

Kuwait Fund for Arab Economic Development (KFAED)

FOR over three decades, Kuwait has played with great consistency an effective role in international development efforts that far exceeds its small size and population. Kuwait is one of the world's leading source of aid for the Third World countries and its aid allocation amounts to nearly 5 per cent of its GNP.

The discriminating role of Kuwait's assistance policy stems from the Quranic tenets of calling upon Muslims to share their wealth with the less fortunate ones. The State of Kuwait has been richly endowed with vast wealth which inspires it to use it judiciously in bringing about a qualitative change in the standard of living of the less privileged segment of the world population spread over four continents.

To translate its desire into reality, the government of Kuwait established the Kuwait Fund for Arab Economic Development (KFAED) in December, 1961 with a capital of 200 million Kuwaiti Dinars.

KFAED's activity is based on a deep conviction in beneficial cooperation between Kuwait and its Arab and Islamic brotherly countries through extending development loans, grants and assistance. The success of the Fund in its assistance programmes in the regional and Arab level had qualified an expansion of its sphere of activity within a quarter of a century to encompass all developing countries in Asia and Africa. This expansion in the area of its activity increased the fund capital to KD-2000 million in 1991.

The Fund was apparently set up with a four fold objective:

- 1) To provide technical and financial assistance.
- 2) To grant low-interest loans for capital investment, projects and development plans that can increase productivity in all sectors.
- 3) To participate in start-up capital for development projects in agriculture training and research.

4) To assist in transfer of modern technology to developing countries.

It may be mentioned here that the loans have repayment periods ranging from 15 to 25 years with grace period averaging 2.5 and 5.7 years. The interest rates on these loans range between 1.5 per cent

and 5.5 per cent to meet administrative costs.

A brief profile of the Fund as of June 1995 is given below

Established: 31-12-1961
Purpose: To assist Arab and other developing countries in developing their economies particularly by providing them

with loans and grants required to facilitate the implementation of their development programmes.

(KD — Million)
Statutory capital — 2000
Paid up capital — 1780
Reserves — 885
Loan commitments — 2385
Total disbursements of

loans — 1657

Total repayments of loans — 706

Amount of technical assistance — 37

Contribution to development institutions — 214

Number of loans — 467

Number of beneficiary countries (Loans) — 76*

Number of technical assistance — 151

Number of beneficiary countries — 71

and institutions (technical assistance)

KFAED has given a total number of 467 loans amounting to KD 2338.144, of which approximately half the amount went to Arab countries. A regional wise break down shows the following:

Arab — 56%

East, South Asia and Pacific — 21.8%

West Africa — 9.2%

Central, South

East Africa — 7.2%

Central Asia, Europe — 4.0%

Others — 1.8%

These funds were distributed in the following sectors:

Transport and communication — 31.70%

Electricity — 23.30%

Agriculture — 18.20%

Industry — 17.30%

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Regional and Sectoral Distribution of Loans as at 30 June 1995. Amount in KD million.						
Region Loan	Agriculture No. Amount	Transport and Communication No. Amount	Electricity No. Amount	Industry No. Amount	Water and Sewerage No. Amount	Others No. Amount
Arab	212-1323.674	46-275.470	68-370.684	31-280.690	43-251.622	122-539
East Asia	94-513.225	16-70.485	29-128.444	27-182.874	21-126.922	14.500
South Asia						
Pacific						
Central	21-92.708	23.028	10-34.549	3-8.888	-	6-45.241
Asia						
Europe						
Latin America & The Caribbean	12-42.250	1-7.350	9-31.900	1-1.000	-	1-2.000
West Africa	86-216.217	8-38.574	33-95.763	11-45.630	1-6.000	10-25.660
Central, South	62-170.072	12-28.169	30-86.365	8-22.158	7-23.380	3-7.800
West Africa						22.400
Total Fund Contribution to Development Institutions: (In KD Million)						
Paid up 214.005						
Committed 285.921						

Total Grants and Technical Assistance to 15 Institutions
No. 17
Amount (in KD Million) 11.529



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International Relations

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emanates from the common and shared perception on regional and other matters, by the Gulf states. The Amir of Kuwait conceived such a forum to promote cooperation and coordination amongst the member states in all spheres for the benefit of their countries for the whole Arab nation.

On the Islamic level, Kuwait believes that the progress of the Islamic Ummah is linked with the cooperation and co-existence of the Muslims in a spirit of tolerance and fraternity. Since the dawn of Kuwait's independence, this country exerted strenuous efforts under Sheikh Sabah Al Ahmed Al-Jaber Al Sabah the architect of Kuwait's foreign policy who worked under the wise guidance of His Highness the Amir and the prudent leadership of His Highness the Crown Prince and Prime Minister. Kuwait's strong commitment to the welfare and progress of the Islamic Ummah was aptly reflected in its hosting the 5th summit meeting of the Organisation of Islamic Countries in January 1987 which was chaired by His Highness the Amir of Kuwait.

On the international plane, Kuwait aspires to a new approach in international relations moulded by new world order which is based on international legitimacy and a rejection of the principles of using force, terrorism and aggression to alter the status quo. Kuwait advocates the continued role of the United Nations in ensuring international peace and security.

Kuwait calls for international cooperation to protect humanity, individuals and groups from the dangers of ethnic, racial and state terrorism and all forms of concomitant threats and blackmails.

The cardinal principle on which the foreign policy of Kuwait is based has been enunciated by His Highness

the Amir when he declared that "Kuwait lives under the protection of Islam as its religion, Arabism as its homeland, cooperation as its strategic path, tolerance as its motto, fraternity as its guidance, constitution as its modus operandi, justice as its rule, progress as its responsibility and peace as its goal."

The Press

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ethics is the guiding principle upon which all investigation reportings are based.

The press, therefore, is a powerful media, which uses its freedom of expression as stipulated by the constitution to present objective journalism without fear or favour.

Indeed, democratic practice in Kuwait has been consolidated further by the existence of a free press.

Kuwait takes great pride in its press which it regards as a democratic form of the freedom of expression, and thus apart from providing financial support for the press, the government respects its opinion and always seeks its help in its work.

Heartiest felicitations to the Government and the Brotherly People of The State of Kuwait on the occasion of their National and Liberation Day



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Warmest felicitations to the Government and the Brotherly People of The State of Kuwait on the occasion of their 35th National Day and 5th Liberation Day



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