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Highlights



HIGHLIGHTS

Kuwait Fund Activities During the Year 2005/2006

Kuwait Fund continued its development activities during the current fiscal year 2005/2006 which included the extension of concessional loans to finance development projects. The proposed projects were appraised technically, financially, economically and legally to ascertain their developmental impact on the economies of the recipient countries.

The Fund also continued to provide necessary technical assistance required to finance the preparation of feasibility studies for projects and to improve administrative and technical capabilities of the beneficiary countries.

In addition, the Fund followed up on projects under implementation and provided advice and consultation to recipient countries to assist them in the realization of the objectives of these projects, and contributed to the financial resources of development institutions to support their activities in developing countries.

The number of projects financed by the Fund during the current fiscal year reached 21 projects with a total loan commitment of about KD 198 million covering sectors such as energy, transport and agriculture in addition to the social sector. The recipient countries included 8 Arab, 5 African, 8 Asian and European countries. The share of Arab countries of the total commitments reached 53.9%, African countries 20%, Asian and European countries 26.1%.

As to the sectoral distribution of these loans, the Transport sector ranked first with 55.8%, followed by the Energy sector with 28.6%, then the Social sector with 12.6%, and the Agriculture sector with 3.1%.

The terms of loans extended by the Fund during the current fiscal year, included a maturity which ranged between 17 years to 27 years, a grace period of 3 to 7 years, and an interest rate (inclusive of 0.5% service charge) ranged between 1.0% and 4% annually. The grant element implied in these terms ranged from 37% to 61% of the value of each loan.

In addition to loans, the Fund extended during the current fiscal year 2005/2006 technical assistance and grants with a total value of KD 3.533 million benefiting 9 Countries and one institution.

Moreover, the Fund continued its administration of the grants extended by the State of Kuwait to developing countries and institutions. In addition to its collaboration with several national, regional and international development institutions with the objective of coordinating efforts and participating in the financing of projects.

Overview of Fund's Activities

With the closing of the current fiscal year 2005/2006, the total number of loans extended by the Fund since its establishment stood at 696 with a total value of about KD 3727 million. The total amount withdrawn on account of loans for expenditure on projects implementation amounted to KD 2954 million. The total amount repaid from these loans reached KD 1602 million. The total number of countries benefiting from these loans reached 101 countries including 16 Arab, 40 African, 34 Asian and European, and 11 Latin American and Caribbean. The shares of country groups from these loans were 53.3% for Arab countries, 17.5% for African countries, 26.7% for Asian and European countries and 2.5% for Latin American and Caribbean countries.

As to the sectoral distribution of the total loans committed, the Transport sector ranks first with 35.4%, then Energy sector 23.4%, Agriculture sector 13.8%, Water and Sewage sector 10.2%, Industrial sector 9.1%, Development Banks, 2.8%, Telecommunication sector 2.8%, Social sector 1.9%, and then other sectors 0.6%.

As regards the terms of the total loans extended up to the end of the fiscal year under review, the average loan period reached 22 years, the grace period averaged 4 years the interest rate (including 0.5% service charge)



averaged 3.2% annually. The average grant element implied in these terms reached 46.1% of the value of each loan.

By the end of this year the number of technical assistance and grants extended by the Fund reached 187 with cumulative value of about KD 89.1 million. The beneficiary countries included Arab countries with a share of 50.1%, African countries with a share of 9.8%, Asian and European countries with a share of 17.6%, Latin American and Caribbean countries with a share of 0.8% and institutions with a share of 21.7%.

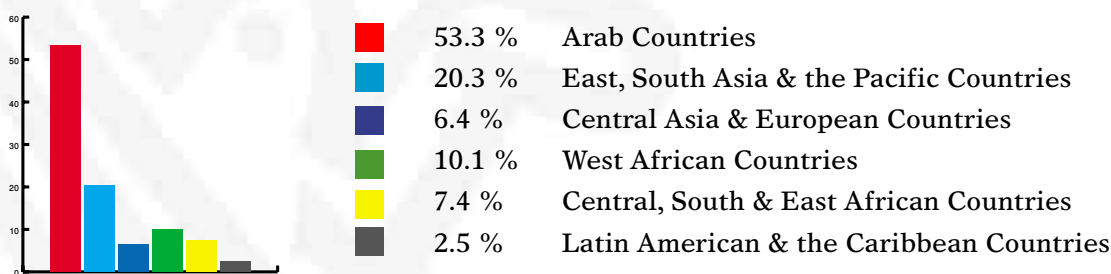
An amount of about KD 7.20 million was converted from technical assistance to loans in line with the Fund's policy, stipulating the conversion of the technical assistance or the part expended from it into a loan in the event of a project materializing with the Fund participating in its financing, otherwise the technical assistance is considered as a non-repayable pure grant. Based on this, the net number of technical assistance grants extended by the Fund since its inception reached 87 with a total value of about KD 81.9 million

The total amount committed by the Fund as contributions to the resources of development institutions totaled about KD 346 million, distributed among the Arab Fund for Economic and Social Development (KD 169.7 million), the African Development Bank (KD 34 million), the African Development Fund (KD 59.6 million), the Arab Bank for Economic Development in Africa (KD 14.6 million), the Inter-Arab Investment Guarantee Corporation (KD 2 million), the International Development Association (KD 52.2 million), the International Fund for Agricultural Development (KD 13.3 million), and the Special Program of Assistance for Sub-Saharan African Countries "IFAD" (KD 13.3 million). The amount paid up from these commitments reached about KD 299.9 million.

The number of assistance grants extended by the State of Kuwait to developing countries and institutions and supervised by the Fund, reached 30 with a total value of KD 111 million.

On the other hand, the Fund continued its collaboration with several international development institutions with the objective of coordinating efforts and participating in the financing of projects. The number of projects co-financed by the Fund with one or more of these financial institutions reached 378 projects at the end of the current fiscal year. Co-financing is estimated at about 57.8% of the total value of Fund loans amounting to KD 3727 million.

Geographical Distribution of Total Fund Loans (up to 31.3.2006)



Sectoral Distribution of Total Fund Loans (up to 31.3.2006)

