Territories 5.3% and Jordan 5.2%. These four countries benefited from 71.1% of the ODA.

The political conditionality by DAC donors remain the same. The political and geostrategic factor explains why the assistance is being given to Iraq, which share increased from 3% in 2000 to 64.8% in 2006. Aid to Sudan also increased from 3% to 11%. However, the Palestinian's share of assistance remained almost the same, and that for Syria even became negative (the debts exceeded the payments).

- The USA gave the Arab countries 37.2% of the total assistance between 2000 and 2006. The USA destined 2/3 of the assistance to Iraq, while Egypt got 11.4%, Jordan 8.5% and Sudan 7%. Palestine received 3.6% and the other Arab less developed countries did not get more than 1%.
- France, Germany, the United Kingdom and Japan dedicated 22%, 17.8%, 11.2%, 14.8% respectively, of their bilateral ODA to the Arab countries between 2000 and 2006 (compared

with the 37.2% given by the USA). The above mentioned countries respectively represented 8.3%, 5.8%, 3.8%, and 8% of the total ODA the Arab countries received.

Briefly, the ODA evolved both in volume and orientation due to political and military factors:

- France and, to a certain extent, Germany, focused more on the Maghreb countries, Egypt and Iraq after its occupation;
- The United Kingdom focuses on the Arab Mashreq countries in general, Sudan and eventually Iraq; and
- Japan is mostly focused in Iraq and offered it 83% of its donations in 2006.

In conclusion, the political and geostrategic factors play a key role in the ODA given to the Arab countries.

Non-DAC donors

The non-DAC donors offered 6% of the total ODA to the Arab countries between 2000 and 2006 (the annual average is about 710.5 million dollars), representing 41.15% of the total ODA donated to the developing countries. This percentage was high during the period 2000-2006 (69.7% in 2002 for example), and decreased to 15.1% in 2006.

The Arab donors-Saudi Arabia, Kuwait, United Arab Emirates-offered 59.1% of the total non-DAC donors ODA to all developing countries. According to OECD 2002-2006

Official Development Assistance in Arab countries

statistics, Saudi Arabia was classified as the top Arab non-DAC donor. It donated 85.6% of the Arab ODA to all the developing countries (1.9 billion of 10.6 billion dollars from 2000 until 2002) Kuwait and the UAE respectively donated 8.6% and 5.8%. The Arab donors contributed to 4.7% of the ODA received by the Arab countries (568.1 million dollars as an annual average between 2002 and 2006). From 2000 until 2006, the Arab ODA was mostly oriented towards other Arab countries (3/5 to 4/5), but in 2006 it decreased to 10.5%.

The annual average of the inter-Arab ODA volume has become around half a billion dollars between 2000 and 2006: 4.7% of the annual ODA average given to the Arab countries, as mentioned above (half a billion of 12 billion dollars).

As for the distribution of the inter-Arab ODA, the Palestinian share was 29.6% in the period 2002-2006, but the ODA in 2002 was around 776 million dollars and became zero in 2006!

Morocco is classified second among the beneficiaries of the inter-Arab assistance between 2000 and 2006 with 12%, followed by Yemen 10.7%, Egypt 10.3% and Lebanon 8.6%. By adding the Arab less developed countries' share, (except for Palestine) Comoros 0.16%, Djibouti 10.3%, Mauritania 0.16%, Somalia 1.5%, Sudan 6.8%, and Yemen 10.8%, it would reach to about 30%. However, the ODA is still low and inconstant; it might become negative (when the debts are higher than the assistance), as it is the case in Mauritania and Syria in addition to Iraq that did not receive any Arab help between 2000 and 2006.

In conclusion, the inter-Arab assistance is relatively very weak and is being subject to political influence (decrease of the ODA dedicated to Palestine and its absence in Iraq). The inter-Arab assistance was much lower than the direct foreign inter-Arab investments in 2006: 240 million dollars for the assistance and 17.6 billion dollars for the investments, 1.3%! Saudi Arabia and the UAE have had more than 3/4 of the Arab investments from 1995 until 2006.

Multilateral organizations (MO)

The Arab countries receive 11.4% of the total ODA given by the multilateral organizations to all developing countries. The annual assistance is estimated to be 2 billion dollars (2000-2006); this amount remained approximately the same from 2004. The MO's contribute to 16.5% of the ODA the Arab countries received between 2000 and 2006, as mentioned previously.

The Palestinian share of the ODA presented to the Arab world by the MO's was 22.7% due to the ODA cessation by OECD/ DAC dominating countries (USA and EU) after Hamas taking over the government in the Palestinian Territories. Sudan is the second country after Yemen and Palestine to receive the ODA offered by the MO's to the Arab countries (9.6% and 7.1%). The shares were as follows: Djibouti 0.6%, Comoros 1.5% and Somalia 3.4%. Thus, the low income or the less developed Arab countries received 45% of the total ODA destined to the Arab world from 2000 until 2006. This shows that the MO's targeting towards the ODA is closer to less developed countries' priorities and needs.

Official Development Assistance in Arab countries

Multilateral organizations providing the Arab world with the ODA include the European Commission followed by the Arab agencies, then the International Development Agency (IDA), and United Nations organizations such as United Nations Transitional Authority (UNTA), United Nations High Commissioner for Refugees (UNHCR), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and the United Nations Population Fund (UNPF).

European Commission

From 2000 till 2006, the European Commission donated 42 billion dollars to all the developing countries. The Arab countries part was about 7.6 billion dollars, or 18.2% of the total donation; the annual average was equal to 1.1 billion dollars. The European ODA given to the Arab countries was less than 1/10 (9.2%) of the total assistance received by these countries during the period 2000-2006.

The European ODA handed to the Arab countries remarkably increased to 627 million dollars in 2000 and 1.7 billion dollars in 2006. The Arab share of the European ODA rose from 16.5% in 2000 to 20.2% in 2006. The Arab Mediterranean member states of the Euro-Mediterranean Partnership/ Barcelona Process presented 73% of the European ODA destined to the Arab countries: Morocco - 18%, Palestine - 15.5%, Egypt - 11%, Tunis - 10%, Algeria - 5%, Jordan - 4.8%, and Syria - 3%.

The 2000-2006 European ODA is listed in the Euro-Mediterranean Partnership MEDA II program (MEDA I program was carried out between 1995 and 1999). The Assistance was affected by the political evolution of the Palestinians. The European Commission assistance increased between 2000 and 2002 from 62.5 to 171 million dollars, it remained the same during the years 2002, 2003 and 2004, and then it rose in 2005 and 2006. This oscillation is due to the political conditionality imposed by the European Commission. The European Commission dedicated 11.5% of the total Arab-destined ODA to Iraq, and Sudan only got 3.7% of it.

The 2005 and 2006 OECD statistics showed that among the top ten developing countries that receive European ODA, Turkey is in the first place followed by Morocco, then Sudan and Egypt, and Palestine was classified the seventh.

The European ODA given to Algeria was reduced: it was around 51.5 million dollars in 2000 and became negative in 2006 (Debt reimbursement > Gross ODA). The assistance given to Jordan fell from 80.5 million dollars (12.8%) in 2000 to 50 million dollars (3%) in 2006. The share of Sudan, Tunisia, Egypt, Palestine and Lebanon increased. Sudan got the highest share increase. About 40% of the European ODA was allotted to the social sectors.

Official Development Assistance in Arab countries

Arab agencies (table 12)

The Arab funds contribution to the ODA given by the MO's is low: 1.8% in 2006. The ODA donated to the Arab world between 2000 and 2006 is almost marginal, with an average that equals 27.7 million dollars, or 0.23% of the total ODA the Arab countries received during this period. Figures below show, for example, that in the years 2000 and 2001 the ODA debt reimbursement was higher than the gross ODA. Thus, the net ODA was negative. The Arab countries' share of the Arab ODA funds constituted 22% of the total amount in 2005 and 19% in 2006. The three Arab countries that benefited from 60% of the Arab agencies' ODA were: Yemen 23% (annual average = 6.3 million dollars), Palestine 19.2% (annual average = 5.3 million dollars), and Mauritania 17% (annual average = 5 million dollars). As for Egypt and Morocco, each one of them got 15% of the ODA (annual average = 4.2 million dollars).

The net ODA was low as the following table shows.

Million dollars	2002	2003	2004	2005	2006
Gross ODA	298	202	536	491	680
Net ODA	139.4	44.1	280.2	252	411
Gross ODA/Net ODA (%)	46%	2.2%	52.2%	51.5%	60%

Except for the year 2003, the net ODA was very weak. The average net ODA/

gross ODA was between 40% and 60% knowing that the assistance evolution was swinging (it decreased in 2003 and 2005 and increased in the other years – please refer to the table). For instance, the net ODA (the difference between the ODA and the debt reimbursement) of the Arab Fund for Economic and Social Development (the most important Arab agency for donations) was relatively low between 2000 and 2006.

The ODA distribution by sectors

The 2005 and 2006 international available data classifies the ODA in five sectors as follows:

PERCENTAGE %	SECTORS
31.9	1. Social infrastructure and services
6.9	1.1 Education
4	1.2 Health
	1.3 Housing and reproductive health
17.2	1.4 Provide water and sanitation
	1.5 The government and the civil society
	1.6 Social infrastructure and other services
11	2. Economic infrastructure
5	3. Production sectors
9.5	4. Cross cutting sectors
46	5. Other sectors
24.5	5.1 Including debt reimbursement
100%	Total: 1+2+3+4+5

Official Development Assistance in Arab countries

Sectors with social dimensions get 31.9% of the Gross ODA given to all developing countries under a bilateral frame (2005-2006). Education is receiving 6.9% of the ODA while health, housing and reproductive health are receiving 4%. Other social sectors such as providing water and sanitation and supporting the government and civil society, and other social sectors get 17.2%. Debts resulting from the ODA are 24.5% of the ODA itself!

By focusing on the social sectors and examining the available figures in most, not all, of the Arab countries that got a part of the ODA from 2000 until 2006, we find that the average of social sectors benefiting from the bilateral ODA is lower than the international average (31.9%): In Mauritania (19.8%), Sudan (23%), Yemen (22.3%), Iraq (22%) and Jordan (14.05%).

Thus, it is highly recommended to reconsider the ODA sectorial distribution to avoid this deficit. The education sector does not get a sufficient part in comparison with the international rate (6.9%) in both of Sudan (2.5%) and Iraq (0.8%).

Health, housing and reproductive health sectors in most of the Arab countries are getting a very low percentage of the assistance. In addition to the fact that one of the Millennium Development Goals (MDG's) related to maternal mortality reduction will not be achieved in most of the Arab countries within the requested time period. It is inevitable to highlight this crucial issue and to concentrate the ODA more efficiently on health. Other social

sectors' (water, sanitation, civil society, etc.) shares are below the international average, mainly in Mauritania, Somalia, Iraq, Syria and Saudi Arabia.

Public social sector expenditure (education-health)

Education

Comparing Arab countries to each other shows many differences related to public expenditure on education (as a proportion of the GDP). Five Arab states assign 6.7% to 9.6% of the GDP to this sector: Yemen - 9.6%, Djibouti - 7.9%, Tunisia - 7.3%, Saudi Arabia - 6.8%, and Morocco - 6.7%. However, taking into consideration the gross school enrollment rate (in all levels of education) that is relatively low in the five countries, raises the issue of public expenditure efficiency. Allocating part of the ODA to enforce the institutional education capacities, to rationalize the public expenditure and to increase efficiency is thus necessary.

Contrary to these countries that allocate high rates to education, countries that assign very low rates to the sector are the UAE 1.3%, Qatar 1.6% and Mauritania 2.3%. Enrollment rates in Mauritania (45.6%) and UAE (59.9%) are weak. This raises the issue of using the ODA in Mauritania in particular to support and rationalize the government effort in the education sector.

The public education expenditure rate in Mexico (5.4%) is close to Kuwait (5.1%), but in Mexico the enrollment rate is (81.5%) higher than the rate in Kuwait (74.9%).

Official Development Assistance in Arab countries

In conclusion, Arab countries suffer, in different degrees, from a weak government effort on the education sector. The average per capita income in 2005 was \$6,716 (PPP) and \$5,882 in the developing countries. Enrollment average is 65.6% in the Arab countries and 64.1% in the developing countries. Thus, it is necessary to orientate ODA towards improving the education sector in general. Saudi Arabia and Oman are the top two countries that urgently need to prioritize the education sector. Djibouti and UAE also have to improve this sector through using government efforts and ODA.

Health

Here, we consider life expectancy and public expenditure in this sector. The health sector does not get enough priority from the governments in the low income countries where life expectancy is relatively low. In general, Arab governments assign health related rates varying between 1.8% in Comoros and 3.8% in Lebanon with a life expectancy at birth between 61.5 years in Yemen and 77.3 years in Kuwait.

Other indexes related to health conditions, such as child mortality rate, show, (according to UNDP reports) that three countries need very urgent implementation of the MDG's: Iraq, Somalia and Sudan. Three other countries have to do the same: Djibouti, Lebanon and Yemen.

As for maternal mortality, as previously mentioned, the situation in the Arab countries does not show that the MDGs

are likely to be achieved. Therefore, it is strongly recommended to orientate the ODA towards the health sector and to improve the government targetting and efficiency in this vital sector.

Public military expenditure— debt and ODA

It is important to mention some other aspects related to the public behavior in dealing with obstacles to development.

Military expenditure

There is no doubt about the importance of the Arab world due to its geostrategic location and large fuel reserve, in addition to the Arab-Israeli conflict and the foreign ambitions. Therefore, most of the Arab countries allocate high amounts for military issues (military expenditure as part of the GDP). This allocation is very high in Oman (11.9%) and Saudi Arabia (8.1%), high in Yemen (7%), Jordan (5.3%) and Syria (5.1%), and less high in Kuwait (4.8%), Morocco (4.5%), Lebanon (4.5%) and Djibouti (4.2%). This public military expenditure is a diversion of national resources devoted to human development

Debt

The annual debt service rate as part the GDP is very high in Lebanon about 16.1% in 2005. This is contrary to Syria where the rate is 0.8%, considered to be very low, which is the case also in Comoros 1%, Yemen 1.4% and Sudan 1.4%.

Official Development Assistance in Arab countries

As for the Maghreb countries, they suffer from high rates: Tunisia 7.2%, Algeria 5.8%, and Morocco 5.3%. This is contrary to Syria where this rate is 0.8%, considered to be very low, which is the case also in Comoros 1%, Yemen 1.4% and Sudan 1.4%.

By comparing the ODA to public military expenditures and debt service, the following would show that:

- In the Arab less developed countries, the ODA plays a major role because it compensates to some extent the lack of resources and capabilities usually devoted to development in general and social expenditure in particular and that might be used for armament

and debt reimbursement. Without the ODA, these countries could not survive.

- In the Arab middle-income countries, the ODA only contributes to decrease the lack resulting from the military efforts and debt reimbursement.

The main issue in Lebanon, Morocco, Algeria², Jordan, Tunisia and Egypt is the indebtedness, and then comes the reduction of the military burden especially in Morocco, Lebanon, Syria and Jordan. For these countries the received ODA as part of the GDP is relatively weak, around 1%, except in Jordan 4.9%. Thus, the reduction of the debt and/or the raise of the ODA amounts and the improvement of the targeting process are on the agenda .

Table 1

Donor: All Donors, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	4817,85	5379,86	6802,82	8358,12	11389,16	29330,53	17149,28	83227,62	11889,66
To all recipients	40791,37	43177,91	51122,8	57305,25	63460,77	92489,86	89355,9	437703,9	
%	11,81%	12,46%	13,31%	14,59%	17,95%	31,71%	19,19%	19,01%	

² The situation in Algeria is less complicated because the high gas and fuel returns help this country to reimburse a big amount of debts.

Official Development Assistance in Arab countries

Table 2

Donor: DAC Countries, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	3085,19	2993,29	3264	6090,67	8900,44	26445,63	13725,57	64504,79	9214,97
To all recipients	28002,59	27671,11	32605,75	40391,97	42630,48	70550,97	63280,37	305133,2	
%	11,02%	10,82%	10,01%	15,08%	20,88%	37,48%	21,69%	21,14%	

Table 3

Donor: United States, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	982,82	952,77	1460,6	3397,77	4846,02	13011,68	6482,79	31134,45	4447,78
To all recipients	5442,22	6188,6	8083,76	12159,01	12535,17	21895,65	17439,35	83743,76	
%	18,06%	15,40%	18,07%	27,94%	38,66%	59,43%	37,17%	37,18%	

Table 4

Donor: Germany, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	245,91	406,67	243,53	318,81	325,78	2419,67	870,09	4830,46	690,07
To all recipients	2222,03	2377,82	2834,35	3536,42	3213,54	6751,27	6172,04	27107,47	
%	11,07%	17,10%	8,59%	9,02%	10,14%	35,84%	14,10%	0,18	

Official Development Assistance in Arab countries

Table 5

Donor: French, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	696,1	642,29	568,81	734,8	851,46	1606,52	1795,52	6895,5	985,07
To all recipients	2357,06	2015,94	3295,54	4792,27	4920,03	6574,2	7418,08	31373,12	
%	29,53%	31,86%	17,26%	15,33%	17,31%	24,44%	24,20%	21,98%	

Table 6

Donor: Japan, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	580,57	348,52	192,27	300,33	880,57	3491,44	941,49	6735,19	962,17
To all recipients	8176,49	6321,13	5650,05	5224,63	4677,61	9211,97	6167,2	45429,08	
%	7,10%	5,51%	3,40%	5,75%	18,83%	37,90%	15,27%	14,83%	

Table 7

Donor: United Kingdom, Total Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	54,07	60,55	98,71	260,64	528,02	1602,62	565,83	3170,44	452,92
To all recipients	2133,77	2040,56	2735,65	2890,92	4206,98	6949,16	7384,64	28341,68	
%	2,53%	2,97%	3,61%	9,02%	12,55%	23,06%	7,66%	11,19%	

Official Development Assistance in Arab countries

Table 8

Donor: Non DAC Members Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	457,12	668,71	1986,97	392,37	373,75	532,73	562,5	4974,15	710,59
To all recipients	902,65	1189,07	2852,53	785,02	1031,18	1605,1	3723,3	12088,85	
%	50,64%	56,24%	69,66%	49,98%	36,24%	33,19%	15,11%	41,15%	

Table 9

Donor: Arab Countries Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	438,84	622,2	1957,94	277,61	202,4	237,47	240,47	3976,93	568,13
To all recipients	581,03	878,69	2460,41	301,34	280,55	358,82	2285,22	7146,06	
%	75,53%	70,81%	79,58%	92,13%	72,14%	66,18%	10,52%	55,65%	

Table 10

Donor: Multilateral Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	1275,54	1717,86	1551,85	1875,08	2114,97	2352,17	2861,21	13748,68	1964,10
To all recipients	11886,13	14317,73	15664,52	16128,26	19799,11	20333,79	22352,23	120481,8	
%	10,73%	12,00%	9,91%	11,63%	10,68%	11,57%	12,80%	11,41%	

Official Development Assistance in Arab countries

Table 11

Donor: European Commission EC Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	627,06	857,54	757,18	1125,48	1277,81	1313,14	1703	7661,21	1094,46
To all recipients	3786,96	4862,48	4548,85	5594,2	6980,52	7690,62	8489,95	41953,58	
%	16,56%	17,64%	16,65%	20,12%	18,31%	17,07%	20,06%	18,26%	

Table 12

Donor: Arab agencies Amount: Current Prices (USD millions) Type of aid: ODA Total, Net disbursements									
Year	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006	Moy. 2000-2006
Total Arab Countries	-0,29	-1,74	31,66	-1,17	35,09	52,88	77,72	194,15	27,74
To all recipients	35,16	139,56	139,43	44,11	280,26	251,98	411,05	1301,55	
%	-0,82%	-1,25%	22,71%	-2,65%	12,52%	20,99%	18,91%	14,92%	

Table 13 - Net ODA Arab Countries by donors (2000-2006)

Donors	All donors	DAC Members	USA	Germany	French	Japan	United Kingdom
Total Arab Countries (millions USD \$)	83227,62	64504,79	31134,45	4830,46	6895,50	6735,19	3170,44
%		77,50%	37,41%	5,80%	8,29%	8,09%	3,81%

Table 13 (part 2)

Donors	Non DAC Membe	Arab Countrie	Multilateral	European Commiss	Arab Agencies
Total Arab Countries (millions USD \$)	4974,15	3976,23	13748,68	7661,21	194,15
%	5,98%	4,70%	16,52%	9,21%	0,23%