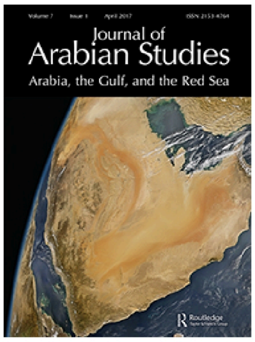


Journal of Arabian Studies

Arabia, the Gulf, and the Red Sea

ISSN: 2153-4764 (Print) 2153-4780 (Online) Journal homepage: http://www.tandfonline.com/loi/rjab20

A New Politics of GCC Economic Statecraft: The Case of UAE Aid and Financial Intervention in Egypt

Karen E. Young

To cite this article: Karen E. Young (2017) A New Politics of GCC Economic Statecraft: The Case of UAE Aid and Financial Intervention in Egypt, Journal of Arabian Studies, 7:1, 113-136, DOI: 10.1080/21534764.2017.1316051

To link to this article: https://doi.org/10.1080/21534764.2017.1316051

Published online: 22 Jun 2017.

Journal of Arabian Studies 7.1 (April 2017), pp. 113–36
https://doi.org/10.1080/21534764.2017.1316051

A New Politics of GCC Economic Statecraft: The Case of UAE Aid and Financial Intervention in Egypt

KAREN E. YOUNG

Abstract: The Arab Gulf States (AGS), or the member states of the Gulf Cooperation Council (GCC) (Saudi Arabia, Kuwait, Oman, Bahrain, Qatar and the United Arab Emirates), have historically used foreign aid and humanitarian aid as a quiet tool of their respective foreign policies within the wider Middle East. More recently, however, we have seen targeted financial aid and military assistance by these states, particularly Saudi Arabia, Qatar and the United Arab Emirates, towards neighbours in crisis. Looking at the expansion of GCC state aid in the wider region after 2011 in the historical context of oil wealth windfalls, the article offers a close case study of UAE aid and financial intervention in Egypt. UAE aid and investment ties to Egypt are part of a growing strategic commitment linking Emirati domestic economic interests and security interests, particularly on counter-terrorism and weakening extremist ideologies. The flexibility of Emirati economic statecraft reflects a willingness to reduce support, especially when the investment opportunities are not seen as profitable to the state and its related entities. Arguably, the Emirati approach to Egypt presents a new form of conditionality, less interested or invested in the implementation of fiscal reform or political inclusion, and more concerned with advancing the twin goals of state-led capitalism and a regional vision of secular Arab leadership.

Keywords: GCC, foreign aid, UAE, economic statecraft, foreign policy, conditionality

1 Introduction: the new politics of GCC foreign aid and investment

An interesting shift has been underway in the development assistance world. So-called "emerging donors" are replacing, or at least challenging the logic and conditionality of foreign aid from Western donors since the 1960s.[1] The Development Assistance Committee, or DAC, formed in the 1960s to coordinate and promote aid from donor states of the Organization for Economic Co-operation and Development. DAC is a community of shared values, in that its members

Karen E. Young is a Senior Resident Scholar at the Arab Gulf States Institute in Washington and a Visiting Fellow at the London School of Economics and Political Science Middle East Centre. AGSIW, 1050 Connecticut Ave. NW, Washington, DC 20036, USA, Karen.Young@Agsiw.org.

Author's note: The author would like to acknowledge Mai Mahmood for research assistance at the LSE, and grant support from the LSE Middle East Centre, "Mapping GCC Foreign Policies" program. Naidhruv Singh provided editorial assistance at the Arab Gulf States Institute in Washington.

[1] Woods, "Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance", *International Affairs* 84.6 (2008), pp. 1205–21. Zimmerman and Smith, "More Actors, More Money, More Ideas for International Development Co-Operation", *Journal of International Development* 23.5 (2011), pp. 722–38. For a more critical stance of the dominance of Western ideas in the donor community, see: Duffield, "The Development Security Nexus in Historical Perspective: Governing the World of Peoples", *Challenging the Aid Paradigm: Western Currents and Asian Alternatives*, ed. Sorensen (2009), pp. 25–46.

largely problematize development as appropriate relationships between state and market in the liberal democratic tradition.[2] The GCC states are not "emerging", but rather diverging from the DAC norm, as their targets of aid and their practice of giving differ from the pro-capitalist, pro-democracy conditional aid from prominent Western donors.[3] Nor are Gulf states new donors; rather, the GCC states have been active donors in waves since the discovery of oil and state foundation in the 1960s and 1970s.

Member states of the Gulf Cooperation Council (Saudi Arabia, Kuwait, Oman, Bahrain, Qatar and the United Arab Emirates), have historically used foreign aid and humanitarian aid as a quiet tool of their respective foreign policies within the wider Middle East.[4] Most recently, the UAE, Saudi Arabia and Qatar in particular have used financial and military aid to jockey for influence within Egypt's evolving political leadership, to attempt to remove Syria's Assad from power, to counter the movement of Islamic State in Iraq, to influence political battles in Libya, and even newly democratic Tunisia. Available resources are but one part of the explanation for why these states pursued such activist foreign policies including through economic means: Bahrain and Oman have had neither the resources nor inclination to pursue such policies, while Kuwait, which did have the former, remained much more traditionally cautious nevertheless. Clearly a combination of political/strategic calculations and the particular persuasions of variously composed leaderships in Riyadh, Abu Dhabi and Doha, made the difference. It is, therefore, on these latter three states' use of aid — and most particularly that of the UAE — that our main focus will be.

Oil exporters of the Gulf have particular patterns of political economy. Both oil resources and foreign aid are "sovereign rents", so there should be some commonality in the experiences of states that earn these rents and use them to facilitate an economic development agenda.[5] It may now be relevant to explore how states that both *accrue* these rents and *disperse* them as aid make choices about foreign aid recipients and mechanisms of assistance. Scholars have argued that GCC states prefer some recipients over others on cultural and religious bases of support.[6] Since 2011, the GCC states, particularly the UAE, Kuwait, Qatar and Saudi Arabia, have generated novel aid mechanisms, including non-restricted cash grants, injections to central banks, and in-kind oil and gas deliveries. Aid, as understood here, includes these mechanisms as well as facilitations of foreign investment from both state and private sectors in the Gulf. Furthermore, we would expect the price of carbon energy to affect aid allocations. The evidence here reflects a more nuanced relationship between energy markets and GCC state aid.

[2] Krageland, "The Return of the Non-DAC Donors to Africa: New Prospects for African Development", *Development Policy Review* 26.5 (2008), pp. 555–84. See: Kim and Lightfoot, "Does DAC-Ability Really Matter? The Emergence of Non-DAC Donors: Introduction to the Policy Arena", *Journal of International Development* 23.5 (2011), pp. 711–21.

[3] In this paper, I conceptualize aid in a very broad sense, including foreign aid, development aid and targeted investment, from both private and public sources. Gulf states' political economy merges state and private funds through ownership structures blending ruling family and government institutions. Cash, in-kind oil and gas, and directed aid in foreign direct investment are all part of the The GCC states "aid" portfolio and foreign policy tools.

[4] For an exploration of how the UAE, as a small state, allocates aid and why, see: Al Mezaini, *The UAE and Foreign Policy: Foreign Aid, Identities and Interests* (2012).

[5] Collier, "Is Aid Oil? An Analysis of Whether Africa Can Absorb More Aid", *World Development* 34.9 (2006), pp. 1482–97. See also, more explicitly making the argument that natural resources and foreign aid have similar effects on entrenching governments in power when rents accrue: Morrison, "What Can We Learn about the 'Resource Curse' from Foreign Aid?", *The World Bank Research Observer* 27.1 (2012), pp. 52–73.

[6] Neumayer, "What Factors Determine the Allocation of Aid by Arab Countries and Multilateral Agencies?", *Journal of Development Studies* 39.4 (2003), pp. 134–47.

Windfalls in wealth generated from the rapid ascent of oil and gas prices between 2003 and 2014 allowed budgets to expand for military expenditure and financial aid. While the dramatic fall in oil prices from late 2014 (falling from a year peak of $107 per barrel in June 2014 to a low of $27 per barrel in February 2016) should affect the ability of these states to continue their generosity and the exercise of economic statecraft in the MENA region, the short-term aid decision-making suggests a different logic and strategy in play.[7] The debate on how long Gulf Arab oil producing states can bear the fiscal pressure is mixed, given their reserves, their economic reform efforts, and their ability to access international debt markets.

This article tracks the expansion of GCC aid in the wider region after 2011, correlating the movement of oil prices with aid since the 1970s. But in this context it seems worth undertaking, more particularly, a close case study of UAE aid and financial intervention in Egypt since 2011. First, the UAE is a relatively newer actor in regional aid and intervention and a harbinger of policy to come, as Kuwaiti and Saudi aid programs to the Middle East have been more established. Second, the UAE aid policy has also been the most closely tied with investment strategies of state-related entities, embodying the new state capitalist approach of aid that is disrupting traditional multilateral and international financial institution donor and lender patterns. Third, the UAE relationship with Egypt has both ideological and security dimensions, tying aid and investment to existential concerns of the Emirati leadership and ruling family. The Salafist movement and the more established movement of political Islam practiced by the Muslim Brotherhood are at odds with a vision of Islamic secularism and capitalism of the UAE. The exercise of military power has also come with the need for security partners, and the UAE, along with Saudi Arabia, have expressed an interest in maintaining military cooperation with Egypt in counter-terrorism efforts and particularly in support of military operations in Yemen.

In what follows, this article (1) tracks the evolution of Gulf state foreign aid, highlighting periods of economic gains from oil and gas exports and subsequent shifts in aid; (2) analyzes how domestic and international contexts influence aid patterns, paying attention to new demands on Gulf state resources in the era of declining oil revenues; (3) argues that UAE aid and investment strategy dovetail in order to promote a specific Emirati secular vision of state-led capitalism and development; and (4) details UAE investment ties in Egypt and links to state entities and ruling families.

The article argues that while there are similarities in Gulf state aid patterns, the UAE aid and investment ties to Egypt are part of a growing strategic commitment linking Emirati domestic economic interests and security interests, particularly on counter-terrorism and on weakening perceived extremist ideologies. The flexibility of Emirati economic statecraft reflects a willingness to reduce support, especially when the investment opportunities are not seen as profitable to the state and its related entities. In some ways, the Emirati approach to Egypt presents a new form of conditionality, less interested or invested in the implementation of fiscal reform or political inclusion, and more concerned with advancing the twin goals of state-led capitalism and a regional vision of secular Arab leadership.

2 Evolution of GCC states' foreign aid

Historically, oil and resource wealth has enabled generous Gulf state foreign aid. However, increases in oil prices do not always correlate with an expansion in Gulf state aid and financial assistance. As described below, in times of high oil prices and economic expansion within the Gulf states, foreign aid has not always increased in proportion. If we compare aid patterns

[7] Shilling, "Get Ready for $10 Oil", *Bloomberg View*, 16 Feb. 2016.

from two recent high oil price periods, the mid-1970s and the period between 2003–8, aid did expand with oil wealth in the former, but not in the latter. There are also very recent examples of Gulf states extending regional development aid at a moment in which oil prices are at historical lows and the fiscal budgets of Gulf states themselves are facing deficits. The politics of Gulf state aid is, above all else, strategic or, at least, political: political goals can override economic prudence — or indeed economic aims. The reverberation of this shift challenges both norms and foundational institutions of North-South interactions.[8] In the Middle East and North Africa, the aid policies and interventions from the Gulf are upending established practices and protocols of the development community, while also re-mapping ties between donor and recipient state as South-South relationships, rather than North-South.

Before the Sharm El Sheikh investor conference in March 2015[9] (at which Egypt received new offers of Gulf aid), the Egyptian minister of investment, Ashaf Salman acknowledged receipt of at least $23 billion in combined direct funds from Saudi Arabia, Kuwait and the UAE since Abdel Fattah el-Sisi came to power as president in late summer 2013.[10] Gulf states are targeting aid in the region in increasingly large tranches, with few strings attached. While there are not the "strings" of traditional conditionality of IMF and World Bank lending programs which tie fund dispersion to fiscal and monetary policy reforms, the Gulf states exemplify a more tactile and easily reversible aid conduit. They may not ask much in return for aid, but they can also fail to deliver or quickly reverse course if their broader political and investment goals in the recipient state are not quickly realized. UAE aid to Egypt exemplifies this trend.

What sets the UAE apart from its GCC peers in its relations with Egypt is a wide-ranging developmental strategy. The UAE's commitment to Egypt is demonstrated in the quantity and diversity of its aid and investments, as well as its interest in localizing aid through direct investment in construction and industry. Kuwait and Saudi Arabia have both been generous in cash deposits to the Egyptian Central Bank, on par with UAE deposits, as well as in-kind oil deliveries. The UAE, however, sees a developmental strategy in its own success of state-led capitalism, fuelled by real-estate projects and centered on a political orientation that is informed by Islam, but secular in presentation. In this secular vision, business sense and value for money describe the aid and strategic partnership ethos, rather than cultural or religious obligation.

The Gulf states are increasingly willing to export their own political economy models, as a challenge to Western advice and hegemony, in their strategic efforts to limit political competition, especially political space that is tolerant to activist religious political organization, or political Islam. President Sisi, in his address to potential investors at Sharm El Sheikh, called Egypt "the first line of defence" against regional terrorism, and therefore, in his view, a good place to invest.[11] The use of oil and gas products as aid in kind; the targeting of construction and real estate as both investment vehicles (for state and private sector firms) and employment strategies;

[8] Ibid.; Acharya, "How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism", *International Organization* 58.2 (2004), pp. 239–75, excerpted in: Momani and Ennis, "Between Caution and Controversy: Lessons from the Gulf Arab States as (Re-)Emerging Donors", *Cambridge Review of International Affairs* 25.4 (2012), p. 608.

[9] See details of the economic development conference, orchestrated by the Egyptian government with assistance by high profile public relations and event specialist Richard Attias and Associates, on the event website "Egypt the Future" https://web.archive.org/web/20161011070343/www.egyptthefuture.com/. On the international investor and political support of the event, see: Shenker, "Sharm El Sheikh Rumbles with Grand Promises of the International Elite", *The Guardian*, 15 Mar. 2015.

[10] Arnold and Aboudi, "Egypt Got $23 Bln in Aid from Gulf in 18 Months – Minister", *Reuters*, 2 Mar. 2015.

[11] El Wardany, Al-Tablaway, and Feteha, "Egypt Secures Billions in Aid, Deals as Gulf Arabs Lead Way", *Bloomberg*, 14 Mar. 2015.

Table I: Select GCC aid to Egypt, 2011–15.

Country	UAE	KSA	Qatar	Kuwait
2011	$3bn (of which $1.5bn Khalifa bin Zayed fund for housing and SME support)[a] Private reported aid: $22.8m[b]		$500m cash grant, $2bn deposit CBE[c]	
2012	Private reported aid: $22.19m[d]		$1bn cash grant; approx. $4bn CBE deposits[e]	
2013	A grant of $1bn and a further $2bn deposit Central Bank of Egypt.[f] In kind (petroleum and gas) $225m[g]	A total of $5bn aid package: $1bn cash grant, $2bn in kind (petroleum and gas), $2bn deposit CBE[h]		$1bn cash grant; $2bn deposits CBE[i]
2015	$4bn aid package committed to Egypt: $2 CBE, and $2bn project financing $2bn deposit into CBE[j]	$1bn pledge CBE; ($3bn investment pledge) $2bn deposit into CBE[k]		($4bn investment pledge) $2bn deposit into CBE[l]
2016	$4bn allocated to Egypt, half of it investment and half as a central bank deposit.[m] Concrete investment in development projects data yet to materialize, however UAE investments in Egypt valued at around $4.5bn as of March 2016.[n] ADFD deposited $1bn in CBE in August.[o]	Pledge to provide $3bn in loans and grants in Jan.[p] Signed MoU to set up $16bn investment fund.[q] Signed MoU regarding energy financing and development investments in March.[r] However oil supply was suspended in October.[s] $2bn CBE deposit in October seems to be the only confirmed/delivered aid.[t]		

[a] Halime, "UAE's $3bn Aid Package to Egypt for Housing and Small Firms", *The National*, 6 July 2011.
[b] UAE Office for the Coordination of Foreign Aid, "United Arab Emirates: Foreign Aid" (2011), available online at www.mofa.gov.ae/SiteCollectionDocuments/UAEFA2011-En.pdf.
[c] Anon., "UPDATE 1-Egypt's Foreign Reserves Rise after Qatar Deposit", *Reuters*, 19 Jan. 2013.
[d] UAE Ministry of International Cooperation and Development, "United Arab Emirates: Foreign Aid" (2012), available online at www.mofa.gov.ae/SiteCollectionDocuments/UAEFA2012-En.pdf.
[e] Saleh and Werr, "Qatar Throws Egypt $2.5 Billion Lifeline to Prop up Pound", *Reuters*, 8 Jan. 2013.
[f] Laessing, "UAE Transferred $3 Billion in Aid to Egypt, Saudi to Follow Shortly", *Reuters*, 18 July 2013.
[g] Anon., "Arab Gulf States Reassure Egypt of Petroleum Aid", *Ahram Online*, 20 Aug. 2013.
[h] Anon., "Saudi Arabia Approves $5 Billion Aid Package to Egypt", *AlArabiya*, 9 July 2013.
[i] Dokoupil, "Kuwait Promises Egypt $4 Billion in Aid – State News Agency", *Reuters*, 10 July 2013.
[j] Kassem and Cronin, "UAE Pledges $4bn Towards Egypt's Economic Recovery", *The National*, 14 Mar. 2015.
[k] Farouk et al., "Update 1-Egypt Receives $6 Bln from Saudi Arabia, UAE, Kuwait", *Reuters*, 22 Apr. 2015.
[l] Farouk et al., "Update 1-Egypt Receives $6 Bln from Saudi Arabia, UAE, Kuwait", *Reuters*, 22 Apr. 2015.
[m] Westall et al., "Update 2-UAE Allocates $4 Bln to Egypt for Development and C. Bank", *Reuters*, 22 Apr. 2016.
[n] Anon., "UAE's Investments in Egypt Hit $4.5 Bn", *Mubasher*, 29 Mar. 2016.
[o] Anon., "Abu Dhabi Fund for Development Deposits $1Bn in Central Bank of Egypt", *Abu Dhabi Fund for Development*, 23 Aug. 2016.
[p] Feteha and Wahba, "Saudi Arabia to Support Egypt With $3 Billion of Loans, Grants", *Bloomberg*, 4 Jan. 2016.
[q] Abdelatty, Brown, and Paul, "Egypt, Saudi Arabia Sign 60 Billion Saudi Riyal Investment Fund Pact", *Reuters*, 9 Apr. 2016.
[r] Anon., "Egypt and Saudi Arabia Set to Ink Petroleum, Investment Deals", *Saudi Gazette*, 20 Mar. 2016, rep. by *Al-Arabiya* on 20 Mar. 2016.
[s] Farouk, Asma, and Croft, "Saudi Aramco Informed Egypt About Suspending Oil Product Supply: Official", *Reuters*, 10 Oct. 2016.
[t] Aswad, Torchia, and King, "Mideast Stocks-Egypt Rallies on $2 Bln Saudi Deposit; Gulf Mixed", *Reuters*, 13 Oct. 2016.

and the manipulation of central banks as quick fixes to a depreciating currency, all of these strategies relate to Gulf practices in economic governance. The GCC states regularly use the availability of oil and gas products, at steeply subsidized prices, to stimulate otherwise inefficient manufacturing and construction industries, while at the consumer level, provide a cost of living rebate. Until 2016 when subsidy reforms began across the GCC,[12] these practices of economic governance worked and were replicated in foreign aid policies. With new domestic emphasis on austerity and fiscal accountability, aid strategies could also face changes; however, the period of 2011–16 has had a disruptive effect on traditional multilateral aid within the Middle East and North Africa, particularly in the case of Egypt.

Gulf economies are highly concentrated in provisions of investment vehicles, mostly in construction and real estate because these sectors facilitate *Sharia* compliant investment, while they also work in line with government spending cycles.[13] Most of the Gulf Cooperation Council states have restricted monetary policies tied in some form to the US dollar. They are not experienced with extreme currency volatility (or hyperinflation). It may be that donor expectations are that a hard currency deposit in a central bank should stabilize an economy. The cash deposits could in fact exacerbate the inflation problem, as monetary policy becomes reliant on the external source of hard currency to maintain a target exchange rate. There is evidence that aid volatility and windfalls, particularly in cash deposits, create incentives for receiving governments to increase consumption and fiscal spending.[14] This, in turn, creates volatility in the exchange rate (inflation), which is also linked to lower growth. Egypt's November 2016 devaluation of over 30% is a case in point.[15]

Historically, the Gulf states have increased aid for political goals related to shifts in the international political economy. After the 1973 oil embargo, petro-dollars rapidly accumulated in international banks, creating the lending boom to developing countries. OPEC surpluses in 1974–76 were close to $142 billion, while developing country deficits reached around $80 billion.[16] Gulf Arab foreign aid was an average of 12.48% of gross national product (GNP) at the height of the oil boom in 1973.[17] Andre Simmons has argued that Gulf aid was targeted to developing countries (through multilateral and bilateral institutions) to lessen the sting of post-embargo wealth among developing economy peers.[18] From the 1980s through the 1990s, GCC donors exercised more restraint as oil revenues decreased, on average, 2.38% of GNP by 1985.[19]

After the Iraqi invasion of Kuwait in 1991, the GCC states prioritized security over development aid and a more interventionist or public display of foreign policy goals. There was a brief spike in Gulf aid in the reconstruction effort in Kuwait, which quickly diminished by the mid-1990s.[20] As Momani and Ennis demonstrate, Gulf foreign assistance reduced by half in the

[12] Ulrichsen, "Meaningful Change or False Dawn: Policymaking in an Age of Austerity", *Gulf Affairs: Oxford Gulf and Arabian Peninsula Studies Forum* (2016), pp. 2–4.

[13] Arvai, Prasad, and Katayama, *Macroprudential Policies in the GCC States Countries* (2014), pp. 9–11.

[14] Desai and Kharas, "The Determinants of Aid Volatility", *Brookings Institute Global Economy and Development Series*, *Working Paper* 42 (2010), pp. 5–6.

[15] Kholaif, "Egypt Free Floats Its Currency, Devaluaing It Against the Dolar", *Wall Street Journal*, 3 Nov. 2016.

[16] Momani and Ennis, "Between Caution and Controversy" (2012), pp. 605–27.

[17] Nonneman, *Development, Administration and Aid in the Middle East* (1988), p. 133.

[18] Simmons, *Arab Foreign Aid* (1981).

[19] Ibid.; Nonneman, *Development, Administration and Aid in the Middle East*, p. 133.

[20] Gulf State Assistance to Conflict-Affected Environments", *LSE Kuwait Programme on Development Working Paper* 10 (2010), p. 9. Barakat and Zyck elegantly demonstrate this dramatic peak in official development aid by Gulf states in 1991–92, see p. 9.

late 1990s ($1.3 billion) compared to 1990–94 ($2.6 billion), in itself a period of restraint.[21] The period following the second Gulf war and American invasion of Iraq in 2003 had a profound effect on GCC donor practices. Under intense scrutiny by Western governments for their support of Taliban Afghanistan before 2001, Gulf states recalibrated aid targets and, in some cases, made more efforts to present their aid practices as global poverty reduction programs.[22] The Dubai Cares model, created by Sheikh Mohamed bin Rashid (ruler of Dubai), is a case in point, in which donors shifted from traditional Arab or Muslim country recipients to those in most need.

The second oil boom of 2003–08 created an aid dilemma for the GCC states, in that the largesse of the early 1970s was not to be repeated, either because state priorities (and constituent demands) for domestic spending had increased, or because the states saw little reward in the exercise of aid to gain prominence in international institutions or to acquire allies in other developing states. GCC states' official reserves increased from $53.5 billion in 2003 to $514.3 billion in 2008, yet foreign aid increased only modestly, back to levels of the late 1980s.[23] (Momani and Ennis estimate GCC foreign aid during 1985–90 as $3.1 billion.)

Tables IIa, IIb and IIc below track Saudi, Kuwaiti and UAE aid from the 1970s to the present, using ODA data from the OECD. The data itself are politicized, as we have a limited view of official government aid from Gulf Arab donors, while private donations (often sourced from members of the respective ruling families of Gulf monarchies) go unreported.[24] The GCC states have made efforts to streamline reporting of official aid in the last few years. The UAE made its first foreign aid report in 2013 and has since created an institutional framework to track and coordinate state aid efforts.[25] Kuwait has perhaps the most long-standing transparent aid framework, at least in its channelling of aid through one institution, the Kuwait Fund for Development. The Kuwait Fund regularly reports its projects and contributions, exhibiting a wide regional disbursement pattern.[26] Kuwaiti individual donations, however, continue to be a source of concern to many Western governments.

Qatar has also begun to report their foreign aid and to attempt to track private charity within the sheikhdom.[27] Evren Tok and others examining Qatari foreign aid policy give special attention to the evolution of Qatari donations, including the establishment of the Qatar Charitable Society in 1992, meant to streamline private donations going outside the country. The Qatar Development Fund is one mechanism of aid disbursement, along with the Ministry of Foreign Affairs, Qatar Foundation (state education and charity institution) and Qatar Investment Authority (a sovereign wealth fund). There has been one foreign aid report released by the government in 2012.

---

[21] Ibid.; Momani and Ennis, "Between Caution and Controversy" (2012), p. 609. Momani and Ennis rely on data adapted from MEES website: see www.mees.com, a subscription oil and gas industry service.

[22] Cooper and Momani, "The Challenge of Re-Branding Countries in the Middle East: Opportunities Through New Networked Engagements Versus Constraints of Embedded Negative Images", *Place Branding and Public Diplomacy* 5.2 (2009), pp. 103–17.

[23] IMF, *Regional Economic Outlook: Middle East and Central Asia* (2008), p. 61.

[24] Shushan and Marcoux, "The Rise (and Decline?) of Arab Aid: Generosity and Allocation in the Oil Era", *World Development* 39.11 (2011), pp. 1969–80.

[25] The Foreign Aid Coordination Office (FACO) of the UAE Ministry of Foreign Affairs, created in 2014, signals a public commitment to its aid and intervention strategy in the region and beyond: UAE Ministry of Foreign Affairs, "The Foreign Aid Coordination Office" (2014).

[26] See for example, Kuwait Fund for Economic Development (2013): Kuwait Fund for Economic Development , "Kuwait Fund Activities" (2013).

[27] Tok, Calleja, and El-Ghaish, "Arab Development Aid and the New Dynamics of Multilateralism: Towards Better Governance?", *European Scientific Journal* 1 (2014), pp. 591–604.

Table II: Gulf Arab aid (KSA, UAE, Kuwait) and oil prices (Brent crude), 1970–2014.

Table IIa: *Saudi Arabia (KSA) official development aid and oil prices, 1970–2013.*

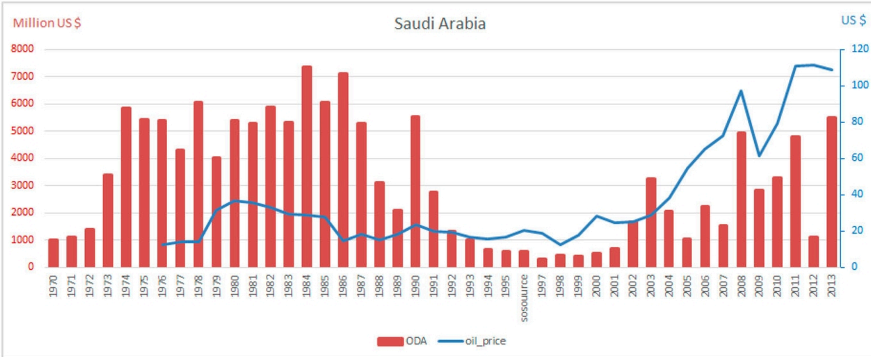


Table IIb: *Kuwait official development aid and oil prices, 1970–2013.*

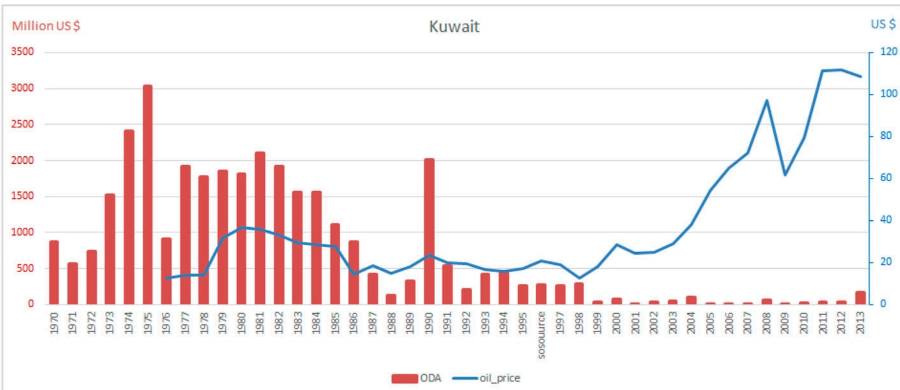
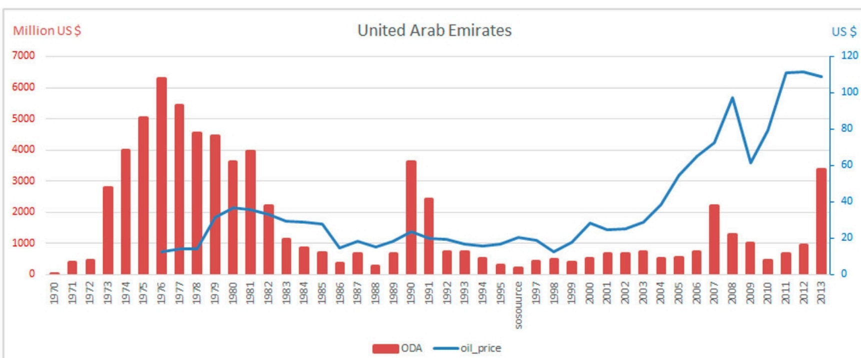


Table IIc: *United Arab Emirates official development aid and oil prices, 1970–2013.*



Sources: ODA from OECD.stat and Brent crude prices from *BP Review of World Energy* (2014).

Saudi Arabia makes the least effort to publicly account for its donor activity, though (like the UAE and Kuwait) it has managed a formal institution, or fund, for state directed development aid, the Saudi Fund for Development established by decree in 1974. More recently, the King Salman Humanitarian Aid and Relief Center is meant to streamline (or control) delivery of aid to Yemen, including overseeing the safe passage of multilateral aid delivery. Villanger stresses the historical Emirati, Saudi and Kuwaiti preference for bilateral aid via funds, rather than via multilaterals (OPEC fund, IMF, Arab Monetary Fund, etc.) contributing to the divergence in norms between Gulf Arab aid and DAC donors.[28] There is also significant divergence among Gulf Arab donors, particularly after 2001 in their aid practices, donation amounts, and in their reporting of aid.[29] The tables below illustrate these differences.

3 Aims and impact of GCC states' foreign aid

Foreign aid is clearly a priority of GCC foreign policy; aid creates alliances and seeks to uphold friendly regimes. However, foreign aid's track record for developmental efficacy, at least in the comparative experience of Western donors to developing countries, is questionable. The literature and empirical evidence, both in qualitative studies and large-N surveys, reveal foreign aid is no panacea. Like a resource curse, aid can act as an exogenous shock to developing political economies, entrenching problems in governance and financial volatility, even as it seeks to alleviate human suffering.[30] Governments seeking to promote strategic goals have had little success in simultaneously creating incentives for liberal economic reform agendas in aid destinations.[31] Aid may create allies, or it might propel reform and economic growth, but not usually at the same time. The literature on how conducive foreign aid can be to economic growth is divided, particularly when foreign aid has a dual political objective to create client states or support for an ideological or defence position.[32]

The new expansion of Gulf aid and investment in a wider sphere of influence in the MENA region begs the question: what foreign policy aims do these states expect to achieve with economic resources? The early evidence suggests that, at least for Qatar, the UAE and Saudi Arabia, the expectations are that aid will help achieve a number of aims: create investment opportunity; establish regional "gateways" to larger markets and government influence especially in North Africa; engender pathways to domestic political influence that can create, sustain or extinguish domestic political organizations, including the Muslim Brotherhood.[33] Coordinated efforts at counter-terrorism are also a key motivation behind maintaining financial aid flows. There appears to be a recalibration in effect when economic goals are not realized, but political goals, particularly along ideological lines remain strong. In the case of UAE-Egypt relations, as the economic collaboration has not borne fruit, the reduced but remaining aid packages seem to point to sustaining the

[28] Villanger, *Arab Foreign Aid: Disbursement Patterns, Aid Policies and Motives* (2007), pp. 6–7.

[29] Billat, *The Funding of Humanitarian Action by Non-Western Donors: The Sustainability of Gulf States' Contributions*, MA diss. (2015).

[30] There is some debate on how foreign aid can help or hinder a country at risk of civil war, depending on the timing of the aid allocation and if it allows governments to continue fiscal expenditure to stave off crisis, particularly in agricultural/primary product economies. See: Savun and Tirone, "Exogenous Shocks, Foreign Aid and Civil War", *International Organization* 66.3 (2012), pp. 363–93. See: Collier and Hoeffler, "Aid, Policy and Peace: Reducing the Risks of Civil Conflict", *Defence and Peace Economics* 13.6 (2002), pp. 435–50.

[31] Bearce and Tirone, "Foreign Aid Effectiveness and the Strategic Goals of Donor Governments", *Journal of Politics* 72.3 (2010), pp. 837–51.

[32] There is debate on whether even recipients with "good governance" might reap economic growth from foreign aid. See: Burnside and Dollar, "Aid, Policies, and Growth", *American Economic Review* 40 (2000), pp. 847–68. And in rebuttal, see: Easterly, Levine, and Roodman, "Aid, Policies, and Growth: Comment", *American Economic Review* 94 (2004), pp. 74–80.

[33] Sons and Wiese, "The Engagement of Arab Gulf States in Egypt and Tunisia since 2011: Rational and Impact", *DGAP Analyse* 9 (2015).

relationship on defensive and ideological grounds, i.e., efforts to weaken the Brotherhood, and to support Egyptian domestic efforts to combat violent forms of jihadism in the Sinai.

Scholars know that foreign aid can extend the tenure of inept and corrupt rulers and governments.[34] In fact, work by Faisal Ahmed demonstrates that sources of resource rents (including remittances and foreign aid) can prolong a government's rule if used towards rewarding elites, even while worsening aggregate welfare.[35] There is no encouragement from these findings that foreign aid does little to improve governance and instead can become a fungible source of political patronage.

New work on the relationship between foreign aid and countries experiencing terrorism and domestic unrest reveals some interesting correlations. Piotr Lis finds that while armed conflict has a negative effect on the amounts of both bilateral and multilateral aid, recipient states combatting terrorism tend to see increased foreign assistance.[36] This foreign assistance, however, tends to be bilateral and more closely linked to the donor country's own strategic goals in countering violent extremism. The surprising finding from Lis's data is that results do not hold for Muslim-majority countries when they are sites of terrorist acts. That is, increased aid and foreign assistance does not flow as readily to Muslim majority states faced with domestic unrest and threat of terrorism.

If we extend Lis's argument, the implication is that DAC, Western, and often American aid strategies might be leaving a vacuum in Muslim majority states that are sites of terrorist threat (and/or domestic unrest), creating openings for other states to provide aid and strategic alliances. This might provide some partial explanation for why we see a demand for Gulf state aid to Muslim countries under threat of domestic and international terror attacks.

More generally, there is strong evidence that there is a growing relationship between security and aid after 2001, meaning that increasingly aid packages are devoted towards building domestic security capacity, training, equipment and the national security objectives of the donor.[37] "Windfall" aid, in this sense, is not just about one-off allocations of aid based on donor fiscal largesse or security objectives, but normative shifts in the international system on how and when aid might target states in crisis. Security crises and humanitarian crises then compete for aid funding, often with different outcomes. In fact, the aid community often views humanitarian crises through the lens of security, "a hammer suits all problems" kind of solution. Scholars like Mark Duffield have problematized how the securitization of the aid and development agenda has prioritized the fight against terrorism and protection of "homelands" above more traditional aid objectives, such as providing access to water or schooling.[38]

Other trends in the distribution and institutional design of aid programs have simply bypassed the recipient state, which might avoid some of the problems of government entrenchment of elites and patronage systems, but also has the effect of delegitimizing the recipient state as a partner in the aid distribution process. Simone Dietrich has demonstrated that OECD donors are targeting bilateral aid *around* recipient governments, directing aid instead to non-state development actors. She uses Haiti as a case in point. Haiti received more than $700 million in aid from OECD donors in 2008, yet over 60% of this aid bypassed the central

34 Ahmed, "The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival", *American Political Science Review* 106.1 (2012), pp. 146–65.

35 Ibid., p. 146.

36 Lis, "Terrorism, Armed Conflict and Foreign Aid", *Peace Economics, Peace Science and Public Policy* 20.4 (2014), pp. 655–67.

37 Woods, "The Shifting Politics of Foreign Aid", *International Affairs* 81 (2005), pp. 393–409.

38 Duffield, "Human Security: Linking Development and Security in an Age of Terror", *11th General Conference of the EADI*, Bonn, 21 to 24 Sept. 2006, pp. 11–38.

government.[39] OECD donors committed a total of $112 billion and targeted over 30% of the aid (approximately $41 billion) through non-state actors (NGOs, public-private partnerships and private contractors).[40] Attempts to directly target people in need, rather than aid governments, is in some ways a mechanism to counter assessments of the failure of traditional government-to-government aid: conditionality.[41] (It can also be true that OECD donors may use direct government aid to achieve political objectives.[42])

The trend among OECD donors, however, is to continue to provide high volumes of aid to countries with poor governance with the caveat of bypassing state institutions. Furthermore, a new wave of Gulf state aid may diverge from other international donor practices in that it will be less tied to both fiscal and normative patterns. For example, Sam Jones argues there is evidence of substantial heterogeneity in aid supply behaviour, both between countries and over time, meaning there are distinct "aid regimes" occurring in different periods.[43] Aid regimes are tied both to normative concerns (i.e., security-linked aid), to results-driven peaks (i.e., when there is evidence of responsiveness of aid volumes to democratization), and dips (i.e., when fiscal cycles among donors are consolidating).[44] In short, aggregate aid can be cyclical and prone to bandwagon or peer effects.[45] In the Gulf states, the impact of personal directives of the leadership in aid choices must also be a consideration. Even more compelling is emerging evidence that aid which targets states with both a terrorism problem and a penchant for repressive security tactics doesn't seem to work, and may even increase episodes of state repression.[46]

We might expect the influx of foreign aid from the Gulf to other states in the Middle East, particularly Egypt, to have some of these side effects. Aid from the GCC states may well fill gaps in Western aid normative patterns and preferences, though it is just as likely to reinforce support for governments with patronage practices and repressive tactics. The absence of aid partners for development and governance programming in Egypt is a direct result of the government's effort to curtail civil society and shut down existing foreign-funded organizations.[47] Even if significant OECD aid partners were to donate to Egypt, there are few non-state institutions able to absorb the aid. We can certainly expect aid to Egypt from the GCC states to entrench the Sisi administration's security apparatus and enable repression of political opposition groups. In this sense, the windfall of GCC aid and investment in Egypt has entrenched Sisi's tenure, while also changing the domestic institutional landscape for further aid partnerships. There sustainability of the relationship, especially between Egypt and the UAE and Egypt and Saudi Arabia is particularly fragile.

[39] Dietrich, "Bypass or Engage? Explaining Donor Delivery Tactics in Foreign Aid Allocation", *International Studies Quarterly* 57 (2013), p. 698.

[40] Ibid., pp. 699–712.

[41] Ibid., p. 701. Dietrich makes this point referencing the work of Paul Collier. See: Collier, Guillaumont, Guillaumont, and Gunning, "Redesigning Conditionality", *World Development* 25.9 (1997), pp. 1399–407.

[42] Mesquita and Smith, "A Political Economy of Aid", *International Organization* 63.2 (2009), pp. 309–40.

[43] Jones, "Aid Supplies Over Time: Addressing Heterogeneity, Trends and Dynamics", *World Development* 69 (2015), pp. 31–43.

[44] Ibid., p. 31.

[45] Jones cites an early argument on the peer cycles of aid in: Dudley and Montmarquette, "A Model of the Supply of Bilateral Foreign Aid", *The American Economic Review* 66 (1976), pp. 132–42.

[46] Savun and Hays, "Foreign Aid as a Counterterrorism Tool: Aid Delivery Channels, State Capacity, and NGOs", presented at the *American Political Science Association Annual* Meeting, Seattle, 1–4 Sept. 2011, p. 25.

[47] Godfrey, "Egyptian NGOs Live Under Threat of Regulation", *Nonprofit Quarterly*, 27 May 2015.

As evidenced by the withdrawal of Saudi oil and gas[48] in-kind donations in November 2016 and the late or non-delivery of aid and loan commitments, the negotiation of aid relationships between the Gulf and the wider region remains highly sensitive.[49] Tensions between Saudi Arabia and Egypt flared in late 2016 over territorial claims of two islands in the Red Sea and in Egypt's position within the UN Security Council over the Assad regime.[50] Egypt voted in favor of a resolution calling for a halt to Russian bombing in Syria supported by Saudi Arabia, and then after the resolution failed, Egypt voted in favour of a Russian counter-resolution, showing its capacity to play to leading players on both sides of the Syrian conflict. The disputed islands were not returned to Saudi Arabia from Egypt by rule of the Egyptian courts.[51] Kuwait stepped in to renew an existing contract for oil and gas deliveries to Egypt in late 2016.[52] Egypt's precarious fiscal position in late 2016 revealed the extent to which the Gulf states have considerable leverage over Egypt. In order to secure a loan package from the International Monetary Fund, Egypt depended on a portion of Gulf state aid and loans, including a reported $2 billion Saudi deposit to the Egyptian Central Bank in October 2016.[53]

Furthermore, we have good evidence emerging that aid in the form of cash grants to the government in Egypt exacerbates an inflation problem, creating a destabilizing side effect on the fragile economy the aid seeks to strengthen. *Al-Monitor* reported via Omar el-Shenety, the founder of Multiplies Investment Group, that generous Gulf aid exceeding $15.32 billion between 2014 and 2016 helped increase GDP with the add-on effect of substantial annual inflation of 13%.[54] An influx of cash to the central bank has an overall effect on the money supply, distorting the real availability of cash and deposits in regular retail bank accounts. Moreover, the ability to earmark cash for government expenditure outside of a normal budget procedure (whether legislative or in line with other multilateral donor consultations) distorts budget priorities and makes planning for future budget years less reliable.

4 International vs. domestic context in Gulf aid patterns

Just as the international context has changed among donors so have their priorities in aid targets since the early 2000s; this is particularly so in the domestic and sub-regional context of the Gulf states. Exacerbated by the regional upheaval after 2011 and subsequent fall in oil revenues in mid-2014, the bilateral tradition of Gulf aid is situated along with demands for domestic spending, including welfare benefits and infrastructure investment, at moments of incremental public concern for fiscal deficits and sustained lower energy prices. (See Table III below.) The GCC states are engaging the long debate on the efficacy of aid with their own set of norms and priorities, which are not necessarily cohesive within the sub-region.

In light of the current fiscal realities of the GCC states, in which all six face budget deficits and mounting sovereign debt issuance, it would be logical to assume some effect on their aid decisions. We may now need to examine how donor preferences, security priorities, fiscal

[48] Habboush and El Wardany, "Saudi Suspends Egypt's Oil Shipments until Further Notice", *Bloomberg*, 7 Nov. 2016.

[49] Young, "The Gulf's Entanglement in Egypt", *Arab Gulf States Institute in Washington*, 25 Aug. 2016.

[50] Ibish and Aly, "Egypt-GCC Partnership: Bedrock of Regional Security Despite Fissures", *Arab Gulf States Institute in Washington Issue Paper* 11 (2016).

[51] Ahmed, "Egyptian Court Annuls Deal to Hand Over Two Red Sea Islands to Saudi Arabia", *Reuters*, 21 June 2016.

[52] Mahdi, "Kuwait Said to Renew Contract to Supply Crude Oil to Egypt", *Bloomberg*, 17 Nov. 2016.

[53] Feteha, "Egypt Said to Get $2 Billion Saudi Deposit in IMF Deal Boost", *Bloomberg*, 12 Oct. 2016.

[54] Mounir, "Will Sisi's Economic Reforms Succeed?", *Al-Monitor*, 25 Aug. 2015.

Table III: The GCC states' fiscal positions.

	GDP ($ bn) 2016 expected	GDP ($ bn) 2017 forecast	Budget deficit, % of GDP 2016	Budget deficit, % of GDP 2017	Budget deficit US$ bn 2016	Budget deficit US$ bn 2017
UAE	374	411	−3%	−1%	−12	−3
Saudi Arabia	638	697	−15%	−10%	−92	−68
Qatar	167	190	−8%	−4%	−13	−8
Kuwait	96	107	−17%	−9%	−16	−10
Oman	73	79	−19%	−10%	−13	−8
Bahrain	32	34	−16%	−13%	−5	−4
GCC Total	1,379	1,518	−11%	−7%	−152	−101

Source: Emirates NBD, "GCC Sovereign Bonds: Staying on Steady Course", *Credit Note*, 2 Feb. 2017.

cycles, and resource reliance change the dynamic of both giving and receiving aid. Aid policy will increasingly come at some domestic cost to the GCC states, or at least, may need to be justified in relation to cuts in domestic expenditure.

Table III illustrates some of the fiscal challenges facing Gulf states as donors, and as effective governments meeting domestic demands for state financial resources. The continuation of aid is complicated not only by financial resource decline, but by the amplification of domestic politics as a rival recipient of state fiscal resources. It is important to note that the UAE is emerging from the fiscal crisis of 2015–16 in a better position than most of its GCC neighbors, further strengthening its potential role as aid provider and interventionist in regional crisis.

Especially given this changing fiscal context, prioritisation of aims becomes even more important. For a sense of what they might be or how they might evolve, the OECD donors' experience is not a very useful starting point. Indeed, the strategic aid priorities originating in the Gulf are generally quite different from those originating in the West. The justification of increased aid is supported by the mutual benefit of the business and finance communities in the donor country. In the case of the UAE, the overwhelming priority has been a coordinated business and security ambition: What strengthens the position of the state, while also providing a quality investment for the state? When state and economic interests dovetail, we see the hallmark of Arab Gulf state economic statecraft. Because of the heavy presence of state-related entities in Gulf economies, any aid decision is also an investment opportunity for state-linked firms to capitalize on bilateral ties.

Aid can serve as a long-term investment strategy in alliance-building, but also in providing much needed finance in infrastructure, support for agricultural communities in the form of land and farm purchases (which serves as food security for Gulf states), and investment in telecommunications. Often the areas in which developing countries are weak and need investment are the areas in which Gulf states have existing expertise in state-owned or linked enterprise.

5 The dovetailing of UAE aid and investment strategy

This coordinated business and security strategy is perhaps the key feature of Emirati foreign policy *and* foreign aid policy. In interviews with advisors to the UAE Ministry of Foreign Affairs, there is a recurrent theme heard in meetings from the minister down to advisors: return on investment.[55] The return is not calculated as a pure financial figure. The return

[55] Interviews with international consultants engaged with Ministry of Foreign Affairs on development strategy in Egypt, London, Mar. 2015.

Table IV: UAE bank sector investment in Egypt.

Firm	Ownership/ Directors	History
National Bank of Abu Dhabi	H.H. Sheikh Tahnoon Bin Zayed (Chairman)	In 1975, NBAD opened its first overseas branch in Egypt. It was the first UAE bank to open a branch overseas. NBAD became a public joint stock company in 2000.[a]
Abu Dhabi Islamic Bank Egypt	H.E. Jawaan Awaidha Suhail Al Khaili (Chairman)	Founded in 1980 as an Egyptian joint stock company.[b]
Union National Bank	H.H. Sheikh. Nahayan Mabarak Al Nahayan (Chairman and current head of the Ministry of Culture and Youth) Union National Bank (UNB) is a public joint stock company incorporated under the laws of the United Arab Emirates in 1982. UNB is the only bank in the UAE with significant shareholdings by the Governments of both Abu Dhabi (50%) and Dubai (10%). The remaining 40% of the shares are publicly held. The shares of UNB are listed on Abu Dhabi Securities Exchange.[c]	UNB has extended its reach to Egypt through a successful acquisition of the erstwhile ACMB and currently operates in the country as UNB Egypt through a number of banking centres. UNB-Egypt, which operates under the umbrella of UAE-based Union National Bank Group, was established as a joint stock company in 2006.[d]
Mashreq Bank	Abdulla bin Ahmad Al Ghurair (Founder and chairman)	Mashreq began life as the Bank of Oman, based in Dubai, in 1967.[e] Mashreq officially launched its retail operations in Egypt in 2009.[f]
Emirates NBD	H.H. Shaikh Ahmed bin Saeed Al Maktoum (Chairman of the parent company)	Emirates NBD officially listed on the Dubai Financial Market in October 2007 as a merger of the UAE's second and fourth largest banks (Emirate Bank International and National Bank of Dubai). It entered the Egyptian market on June 2013 through the acquisition of the BNP Paribas subsidiary in Egypt.[g]

[a] National Bank of Abu Dhabi, "About NBAD Egypt", available online at www.nbad.com/en-eg/about-nbad/overview.html.
[b] Abu Dhabi Investment Bank, "Annual Report" (2013), available online at www.adib.eg/ADIB%20Annual%20Report%202013%20En.pdf.
[c] Central Bank of the U.A.E., "Local Commercial Banks Ownership Structure as at 31/12/2013", available online at www.centralbank.ae/en/pdf/ownership/Ownership-Structure-of-local-Banks-En-19102014.pdf.
[d] Union National Bank, "Union National Bank – Egypt", available online at http://unb-egypt.com/about/.
[e] Mashreq Bank, "About Us", available online at www.mashreqbank.com/egypt/en/about-us/about-us.
[f] Anon., "Dubai-Based Mashreq Bank Launches Egypt Operations", *Gulf News*, 1 Apr. 2009.
[g] Emirates NBD. "About Us", available online at www.emiratesnbd.com.eg/egypt-en/index.cfm/about-us/home/about-us/.

includes market access, market dominance, priority over regional rivals in the investment/aid target space, and forward-looking opportunities for state-related entities to make profitable partnerships, often with a medium to long-term trajectory. Trade, investment, security and building a state identity within an international system are not mutually exclusive strategic objectives.

Getting a "good deal" is a priority, but equally important is getting a "better deal" than Gulf rivals. A picture of this regional rivalry also emerged in interviews with leaders of a major

Table V: Energy: UAE oil, gas and renewable investments in Egypt.

Emarat Misr		Emarat Misr Petroleum Products Company was established to achieve international cooperation agreement between Arab Republic of Egypt and United Arab Emirates in 2001.[a]
Dana Gas	H.H. Shaikh Ahmed bin Sultan al-Qasimi (Chairman) About 38% of the company's stocks are Emirati entities, an additional 25% is owned by entities of other Gulf Cooperation Council states.[b]	Dana Gas has operated in Egypt since 2007, when it purchased Centurion Energy International for $950 million. Since then, the company has invested over a billion dollars in the country. It currently operates several on-shore gas fields in the Nile Delta region.[c]
Masdar	H.H. General Shaikh Mohamed bin Zayed Al Nahyan (The Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces and Chairman of the parent company Mubadala) Masdar is a wholly-owned subsidiary of the Abu Dhabi Government-owned Mubadala Development Company.[d]	Masdar was established in 2006. In 2010, Masdar was in discussions with Egypt for a 200 megawatt wind project to be located along the coastline of the Gulf of Suez in the Red Sea area. The company was ready to start feasibility studies when political instability put all plans on hold. Although this marks Masdar's first entry into Egypt's large-scale renewable sector, it has several special projects continuing in the country.[e]

[a] Emarat Misr, "Our History", available online at http://emaratmisr.com/OurHistory.html.
[b] Dana Gas, "Annual Report & Accounts" (2015), p. 69, available online at www.danagas.com/en-us/Investors/Annual%20Report%202015.pdf.
[c] Anon., "Dana Sets Course for Mideast Upstream Growth", *Rigzone*, 9 Jan. 2007.
[d] Mubadala, "Corporate Structure", available online at www.mubadala.com/en/who-we-are/corporate-structure.
[e] Anon., "Egypt to Build Wind Farm with Abu Dhabi's Masdar", *Reuters*, 17 Feb. 2010.

United Nations member states funded education project in which multiple Gulf state donors competed for name placement, and promotional credit. The publicity of aid and alliances with multilateral lenders and agencies reflects a long-standing practice of prestige-seeking policy. These practices have long been a part of Gulf states seeking global brand presence in their local retail markets, and in efforts to co-brand through advertising Gulf brands abroad (e.g. airlines sponsoring football teams). The public sector effort, or rather state efforts at branding through multilateral aid affiliation, is newer and may reflect a shift of Gulf state identity priorities. This recalibration is especially relevant in the case of Qatar, a state that has made specific efforts at quietly positioning its aid portfolio after its very public efforts at notoriety through hosting sporting events. It was the Qataris who demanded top billing for the educational program.[56]

The Emirati approach is business-oriented and straddles state-private sector boundaries, as is the nature of the UAE economy. The clearest example of this approach has been in the UAE foreign policy towards Egypt after 2013. The UAE-Egyptian relationship continues to evolve, with growing leverage for the UAE as Egypt's financial situation continues to deteriorate. Unlike traditional aid/ally relationships, the Emirati approach seems more willing to quickly recalibrate, reconsidering (and even reversing) aid targets early in project timelines.

[56] Interview with educational charity executive, Washington DC, Aug. 2015.

Table VI: Construction and real estate development: UAE investment in Egypt.

Al Tanmia Modern	The company fully owned by Dubai Islamic Bank, United Arab Emirates.[a]	The company was formed on 8th June 2005.
Emaar Misr	H.E. Mohamed Ali Rashed Albbar (Chairman) Emaar Misr for Development S.A.E is the wholly owned subsidiary of the UAE-based Emaar Properties PJSC.[b]	Established in 1997, Emaar Properties is a Public Joint Stock Company listed on the Dubai Financial Market. August 2005, Emaar launched its first project in Egypt, Uptown Cairo.[c]
Damac Properties	Hussain Ali Sajwani (Founder and Chairman)[d]	DAMAC Properties, a private residential, leisure and commercial developer, was established in Dubai in 2002.[e] DAMAC Properties first entered the market in Egypt in 2007 with the launch of its Park Avenue development.[f]
Arabtec Egypt	H.E. Khadem Abdulla al-Qubaisi (former Chairman of the parent company Arabtec Holding) Arabtec's largest shareholder is Abu Dhabi state fund Aabar, which owns a 22% stake. One million homes proposed, 13,000 proposed in December 2015.[g]	Arabtec Egypt for Construction S.A.E was founded in 2010 in Egypt as a partnership between Arabtec Construction L.L.C, a wholly owned subsidiary of Arabtec Holding PJSC, and Amer Group Holding Company SAE with a 55% shareholding for Arabtec Construction L.L.C.[h]

[a] Al Tanmia Modern, "About Us", available online at http://altanmiamodern.com/en/view.php?id=2.
[b] Emaar Misr, "Ownership Structure", available online at http://ir.emaarmisr.com/CompanyProfile/OwnershipStructure/37.
[c] Jones, "Emaar Unveils Blueprint for US$4 Billion Cairo Heights", *Business Intelligence Middle East*, 18 Aug. 2005.
[d] Damac Properties, "Corporate Governance", available online at www.damacproperties.com/en/investor-relations/corporate-governance/meet-our-board.
[e] Damac Properties, "History", available online at www.damacproperties.com/en/about-damac/our-history.
[f] Anon., "Damac to Launch Egypt Projects", *Trade Arabia*, 22 July 2007.
[g] Oxborrow, "Arabtec Hites Back at Egypt Housing Minister over 'Limited Project'", *The National*, 10 Dec. 2015.
[h] Anon., "Amer Group Divests Equity in Arabtec Egypt", *Mubasher*, 19 Feb. 2013.

6 An overview of investment ties between the UAE and Egypt

There are long-standing ties between the UAE and Egypt in the bank sector, construction, energy, tourism, retail and agriculture. The tables below highlight some of the major ties between the state and private sector and offer some background on firm ownership structure. These examples demonstrate two important contentions. First, the structure of the Emirati economy has linked political and economic leadership. As occurs across the GCC, it is common to see members of the ruling families of the seven emirates on the boards of major financial and commercial interests. Another common feature of Gulf political economies is the dominance of merchant families, so that successful UAE-based family businesses also enjoy the expansion of state and financial ties abroad. In the links between the UAE and Egypt we see an expansive representation of the pillars of Emirati state- business interests from banking and retail to construction, energy and agriculture. The UAE's financial ties to Egypt are long-standing and deep, as one would expect given Egypt's position in the region both politically and economically. The rationale for Emirati investment in Egypt in 1975 in the bank sector would be very obvious, as the UAE was just beginning to form a financial community. Over time, tables have turned and there is considerable leverage from Emirati entities within the Egyptian economy. The current use of these networks and ties, at the service of the Emirati state, point to a build-up over time of linkages between ruling families, merchants and state-related entities with the capacity to engage the Egyptian political economy.

The linking of private and state interests is not necessarily to achieve foreign policy goals, but rather is a pattern of elite networks and informed consensus building. Goals of the economic and

Table VII: Food and agriculture: UAE aid and investment in Egypt.

Majid Al Futtaim	The group was established by businessman Majid Al Futtaim in 1992.[a]	In 2002 Majid Al Futtaim Holding started operations in Egypt with Maadi City Center.[b]
Al Dahra	H.H. Sheikh Hamdan Bin Zayed Al Nahyan (Chairman of the parent company Al Ain and current ruler of the western region of Abu Dhabi)	Al Dahra entered into a controversial contract with the Egyptian government in the late 1990s to rehabilitate dessert land in Toshka. In 2007 Al Dahra Group acquired Navigator Investments in collaboration with the governments of Egypt and United Arab Emirates.[c]
Jenaan Investment	–	Jenaan acquired around 40,000 feddans in Egypt between 2007 and 2008.[d]
Taghleef Industries	Saif Ahmad Al Ghurair (Founder and Chairman of the parent company Al Ghurair Group) Taghleef Industries is a private owned company belonging to the Al Ghurair Group and is headquartered in Dubai, UAE.[e]	In 2006, TI was formed merging the experience and power of three companies: • Technopack, 6th October City, Egypt (1989); • AKPP, Sohar, Oman (1996); • Dubai Poly Film, Dubai, UAE (1998)
Food Aid/ Gift (One million tons of Wheat)	Abu Dhabi Finance Department	Summer 2008[f]

[a] Majid Al Futtaim, "Who We Are", available online at www.majidalfuttaim.com/about-us/overview/who-we-are/.
[b] Majid Al Futtaim, "Transforming Shopping in Cairo", available online at www.majidalfuttaim.com/our-businesses/properties/shopping-malls/city-centre/city-centre-maadi/.
[c] Maher Milad Iskander & Co., "Egypt: Land of Opportunities", available online at http://mahermiladiskander.com/wp-content/uploads/2016/04/agribus-empty.pdf.
[d] El Gamal, "Abu Dhabi's Jenaan Changing Policy in Egypt to Grow Wheat – Chairman", *Reuters*, 25 Nov. 2013.
[e] Taghleef Industries, "History", available online at www.ti-films.com/en/corporate/history.
[f] WAM, "Khalifa Donates One Million Tonnes of Wheat to Egypt", *Gulf News*, 20 Apr. 2017.

political elite are intertwined. Second, when political intervention becomes a state priority, these investment ties become resources for economic statecraft. Through partnerships with commercial interests, the state is able to orchestrate a multivariate aid approach. In this case of Egypt, this has included food security, monetary stability, job creation in construction and low-skilled sectors through housing initiatives, and increased deal flow for the local bank sector.

7 The impact of UAE aid and investment in Egypt

The UAE economic intervention in Egypt has included key sectors of both economies. The investment and aid in wheat production indicates a shared security concern: food security for the UAE and food stability for Egypt. The UAE investment in food production has been mired in conflict in Egypt, as the legal institutions that might facilitate investment have challenged some of the mechanisms of cross-border interaction. UAE investment in large scale construction projects in Egypt also play to the Emirates' strengths in state-related entities that can manage development goals hinging on an expansive property sector, fuelled by a bank sector that lends heavily to construction and real estate entities. The bank sector in the UAE is able to extend these large lines of credit precisely because the government deposits of oil revenues go into local banks and are then restricted on investment vehicles. Local banks do not favour complex debt instruments, so asset-backed loans of construction and real estate are privileged. The recipients of this finance are again tied to the state through ownership structure. It is a cycle of revenue and finance that sits comfortably with four intertwined interests: the state, ruling families, commercial entities, and banks.

The experience of the aid and investment directed towards low-income housing development in Egypt via the Arabtec projects is instructive to the linkages of Emirati foreign policy objectives. The Arabtec projects have not been completed and will likely not move forward, in many ways, as a recalibration of the Emirates-based conglomerate and its state-backed ownership decision on the profitability of such a large investment in Egypt.[57] This relationship was at the center of foreign direct investment programs announced at the outset of the Sisi administration. However, as the internal dynamics of the Arabtec company transformed to include a corporate structure tied more closely to the UAE state and its investment vehicles (Aabar and IPIC), interest in the feasibility of the Egyptian housing investment waned. It has turned out not to be such a "good deal".

As the expansive literature on aid and directed investment from Western donors attests, there are a number of pitfalls we might expect to occur in Egypt with the absorption of Gulf aid after 2011. We have at least some preliminary evidence that the massive support from the Gulf is not necessarily speeding economic reform or a reduction of the Egyptian budget deficit. Egypt delayed going to the International Monetary Fund for a loan package until 2016 in large part because of the availability of Gulf aid and loans after 2011, and increasingly after 2013. Because Gulf aid and loans to Egypt came with no conditionality, meaning there were no restrictions or forced changed to Egyptian fiscal or monetary policy, Egypt had little incentive for economic reforms. The Gulf states gift to the early Sisi administration was the ability to increase public expenditure. However, the consequences included inflationary pressure, a mounting currency crisis, and a stalled tax reform and subsidy reduction agenda. By November of 2016, Egypt devalued its currency and moved to a floating exchange regime, the central bank unable to defend the value of the Egyptian pound with dwindling reserves and increasing inflationary pressures.[58] For average Egyptians, this meant a sharp reduction in the value of their savings; but for the contingent IMF package, the devaluation restored some credibility to the government's monetary policy, in that the government would have less of a hand in managing it via a floating currency. The in-kind aid in oil and gas products has been instrumental to the small reduction in the Egyptian budget that occurred, but as a skewing effect rather than a policy objective. Fiscal expansion is not necessarily a bad policy choice, but rather the question is how fiscal expansion, supported by Gulf aid, is meeting the political and economic needs of a state in crisis. Table VIII presents a more detailed picture of Egypt's fiscal budget trajectory over the period 2011–16, noting the sources for bridging the deficits.

What is compelling about the Emirati aid and investment approach in Egypt is its flexibility and its direct engagement with the government, not on conditions of reform, but on issues of mutual economic benefit. This is a discursive departure from Western and DAC aid norms, and probably a welcome pattern of South-South cooperation. However, the risk of the profit-centered security intervention is that its shorter-term horizon and its reliance on state institutions will likely entrench repressive state institutions and elite interests in Egypt. The state-to-state mechanism also leaves little room for civil society to engage in parallel job creation and social protection programs.

[57] Arnold and Torchia, "UAE's Arabtec Says No Progress on Egypt Housing Project", *Reuters*, 2 Sept. 2015.

[58] Kholaif, "Egypt Free Floats Its Currency", *Wall Street Journal*, 3 Nov. 2016.

Table VIII: Egypt fiscal budget trajectory, 2011–16.

Fiscal Year	Budget Deficit	Resources to Bridge the Deficit
FY 2011–12	$23bn (11% of GDP)	Domestic borrowing (which reached 80% of GDP) and foreign exchange reserves. In addition to "diaspora bonds" which were issued to tap into the savings of the Egyptian expats in the Arab Gulf region.
FY 2012–13	(14% of GDP)	The escalating fiscal deficit has pushed up total public debt to 98% of GDP in June 2013, for the first time since June 2007. The gross domestic debt per capita reached $2,477 in June 2013, while external debt per capita was lower, at $490.
FY 2013–14	(13% of GDP)	Financial and fuel aid that Egypt received from the four Gulf Arab donors (Qatar, Kuwait, UAE and KSA) during 2013 was close to $20bn, equivalent to 8% of GDP. The gifts of fuel from the GCC states will help to reduce expenditure, indirectly, by cutting the cost of subsidizing fuel. Some Gulf Arab aid may be designated as foreign grants in the budget, which would also bring down the deficit. The gift from the Gulf countries, however, had its most remarkable impact on the country's foreign reserves and balance of payments (BOP). For the first time in three years, the country's BOP turned to a surplus of $0.2bn in June 2013, from a deficit of $11.3bn one year ago, mainly because of inflows of funds from the Gulf countries.
FY 2014–15	(11% of GDP)	In July 2014, only two weeks after he took office, Sisi decided to cut fuel subsidies — which had constituted an average of 20% of Egypt's public expenditures from 2008 to 2012 — by 40–50 billion Egyptian pounds ($5.2–$6.6 bn). The cut came ahead of the significant drop in global fuel prices that began in late 2014, which has resulted in prices that are less than half of what they were at the beginning of Egypt's fiscal year. This should help the government to further reduce its subsidy bill, as well as the budget deficit.
FY 2015–16 (draft announced on 19 June 2015)	(targeted at 10% of GDP)	Projected public revenues stand at about 612 billion Egyptian pounds ($80.26 billion), a 26% increase. Projected expenditure is 885 billion pounds, up 20%. Nevertheless, a report by the rating agency Moody's showed that the projected revenue increase of 26%, and tax share to increase to 70% of total revenues compared to 57% in 2013–14, will depend on the quick implementation of tax reform. Moody's expects lower tax revenues than projected by the draft budget. Furthermore, Moody's report further detailed that Egypt is facing *declining budgetary donations*, which will decline to EGP 2.2bn in FY 2015–16 compared to EGP 25.7bn in FY 2014–15 and EGP 95.9bn in FY 2013–14, according to the draft budget.

Sources: Moody's, Reuters, African Development Bank Group.

8 Conclusion

The GCC states have the capacity to create foreign aid projects with novel approaches to job creation and public-private partnerships. The UAE investment in Egypt and proposal to build a new capital city was one potential example.[59] Qatar's investments in food security in sub-Saharan Africa are others.[60] However, that success depends on the strategic goals of the GCC states in their aid portfolios. If security is their primary concern, we should not expect to see great economic miracles (or political openings) unfolding across North Africa. Potential obstacles to increased or prolonged aid are more likely to be domestic pressures in the Gulf states themselves, based on fiscal concern, and blowback or policy reverberation in the form of domestic threats to state security.

Findings here suggest that the objectives of GCC aid, though enabled by resource wealth, are not strictly tied to volatility of these commodity prices. There are instances of rising oil prices in which aid did not increase on par with increased state resource revenue. Furthermore, we are currently in a climate in which oil revenues are decreasing, while the promise of Gulf aid (mostly from Saudi Arabia, Qatar and the United Arab Emirates) is increasing, at least to states identified as strategic partners in Gulf security.

Contrary to public statements and prevailing analysis of the motivations of Gulf Arab aid based in cultural and religious traditions of charity, I have argued that since the Gulf states have had the financial ability to give, they have directed aid and state-backed foreign investment at political goals. It is perhaps the Gulf cultural aversion to public discussion of economic statecraft that reinforces preferences for bilateral, flexible (or, uncoordinated) foreign aid, and further encourages private donations with myriad political effects. As Gulf economic statecraft further expands regionally and beyond, the ability of the state to link public and private sector interests will be tested, providing an interesting moment to evaluate the evolving nature of domestic sources of political and economic power inside the Arab Gulf states. The recipient sites of these interventions will be test cases of whether state-to-state or state-to-private sector and civil society models of aid and foreign investment are more effective in creating economic opportunity and social mobility.

Bibliography

1 Primary sources

1.1 *Interviews*

International consultants engaged with Ministry of Foreign Affairs on Development Strategy in Egypt, London, 12 March 2015.

Educational charity executive, Washington DC, 6 August 2015.

1.2 *Government publications*

UAE Ministry of Foreign Affairs, "The Foreign Aid Coordination Office" (2014), available online at www.mofa.gov.ae/mofa_english/portal/9edde889-4b7e-46bc-a2c6-8c7b88c9bf83.aspx.

Kuwait Fund for Economic Development, "Kuwait Fund Activities" (2013), available online at www.kuwaitfund.org/images/stories/publications/Mojaz%20Sep2013/MojazSep2013.pdf.

[59] Parasie, "Egypt Unveils Plans for New Capital City: Development to Receive Support for UAE", *Wall Street Journal*, 14 Mar. 2015.

[60] Bailey and Willoughby, "Edible Oil: Food Security in the Gulf, Energy, Environment and Resources", *Chatham House Briefing Paper*, 1 Nov. 2013.

2 Secondary sources

Abdelatty, Ali; Tom Brown; and Franklin Paul, "Egypt, Saudi Arabia Sign 60 Billion Saudi Riyal Investment Fund Pact", *Reuters*, 9 April 2016, available online at www.reuters.com.

Abu Dhabi Investment Bank, "Annual Report" (2013), available online at www.adib.eg/ADIB%20Annual%20Report%202013%20En.pdf.

Acharya, Amitav, "How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism", *International Organization* 58.2 (2004), pp. 239–75.

Ahmed, Faisal, "The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival", *American Political Science Review* 106.1 (2012), pp. 146–65.

Ahmed, Haitham, "Egyptian Court Annuls Deal to Hand Over Two Red Sea Islands to Saudi Arabia"", *Reuters*, 21 June 2016, available online at www.reuters.com.

Al Mezaini, Khalid, *The UAE and Foreign Policy: Foreign Aid, Identities and Interests* (London: Routledge, 2012).

Al Tanmia Modern, "About Us", available online at http://altanmiamodern.com/en/view.php?id=2.

Anon., *Website Egypt the Future*, available online at https://web.archive.org/web/20161011070343/www.egyptthefuture.com/.

———., "UAE's Investments in Egypt Hit $4.5bn", *Mubasher*, 29 March 2016, available online at http://english.mubasher.info/news/2925305/UAE-s-investments-in-Egypt-hit-4-5bn.

———., "Abu Dhabi Fund for Development Deposits $1bn in Central Bank of Egypt", *Abu Dhabi Fund for Development*, 23 August 2016, available online at www.adfd.ae.

———., "Egypt and Saudi Arabia Set to Ink Petroleum, Investment Deals", *Saudi Gazette*, 20 March 2016, republished by *Al-Arabiya* on 20 March 2016, available online at http://english.alarabiya.net/en/business/energy/2016/03/20/Egypt-Saudi-Arabia-set-to-ink-petroleum-investment-deals.html.

———., "UPDATE 1-Egypt's Foreign Reserves Rise after Qatar Deposit", *Reuters*, 19 January 2013, available online at www.reuters.com.

———., "Arab Gulf States Reassure Egypt of Petroleum Aid", *Ahram Online*, 20 August 2013, available online at http://english.ahram.org.eg/Index.aspx.

———., "Saudi Arabia Approves $5 Billion Aid Package to Egypt", *AlArabiya*, 9 July 2013, available online at https://english.alarabiya.net/.

———., "Dubai-based Mashreq Bank Launches Egypt Operations", *Gulf News*, 1 April 2009, available online at www.gulfnews.com.

———., "Dana Sets Course for Mideast Upstream Growth", *Rigzone*, 9 January 2007, available online at www.rigzone.com.

———., "Egypt to Build Wind Farm with Abu Dhabi's Masdar", *Reuters*, 17 February 2010, available online at www.reuters.com.

———., "Damac to Launch Egypt Projects", *Trade Arabia*, 22 July 2007, available online at www.tradearabia.com.

———., "Amer Group Divests Equity in Arabtec Egypt", *Mubasher*, 19 February 2013, available online at http://english.mubasher.info/countries/sa.

Arnold, Tom and Sami Aboudi, "Egypt Got $23 Bln in Aid from Gulf in 18 Months-Minister", *Reuters*, 2 March 2015, available online at http://af.reuters.com/article/commoditiesNews/idAFL5N0W41XL20150302.

Arnold, Tom, and Andrew Torchia, "UAE's Arabtec Says No Progress on Egypt Housing Project", *Reuters*, 2 September 2015, available online at www.reuters.com.

Arvai, Zsofia; Ananthakrishnan Prasad; and Kentaro Katayama, *Macroprudential Policies in the GCC States Countries* (Washington: International Monetary Fund, 2014).

Aswad, Celine; Andrew Torchia; and Larry King, "Mideast Stocks-Egypt Rallies on $2 Bln Saudi Deposit; Gulf Mixed", *Reuters*, 13 October 2016, available online at www.reuters.com.

Bailey, Rob and Robin Willoughby, "Edible Oil: Food Security in the Gulf, Energy, Environment and Resource", *Chatham House Briefing Paper*, 1 November 2013, available online at www.chathamhouse.org.

Barakat, Sultan and Steven Zyck, "Gulf State Assistance to Conflict-Affected Environments", *LSE Kuwait Programme on Development Working Paper* 10 (2010), available online at http://eprints.lse.ac.uk/55240/1/Barakat_2010.pdf.

Bearce, David H. and Daniel C. Tirone, "Foreign Aid Effectiveness and the Strategic Goals of Donor Governments", *Journal of Politics* 72.3 (2010), pp. 837–51.

Billat, Celine, *The Funding of Humanitarian Action by Non-Western Donors: The Sustainability of Gulf States' Contributions*, MA dissertation (Centre for Education and Research in Humanitarian Action,

Geneva, 2015), available online at www.cerahgeneve.ch/files/1714/5268/0956/BILLAT_Celine_MAS_Dissertation_CERAH_2015_-_20.11.2015.pdf.
Burnside, Craig and David Dollar, “Aid, Policies, and Growth”, *American Economic Review* 40 (2000), pp. 847–68.
Central Bank of the UAE, “Local Commercial Banks Ownership Structure as at 31/12/2013”, available online at www.centralbank.ae/en/pdf/ownership/Ownership-Structure-of-local-Banks-En-19102014.pdf.
Collier, Paul, “Is Aid Oil? An Analysis of Whether Africa Can Absorb More Aid”, *World Development* 34.9 (2006), pp. 1482–97.
Collier, Paul, Patrick Guillaumont; Sylviane Guillaumont; and Jan Willem Gunning, “Redesigning Conditionality”, *World Development* 25.9 (1997), pp. 1399–407.
Collier, Paul, Patrick Guillaumont and Anke Hoeffler, “Aid, Policy and Peace: Reducing the Risks of Civil Conflict”, *Defence and Peace Economics* 13.6 (2002), pp. 435–50.
Cooper, Andrew and Bessma Momani, “The Challenge of Re-Branding Countries in the Middle East: Opportunities Through New Networked Engagements Versus Constraints of Embedded Negative Images”, *Place Branding and Public Diplomacy* 5.2 (2009), pp. 103–17.
Damac Properties, “Corporate Governance”, available online at www.damacproperties.com/en/investor-relations/corporate-governance/meet-our-board.
———, “History”, available online at www.damacproperties.com/en/about-damac/our-history.
Dana Gas, “Annual Report & Accounts” (2015), p. 69, available online at www.danagas.com/en-us/Investors/Annual%20Report%202015.pdf.
Desai, Raj M. and Homi Kharas, “The Determinants of Aid Volatility”, *Brookings Institute Global Economy and Development Series, Working Paper* 42 (2010), pp. 5–6.
Dietrich, Simone, “Bypass or Engage? Explaining Donor Delivery Tactics in Foreign Aid Allocation”, *International Studies Quarterly* 57 (2013), p. 699–712.
Dokoupil, Martin, “Kuwait Promises Egypt $4 Billion in Aid – State News Agency”, *Reuters*, 10 July 2013 available online at www.reuters.com.
Dudley, Leonard, and Claude Montmarquette, “A Model of the Supply of Bilateral Foreign Aid”, *The American Economic Review* 66 (1976), pp. 132–42.
Duffield, Mark, “The Development Security Nexus in Historical Perspective: Governing the World of Peoples”, *Challenging the Aid Paradigm: Western Currents and Asian Alternatives*, edited by Jens Stilhoff Sorensen (Palgrave Macmillan: Basingstoke, 2009), pp. 25–46.
———, “Human Security: Linking Development and Security in an Age of Terror”, *11th General Confronce of the EADI*, Bonn, 21 to 24 Septemeber 2006, pp. 11–38.
Easterly, William; Ross Levine; and David Roodman “Aid, Policies, and Growth: Comment”, *American Economic Review* 94 (2004), pp. 74–80.
El Gamal, Rania, “Abu Dhabi’s Jenaan Changing Policy in Egypt to Grow Wheat – Chairman”, *Reuters*, 25 November 2013, available online at www.reuters.com.
El Wardany, Salma; Tarek Al-Tablaway; and Ahmed Feteha, “Egypt Secures Billions in Aid, Deals as Gulf Arabs Lead Way”, *Bloomberg*, 14 March 2015, available online at www.bloomberg.com.
Emaar Misr, “Ownership Structure”, available online at http://ir.emaarmisr.com/CompanyProfile/OwnershipStructure/37.
Emarat Misr, “Our History”, available online at http://emaratmisr.com/OurHistory.html.
Emirates NBD. “About Us”, available online at www.emiratesnbd.com.eg/egypt-en/index.cfm/about-us/home/about-us/.
———. “GCC Sovereign Bonds: Staying on Steady Course”, *Credit Note*, 2 February 2017.
Farouk, Ehab; Asma Alsharif; and Adrian Croft, “Saudi Aramco Informed Egypt about Suspending Oil Product Supply: Official”, *Reuters*, 10 October 2016, available online at www.reuters.com.
Farouk, Ehab; Shadi Bushra; James Dalgleish; and G. Crosse, “Update 1-Egypt Receives $6 Bln from Saudi Arabia, UAE, Kuwait”, *Reuters*, 22 April 2015, available online at www.reuters.com.
Feteha, Ahmed, and Abdel Latif Wahba, “Saudi Arabia to Support Egypt With $3 Billion of Loans, Grants”, *Bloomberg*, 4 January 2016, available online at www.bloomberg.com.
Feteha, Ahmed, “Egypt Said to Get $2 Billion Saudi Deposit in IMF Deal Boost”, *Bloomberg*, 12 October 2016, available online at www.bloomberg.com
Godfrey, John, “Egyptian NGOs Live Under Threat of Regulation”, *Nonprofit Quarterly*, 27 May 2015, available online at http://nonprofitquarterly.org/2015/05/27/egyptian-ngos-live-under-threat-of-regulation/.

Habboush, Mahmoud and Salma El Wardany, "Saudi Suspends Egypt's Oil Shipments until Further Notice", *Bloomberg*, 7 November 2016, available online at www.bloomberg.com.

Halime, Farah, "UAE's $3bn Aid Package to Egypt for Housing and Small Firms", *The National*, 6 July 2011, available online at www.thenational.ae.

Ibish, Hussein and Abdel Monem Said Aly, "Egypt-GCC Partnership: Bedrock of Regional Security Despite Fissures", *Arab Gulf States Institute in Washington Issue Paper* 11 (2016), available online at www.agsiw.org/wp-content/uploads/2016/12/Hussein_AbdelMonem_GCCEgypt_ONLINE-1.pdf.

International Monetary Fund, *Regional Economic Outlook: Middle East and Central Asia* (Washington: International Monetary Fund, 2008), available online at www.imf.org/external/pubs/ft/reo/2015/mcd/eng/pdf/menap1015.pdf

Jones, Sam, "Aid Supplies Over Time: Addressing Heterogeneity, Trends and Dynamics", *World Development* 69 (2015), pp. 31–43.

Jones, Trevor Lloyd, "Emaar Unveils Blueprint for US$4 Billion Cairo Heights", *Business Intelligence Middle East*, 18 August 2005, available online at www.bi-me.com.

Kassem, Mahmoud and Sean Cronin, "UAE Pledges $4bn Towards Egypt's Economic Recovery", *The National*, 14 March 2015, available online at www.thenational.ae.

Kholaif, Dahlia, "Egypt Free Floats Its Currency, Devaluing It Against the Dollar", *Wall Street Journal*, 3 November 2016, available online at www.wsj.com.

Kim, Soyeun and Simon Lightfoot "Does DAC-ability Really Matter? The Emergence of Non-DAC Donors: Introduction to the Policy Arena", *Journal of International Development* 23.5 (2011), pp. 711–21.

Krageland, Peter, "The Return of the Non-DAC Donors to Africa: New Prospects for African Development", *Development Policy Review* 26.5 (2008), pp. 555–84.

Laessing, Ulf, "UAE Transferred $3 Billion in Aid to Egypt, Saudi to Follow Shortly", *Reuters*, 18 July 2013, available online at www.reuters.com.

Lis, Piotr, "Terrorism, Armed Conflict and Foreign Aid", *Peace Economics, Peace Science and Public Policy* 20.4 (2014), pp. 655–67.

Mahdi, Wael, "Kuwait Said to Renew Contract to Supply Crude Oil to Egypt", *Bloomberg*, 17 November 2016, available online at www.bloomberg.com.

Maher Milad Iskander & Co., "Egypt: Land of Opportunities", available online at http://mahermiladiskander.com/wp-content/uploads/2016/04/agribus-empty.pdf.

Majid Al Futtaim, "Transforming Shopping in Cairo", available online at www.majidalfuttaim.com/our-businesses/properties/shopping-malls/city-centre/city-centre-maadi/.

———, "Who We Are", available online at www.majidalfuttaim.com/about-us/overview/who-we-are/.

Mashreq Bank, "About Us", available online at www.mashreqbank.com/egypt/en/about-us/about-us.

Mesquita, Bruce Bueno De and Alastair Smith, "A Political Economy of Aid", *International Organization* 63.2 (2009), pp. 309–40.

Momani, Bessma and Crystal A. Ennis, "Between Caution and Controversy: Lessons from the Gulf Arab States as (Re-)Emerging Donors", *Cambridge Review of International Affairs* 25.4 (2012), pp. 605–27.

Morrison, Kevin M., "What Can We Learn About the 'Resource Curse' from Foreign Aid?", *The World Bank Research Observer* 27.1 (2012), pp. 52–73.

Mounir, Safiaa, "Will Sisi's Economic Reforms Succeed?", *Al-Monitor*, 25 August 2015, available online at www.al-monitor.com.

Mubadala, "Corporate Structure", available online at www.mubadala.com/en/who-we-are/corporate-structure.

National Bank of Abu Dhabi, "About NBAD Egypt", available online at www.nbad.com/en-eg/about-nbad/overview.html.

Neumayer, Eric, "What Factors Determine the Allocation of Aid by Arab Countries and Multilateral Agencies?", *Journal of Development Studies* 39.4 (2003), pp. 134–47.

Nonneman, Gerd, *Development, Administration and Aid in the Middle East* (London: Routledge, 1988).

Oxborrow, Ian, "Arabtec Hites Back at Egypt Housing Minister Over 'Limited Project'", *The National*, 10 December 2015, available online at www.thenational.ae.

Parasie, Nicolas, "Egypt Unveils Plans for New Capital City: Development to Receive Support for UAE", *Wall Street Journal*, 14 March 2015, available online at www.wsj.com.

Saleh, Yasmine and Patrick Werr, "Qatar Throws Egypt $2.5 Billion Lifeline to Prop up Pound", *Reuters*, 8 January 2013, available online at www.reuters.com.

Savun, Burcu and Daniel C. Tirone, "Exogenous Shocks, Foreign Aid and Civil War", *International Organization* 66.3 (2012), pp. 363–93.

Savun, Burcu and Jude C. Hays, “Tool: Aid Delivery Channels, State Capacity, and NGOs”, presented at the *American Political Science Association Annual* Meeting, Seattle, 1–4 September 2011, available online at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1900690.

Shenker, Jack, “Sharm El Sheikh Rumbles with Grand Promises of the International Elite”, *The Guardian*, 15 March 2015, available online at www.theguardian.com

Shilling, A. Gary, “Get Ready for $10 Oil”, *Bloomberg View*, 16 February 2016, available online at www.bloombergview.com

Shushan, Debra and Christopher Marcoux, “The Rise (and Decline?) of Arab Aid: Generosity and Allocation in the Oil Era”, *World Development* 39.11 (2011), pp. 1969–80.

Simmons, Andre, *Arab Foreign Aid* (London: Associated University Press, 1981).

Sons, Sebastian and Inken Wiese, “The Engagement of Arab Gulf States in Egypt and Tunisia since 2011: Rational and Impact”, *DGAP analyse* 9 (2015), available online at https://dgap.org/en/article/getFullPDF/27232

Taghleef Industries, “History”, available online at www.ti-films.com/en/corporate/history.

Tok, Evren; Rachael Calleja; and Hanaa El-Ghaish, “Arab Development Aid and the New Dynamics of Multilateralism: Towards Better Governance?”, *European Scientific Journal* 1 (2014), pp. 591–604.

UAE Ministry of International Cooperation and Development, “United Arab Emirates: Foreign Aid” (2012), available online at www.mofa.gov.ae/SiteCollectionDocuments/UAEFA2012-En.pdf.

UAE Office for the Coordination of Foreign Aid, “United Arab Emirates: Foreign Aid” (2011), available online at www.mofa.gov.ae/SiteCollectionDocuments/UAEFA2011-En.pdf.

Ulrichsen, Kristian Coates, “Meaningful Change or False Dawn: Policymaking in an Age of Austerity”, *Gulf Affairs: Oxford Gulf and Arabian Peninsula Studies Forum* (2016), pp. 2–4, available online at www.oxgaps.org/files/analysis_ulrichsen.pdf.

Union National Bank, “Union National Bank – Egypt”, available online at http://unb-egypt.com/about/.

Villanger, Espen, *Arab Foreign Aid: Disbursement Patterns, Aid Policies and Motives* (Bergen: Chr. Michelsen Institute, 2007).

WAM, “Khalifa Donates One Million Tonnes of Wheat to Egypt”, *Gulf News*, 20 April 2017, available online at www.gulfnews.com.

Westall, Sylvia; Omar Fahmy; Lisa Barrington; and Andrew Roche, “Update 2-UAE Allocates $4 Bln to Egypt for Development and C.Bank”, *Reuters*, 22 April 2016, available online at www.reuters.com.

Woods, Ngaire, “Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance”, *International Affairs* 84.6 (2008), pp. 1205–221.

———, “The Shifting Politics of Foreign Aid”, *International Affairs* 81 (2005), pp. 393–409.

Young, Karen, “The Gulf’s Entanglement in Egypt”, *Arab Gulf States Institute in Washington*, 25 Aguest 2016, available online at www.agsiw.org/the-gulfs-entanglement-in-egypt/.

Zimmerman, Felix and Kimberley Smith, “More Actors, More Money, More Ideas for International Development Co-Operation”, *Journal of International Development* 23.5 (2011), pp. 722–38.