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# OFID

THE OPEC FUND  
FOR INTERNATIONAL  
DEVELOPMENT

# Quarterly

**Do we have the energy?**  
Sustainable development to 2030 and beyond



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**Uniting against Poverty**



## COMMENT

Energy for all 2

---

## SPECIAL FEATURE:

Sustainable development: Do we have the energy? 4

---

Is now the time for nuclear? 12

---

A tipping point for solar energy? 16

---

## OFID IN THE FIELD

Nicaragua powers down poverty 18

---

Finance helps family-run pharma flourish in El-Salvador 20

---

Under pressure:  
Infrastructure in Jordan and Lebanon 22

---

## MINISTERIAL COUNCIL HOLDS 39TH SESSION

Ministerial Council meets to set OFID policy 24

---

BRAC receives 2018 OFID Annual Award for Development 32

---

OFID launches Annual Report 2017 34

---

OFID Scholars announced 35

---



FRONT COVER PHOTO: GETTYIMAGES/ALFRED PASIEKA/SCIENCE PHOTO LIBRARY

**NEWSROUND**

OFID appoints new Director-General	36
Better prospects for Palestinians	37
US\$200m to boost development in seven partner countries	40
Road out of poverty <i>US\$40 million to improve Belize's transport industry</i>	41
SDG 7: Partnerships, innovation and investment	43
Energy Access Platform showcased at major energy meeting	44
VEF contributes to energy-development agenda	45
Future Aleppo <i>One boy's dream to rebuild his city</i>	47
Bridging the data gap in the Arab World	49
Central America set to receive development boost	50
Legal leaders discuss sustainable development	52
Modern mall to boost Zambia's economy	53
OFID Diary	54
Meetings attended by OFID	57
163rd Governing Board photo gallery	58

**SPOTLIGHT**

Eliminating neglected tropical diseases: the story so far	60
---	----

**PERSPECTIVES**

International agri-food business Phoenix Global's Executive Chairman Gaurav Dhawan	65
--	----

**OPEC**

OPEC Secretary General receives lifetime achievement award	67
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## Energy for all

**T**his edition of the *OFID Quarterly* magazine focuses on energy and the related Sustainable Development Goal (SDG) 7.

A new report called *Tracking SDG 7: The Energy Progress Report* aims to gauge momentum on meeting the targets of SDG 7: ensuring universal energy access, doubling progress on energy efficiency and substantially increasing the share of renewable energy by 2030. The report was launched recently by a number of organizations including the World Health Organization and the World Bank. See our lead feature on pages 4 to 11 to discover what it tells us.

Other energy-related features include: an interview with David Earl Shropshire from the International Atomic Energy Agency about how nuclear energy can contribute to SDG 7, its continued ‘image problem’ and why this form of energy is so important in the fight against climate change (page 12); and a short but informative insight penned by Joaquim Levy, Managing Director and World Bank Group Chief Financial Officer, about how solar energy is poised to transform low-income economies (page 16).

The United Nations states that the ‘inter-linkages and integrated nature’ of the SDGs are crucial in ensuring that the 2030 Agenda for Sustainable Development is achieved: “If we realize our ambitions across the full extent of the Agenda, the lives of all will be profoundly improved and our world will be transformed for the better.”

But while the 17 SDGs are unquestionably interdependent – it would be impossible to achieve SDG 1 on ending poverty, for example, without making significant progress with SDG 10 on reduced inequalities – many people and organizations will have their favorite SDG, or ‘focus areas’: in other words, SDGs or development areas in which they feel they can make a particular difference.

OFID has committed to contributing to the entire 2030 Agenda. For example, this organization works with developing countries and the international community (SDG 17) to stimulate economic growth (SDG 8) and alleviate poverty (SDG 1). It does this by providing financing to build essential infrastructure (SDG 9) and support projects that meet basic needs – such as food (SDG 2), clean water and sanitation (SDG 6) healthcare (SDG 3) and education (SDG 4).

But OFID has a special area of interest, too; and it’s one that was inspired directly by its own Member Countries. Eradicating energy poverty has been at the top of OFID’s long list of priority areas since 2007. Around one billion people still do not have access to electricity and three billion people cook using polluting open fires and traditional biomass fuels. Each year, close to four million people die prematurely from illnesses attributable to household air pollution from inefficient cooking and heating practices.

In 2017, OFID approved US\$464 million for operations in the energy sector across the world. This took its cumulative approvals for energy operations to some US\$4,769 million. These efforts – along with those of friends in the international arena – have helped to make sure energy for all is recognized as a stand-alone goal in Agenda 2030. And while some sections in this magazine may not make for uplifting reading (we’re currently ‘off track’ on SDG 7), others may inspire hope, since overall, the prospects for achieving the targets of SDG 7 appear to have improved. ■



# SPECIAL FEATURE





# Sustainable development: Do we have the energy?

A new publication called *Tracking SDG 7: The Energy Progress Report* aims to gauge progress on meeting the targets of Sustainable Development Goal 7 (SDG 7): ensuring universal energy access, doubling progress on energy efficiency and substantially increasing the share of renewable energy by 2030. It was launched recently by the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), the United Nations Statistics Division (UNSD), the World Bank, and the World Health Organization (WHO). *Steve Hughes* considers what it tells us and whether we're on track for a sustainable energy future.

Let's not beat around the bush. Despite much work by many different actors, the world is *not* currently on track to meet Sustainable Development Goal 7 (SDG 7). This SDG calls on the international community to ensure “access to affordable, reliable, sustainable and modern energy for all” by 2030. That we're ‘off track’ with it – such a lynchpin of an SDG – is one of the many disappointing messages of *Tracking SDG 7: The Energy Progress Report*, the new publication by a number of organizations including WHO and the World Bank.

The report shows that current progress falls short on all four of the SDG 7 targets, which comprise: universal access to electricity; clean fuels and technologies for cooking; a doubling of the rate of improvement in energy efficiency; and a substantial increase in the share of renewables in the global energy mix.

Among the statistics of the new report is that one billion people – or 13 percent of the world's population – still live without electricity. The urban-rural chasm in access

### Current progress falls short on all four of the SDG 7 targets.

remains wide, with almost 87 percent of the world's rural population without electricity. Three billion people – or more than 40 percent of the planet's population – do not have access to clean cooking fuels or technologies. Household air pollution from burning biomass for cooking and heating is responsible for millions of deaths each year, with women and children at the greatest risk (for a more detailed summary of findings, please see boxouts).

“It is unacceptable that, in 2018, three billion people still breathe deadly smoke every day from cooking with polluting fuels and stoves. Every year, household air pollution kills around four million people from diseases including pneumonia, heart disease, stroke, lung disease and cancer,” says Dr Maria Neira, Director, Department of Public Health, Environmental and Social Determinants of Health, WHO.

Even in developed countries, it's not plain sailing. The European Commission published a study in 2015 that found while many EU countries do have measures in place to



Dr Maria Neira, WHO

PHOTO: WHO/CHRISTOPHER BLACK

protect vulnerable people, nearly 11 percent of the bloc's population is in a situation where their households are unable to adequately heat their homes at an affordable cost.

The study – *Energy poverty and vulnerable consumers in the energy sector across the EU: analysis of policies and measures* – showed the situation is estimated to affect around 54 million people in Europe (2012 figures). A large part of the problem is explained by rising energy prices, low incomes and poor energy efficiency in homes; and it's particularly prevalent in Central Eastern and Southern Europe.

## Percentage of population with access to electricity (%)

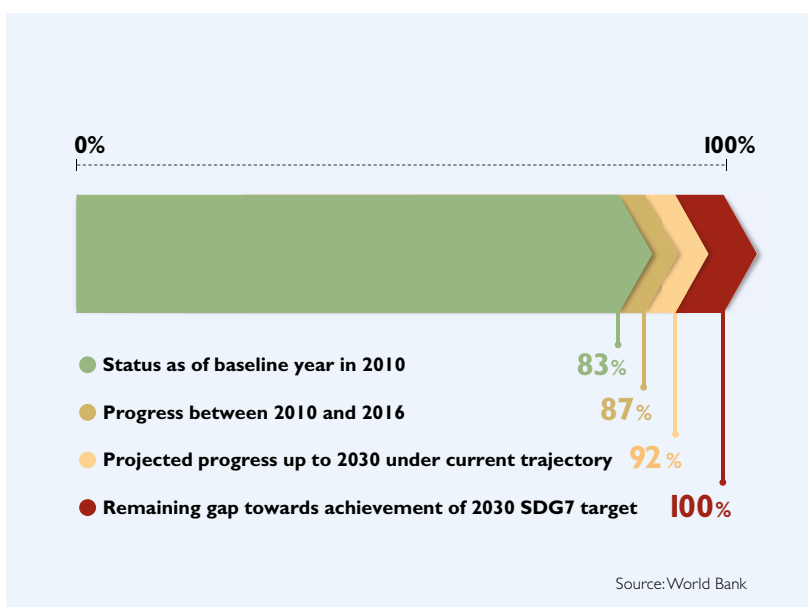


PHOTO: HEMIS/ALAMY STOCK PHOTO



### Impossible without energy

Access to energy is important on a number of levels – not simply to heat homes and prevent indoor pollution. The IEA states that energy access brings with it a number of important benefits, not least improved health and economic prospects. Former UN Secretary-General Ban Ki-moon called energy the “golden thread that connects economic growth, social equity, and environmental sustainability.” Though the 17 SDGs are interdependent, SDG 7 is seen as an integral enabler for the achievement of the other 16. The World Bank in its *Toward a Sustainable Energy Future for All* report is even more blatant: “Energy is an important engine of economic growth, on which both poverty reduction and shared prosperity depend. Inclusive economic growth is the single most effective means of reducing poverty and boosting prosperity. Most economic activity would be impossible without energy.”

Energy, of course, also contributes to some of the planet’s problems. But providing energy access, if done correctly, doesn’t have to contribute to climate change. According to the International Energy Agency’s *Energy Access Outlook 2017*, achieving energy for all by 2030 will have no net increase on global greenhouse-gas emissions. “Providing energy for all would have a minimal impact on global energy demand, with an increase of 0.2 percent relative to our base case,” states the report. “However, the corresponding rise in carbon dioxide (CO<sub>2</sub>) emissions of around 0.2 percent in 2030 is more than offset as reducing the biomass used for cooking provides a net reduction in greenhouse-gas emissions, which would save the equivalent of around 165 Mt of carbon dioxide equivalent from methane and nitrous oxide.” ▶

### How can data for tracking SDG 7 be improved?

Many challenges remain in providing a comprehensive picture of the global energy situation, and sustained efforts are needed to improve data quality and availability.

One key area of focus is to improve the coverage and precision of household survey questionnaires to more accurately reflect the nature and quality of service for electricity and clean cooking. Current indicators do not make it possible to capture the affordability and reliability dimensions emphasized by SDG 7. In addition, the off-grid solar revolution is making it increasingly challenging to accurately reflect trends in rural electrification.

Equally important is to strengthen statistical capacity to produce accurate energy balances, particularly in the developing countries, where many challenges remain in capturing, for instance, the traditional uses of biomass. Furthermore, there is still relatively little information on the energy efficiency of major consuming sectors outside of the major economies that is critical to inform policy interventions.

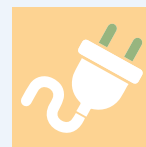
Source – Tracking SDG 7: The Energy Progress Report

### Summary Overview of SDG 7 Targets and Indicators

#### SDG 7 Targets

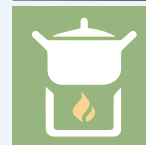
#### Indicator

**7.1** By 2030, ensure universal access to affordable, reliable and modern energy services



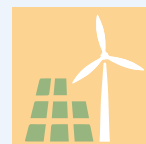
Proportion of population with access to electricity

**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix



Proportion of population with primary reliance on clean fuels and technologies

**7.3** By 2030, double the global rate of improvement in energy efficiency



Renewable energy share in total final energy consumption



Energy intensity measured in terms of primary energy and GDP

## Access to electricity

■ One billion people – or 13 percent of the world’s population – still live without electricity. Sub-Saharan Africa, and Central and South Asia, continue to be the areas of the world with the largest access deficits. Almost 87 percent of the world’s people without electricity live in rural areas.

■ The number of people gaining access to power has been accelerating since 2010, but needs to increase further to achieve universal access to electricity by 2030. If current trends continue, an estimated 674 million people will still live without electricity in 2030.

■ Some of the strongest gains were made in Bangladesh, Ethiopia, Kenya and Tanzania, which all increased their electricity access rate by 3 percent or more annually, between 2010 and 2016. Over the same period, India provided electricity to 30 million people annually, more than any other country.

■ Tens of millions of people now have access to electricity through solar home systems or mini-grids. However, these remain concentrated in around 12 ‘pioneering countries’.

### THE WAY FORWARD

SDG 7 calls for access to affordable, reliable, sustainable and modern energy for all. Affordability is an added challenge for countries still working to reach universal access to electricity. In these countries, households spend on average (and relatively) twice as much on electricity.

The experience of countries with universal access suggests that attaining affordability takes strong leadership commitment, backed by sustained public financing for grid extension. The private sector can increasingly play a role in catalyzing uptake of off-grid solar solutions, underscoring the importance of a suitable enabling environment for new technologies, as well as strategic planning.

Source – Tracking SDG 7: The Energy Progress Report

### SDG 7 and women

◀ Dr Neira from the WHO says: “By expanding access to clean, affordable household energy, the global community has the power to lift a terrible health burden from millions of marginalized people – in particular women and young children who face the greatest health risks from household air pollution.”

The UN Women website is more specific still, stating: “The lack of modern energy sources has other consequences for women and girls, who are often the primary household energy managers. They may spend hours each day collecting fuel and carrying heavy loads. In households that cook with solid fuels, girls spend 18 hours a week, on average, gathering fuel.”

The UN’s Sustainable Energy for All (SEforALL) CEO Rachel Kyte recently told this magazine: “Energy access is crucial to allow all women and girls to achieve their full potential. From powering health clinics, supporting new mothers and lighting houses, to illuminating streets to make them safer, providing job opportunities and making it possible to cook cleanly, energy access empowers women. It reduces hours of drudgery (time spent collecting firewood, for example) and instead enables women to put their time to more productive use. To achieve sustainable energy for all, women and the most marginalized must have a voice in the design of energy systems and services.”

### SDG 7 and when

But it’s not just about access or the type of energy; it’s about *when* access to energy is provided. Like so many things, it may seem obvious, but it needs saying: time is of the essence. A 2017 report by SEforALL and Power for All illustrated that rural and vulnerable populations in developing countries could miss out on multiple wide-ranging benefits if they are forced to wait years, or



Rachel Kyte, SEforALL CEO

PHOTO: IISDIEN/BENB

even decades, to access electricity through the grid instead of more quickly deployed decentralized renewable energy solutions.

The *Why Wait? Seizing the Energy Access Dividend* report shows that households in Bangladesh, Ethiopia and Kenya – countries used as case studies – can save hundreds of dollars, equivalent to the average annual income of between 61,800 and 406,000 people (depending on the country and timeframe to deliver universal access), by bringing electricity access forward via solar to power services like lighting and mobile-phone charging instead of using kerosene or costly external phone-charging services.

The introduction of decentralized services also supports education by providing more time for people to study. This added time is equivalent to the time spent in school each year of between 142,000 and 2 million students (again depending on the country and timeframe to deliver universal access).

The report also shows significant black carbon emission reductions across the three countries – as much as 330 million metric tons of CO<sub>2</sub> equivalent emissions, or roughly the emissions from 60 million passenger vehicles driven for one year – due to reduced kerosene use. ▶



## Clean cooking

Source – Tracking SDG 7: The Energy Progress Report

■ Three billion people – or more than 40 percent of the world’s population – do not have access to clean cooking fuels or technologies. Household air pollution from burning biomass for cooking and heating is responsible for around four million deaths a year, with women and children at the greatest risk.

■ Parts of Asia have seen access to clean cooking outpace growth in population. This has been driven largely by widespread dissemination of LPG or piped natural gas.

■ Clean cooking continues to lag the furthest behind of all the four energy targets, due to low consumer awareness, financing gaps, slow technological progress, and lack of infrastructure. If the current trend continues, 2.3 billion people will continue to use traditional cooking methods in 2030.

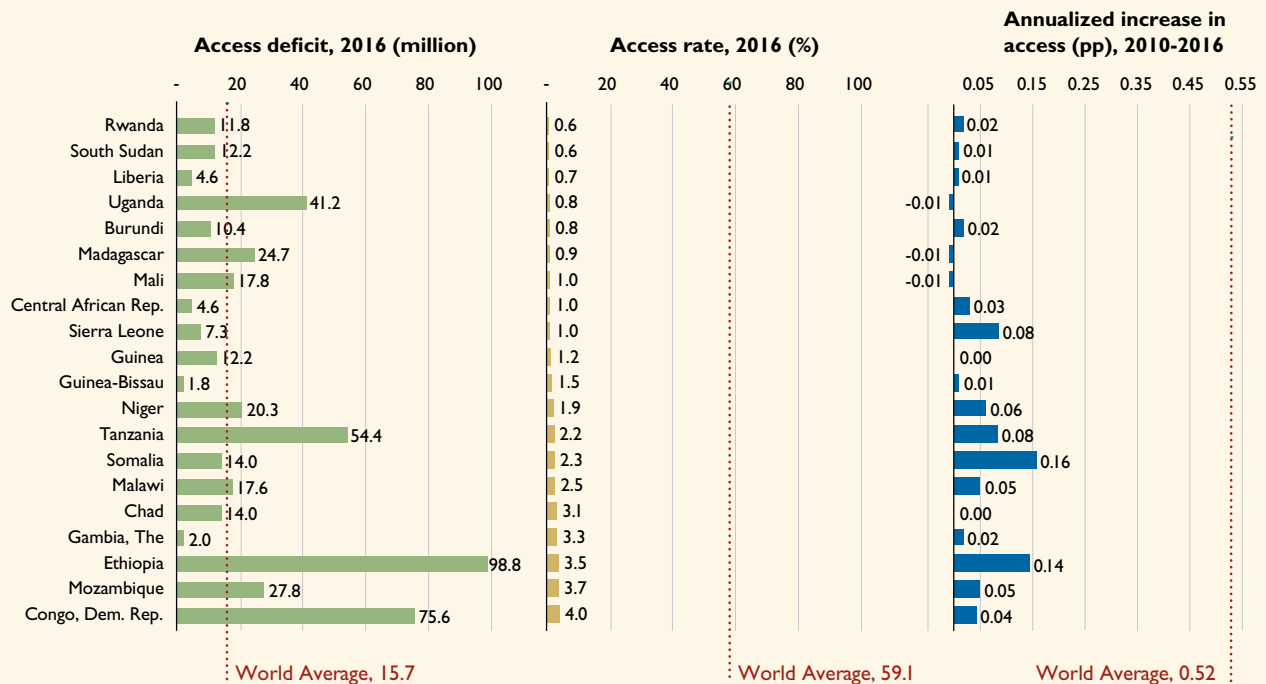


### THE WAY FORWARD

The need for rapid deployment of clean cooking fuels and technologies has not received the attention it deserves from policy-makers, and lags well behind the rate of electrification in almost every country. Lower entry costs for clean cooking solutions, better consumer awareness of their benefits, and closing financing gaps for producers would help, as would better infrastructure for fuel production and distribution.

### Access to clean cooking

Four out of the world’s 20 lowest-access countries did not see any increase in access to clean cooking over 2010-2016



The 20 countries with lowest access to clean cooking over the 2010-2016 tracking period

Source: World Health Organization. Population estimates based on the use of UN population data.

## Energy efficiency

Source – Tracking SDG 7: The Energy Progress Report

■ There is mounting evidence of the uncoupling of growth and energy use. Global gross domestic product (GDP) grew nearly twice as fast as primary energy supply in 2010-15. Economic growth outpaced growth in energy use in all regions, except for Western Asia, where GDP is heavily tied to energy-intensive industries. However, progress continues to be slow in low income countries, where energy intensity is higher than the global average.

■ Globally, energy intensity – the ratio of energy used per unit of GDP – fell at an accelerating pace of nearly 3 percent in 2015, the fastest decline since 2010. This improved the average annual decline in energy intensity to 2.2 percent for the period 2010-2015. However, performance still falls short of the 2.6 percent yearly decline needed to meet the SDG 7 target of doubling the global rate of improvement in energy efficiency by 2030.

■ Improvement in industrial energy intensity, at 2.7 percent per annum since 2010, was particularly encouraging, as this is the largest energy consuming sector overall. Progress in the transport sector was more modest, and

is a particular challenge for high-income countries. In low and middle-income countries, the energy intensity of the residential sector has been increasing since 2010.

■ Six of the 20 countries that represent 80 percent of the world’s total primary energy supply, including Japan and the US, reduced their annual primary energy supply in 2010-15 while continuing to grow GDP – indicating a peak in energy use. Among the large energy-intensive developing economies, China and Indonesia stood out with annual improvement exceeding 3 percent.

### THE WAY FORWARD

While progress is encouraging, proven energy efficiency policies remain to be systematically adopted in many countries. Building codes for residential and commercial facilities should include energy performance standards for new construction and major renovation. Increasingly, it would be good to adopt ambitious cross-sectoral integrated policy approaches.

### Look on the bright side

◀ *Tracking SDG 7* shows that while overall progress falls short on meeting all targets, gains can be seen in specific areas: the expansion of access to electricity in poorer countries has begun to accelerate, with progress overtaking population growth for the first time in sub-Saharan Africa; energy efficiency is improving, boosted by advances in the industrial sector; and renewable energy is making good gains in the electricity sector, although these gains are not matched in the transportation and heating sectors, which together account for 80 percent of global energy consumption.

The report also shows that access to clean cooking fuels and technologies – an area that has been typically overlooked by policymakers – lags behind. Use of traditional sources

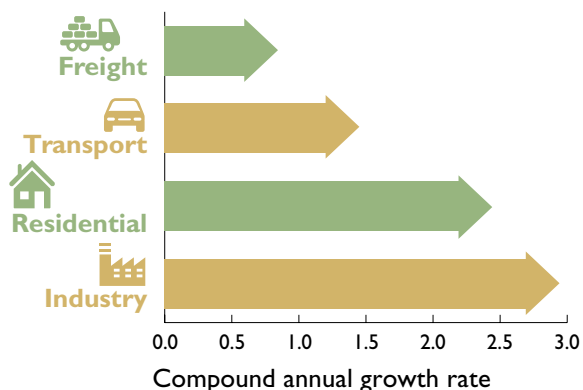
among a large proportion of the world’s population has serious and widespread negative health, environmental, climate and social impacts.

More encouraging than global trends, however, are the strong performances seen within specific countries, across both the developed

and developing worlds. With regards to electrification, for example, the report noted that among countries with the largest access deficits, some strong performances were witnessed. Since 2010, Bangladesh, Ethiopia, Kenya and Tanzania provided access to at least an additional three percent of their populations annually, while India provided electricity to 30 million people each year. When it comes to energy efficiency, the report notes, large energy-intensive emerging economies – notably China and Indonesia – are among the fastest improvers. Several developed economies that have already reached high levels of efficiency – Japan and the UK, for example – are also continuing to improve. These experiences can provide valuable lessons for other countries.

Source – Tracking SDG 7: The Energy Progress Report

### Improvement in energy intensity by end-user sector (2010-16)





### What can be done?

Despite the remaining challenges, the new *Tracking SDG 7* report concludes that overall, the prospects for achieving the targets of SDG 7 have improved. The falling cost of renewable electricity is accelerating the deployment of low-carbon electricity and making decentralized electricity more affordable. And new policies are raising ambitions and improving the energy intensity of the global economy. The report also notes, however, that scenarios reflecting current and planned policies show there's much work to be done.

The IEA's Sustainable Development Scenario – which proposes an 'integrated' way of achieving a range of energy-related goals – shows that delivering on the related SDGs is achievable, and would cost an additional US\$8 trillion relative to



Dr Fatih Birol, IEA Executive Director

current ambitions, through 2040. Delivering on the goals, however, "requires immediate and dramatic changes to the global energy system, including a peak in coal demand by 2020, a near-complete decarbonization of the power sector, and rapid electrification of many end uses."

Dr Fatih Birol, Executive Director of the IEA, says: "It is clear that

**"It is clear that the energy sector must be at the heart of any effort to lead the world on a more sustainable pathway."**

the energy sector must be at the heart of any effort to lead the world on a more sustainable pathway. There is an urgent need for action on all technologies, especially on renewables and energy efficiency, which are key for delivering on three critical goals – energy access, climate [change] mitigation and lower air pollution."

*Tracking SDG 7* states that further improvements need greater policy commitment and increased funding, as well as a willingness to embrace new technologies on a much wider scale. While it may take us time and money to get on track to achieve SDG 7 – and though many challenges remain, including some relating to measuring progress (see boxout on page 7) – the international community now has a reasonable idea of where we are, where we're going and how to get there. ■

## Renewable energy

Source – *Tracking SDG 7: The Energy Progress Report*

■ As of 2015, the world obtained more than 17 percent of its total final energy consumption from renewable sources, of which nearly 10 percent represents modern forms of renewable energy such as geothermal, hydro-power, solar and wind. The remainder is traditional uses of biomass (such as fuelwood and charcoal).

■ Based on current policies, the renewable share is expected to reach just 21 percent by 2030, with modern renewables growing to 15 percent, falling short of the substantial increase demanded by the SDG 7 target.

■ Rapidly falling costs have allowed solar and wind to compete with conventional power generation sources in multiple regions, driving the growth in the share of renewables in electricity to nearly 23 percent in 2015. But electricity accounted for only 20 percent of total final energy consumption that year, highlighting that accelerated progress is required in transport and heating.

■ The share of renewable energy in transport is rising quite rapidly, but from a very low base, amounting to only 2.8 percent in 2015. The use of renewable energy for heating purposes has barely increased in recent years and

stood at less than 25 percent in 2015, of which one-third was from modern uses.

■ Since 2010, China's progress in renewable energy alone accounted for nearly 30 percent of absolute growth in renewable energy consumption globally in 2015. Brazil was the only country among the top 20 largest energy consumers to substantially exceed the global average renewable share in all end uses: electricity, transport and heating.

### THE WAY FORWARD

Greater efforts will be required in end-uses, such as heating/cooling and transport, where renewable penetration remains low and unexploited. Increased adoption of district energy systems (for heating or cooling) based on biomass, geothermal or solar thermal energy could help. As the electricity sector decarbonizes, other energy uses can increasingly switch into electricity, such as electric vehicles. A phase-out of fossil fuel subsidies would help to encourage shifts. Sustaining the growth of renewable electricity will further require additional attention to grid integration issues, including the incorporation of battery storage and smart grid technology.

# Is now the time for nuclear?



PHOTO: OFID/STEVE HUGHES

Nuclear energy currently contributes about 11 percent to global electricity generation. It also makes up about one-third of the world's low carbon power. With many nuclear reactors facing the end of their lifespans, countries are in the midst of deciding what to do next.

**David Earl Shropshire from the International Atomic Energy Agency (IAEA)** talks with the *OFID Quarterly* about how nuclear energy can contribute to SDG 7, its continued 'image problem' and why this form of energy is so important in the fight against climate change. As told to **Steve Hughes**.

## David Earl Shropshire...

### ...on nuclear in the energy mix

At present, 30 countries are using nuclear power— and some of these are phasing it out. 30 countries out of 170 members of the IAEA may seem a small number even though nuclear technology is widely used in the medical, industrial and agricultural sectors. However, another 30 countries are interested in using nuclear power now or at some point in time (see table on page 14). These countries have a lot of questions about how much it will cost and how to do it safely. We work with them all. It's a matter of the country's own view on nuclear power, and it's their sovereign right to decide for themselves what type of energy source to use to produce electricity.

### ...on Sustainable Development Goal 7

Ensuring energy access for all is often a matter of sizing the right technology to fit communities' needs. A nuclear power plant requires a significant amount of up-front investment, but it generates steady electricity for several decades, and the cost per kilowatt hour is among the lowest.

### ...on carbon emissions and waste

From a carbon emission standpoint, nuclear has very low emissions, like hydropower and some of the other renewable sources of electricity (in terms of lifecycle emissions). One can argue about the waste issue, but all electricity sources produce waste. We have to remember that 66 percent of the world's electricity comes from burning fossil fuel, which produces an invisible but harmful waste in the form of CO<sub>2</sub>. There will always be a downside that has to be dealt with.





PHOTO: EZUME IMAGES/SHUTTERSTOCK.COM

Nuclear currently makes up around 11 percent of global electricity generation, which equates to around one-third of all low-carbon power. Our analysis shows that nuclear has avoided about 60 billion tonnes of carbon since the 1970s.

### **...on dealing with nuclear waste**

In some countries, the spent fuel generated by nuclear power plants is considered as a highly radioactive waste. The worldwide accepted way to manage this waste is to dispose of it in a deep geological repository. Prior to its disposal, spent fuel must be stored for several years to allow its heat to decay and this is first done in wet conditions. When cooled down enough, it can be stored in dry conditions for several decades. Because there are no final disposal facilities yet in operation, storage periods tend to be extended. Currently, available storage technologies enable safe storage for several decades.

**“Some caricatures show waste as these huge barrels that have radioactive markings and are leaking green sludge.”**

In some countries, spent fuel is not considered as waste, but as an asset to recover fissionable material such as uranium and plutonium to fabricate new recycled fuel for light-water reactors (mixed-oxide - MOX - fuel). This strategy also produces high level waste that must be disposed of in deep geological repositories.

Some caricatures show waste as these huge barrels that have radioactive markings and are leaking green sludge. This is not what they look like in reality. In fact, fuel rods are very refined devices made of different kinds of metal alloy. They can be safely contained within large concrete casts.

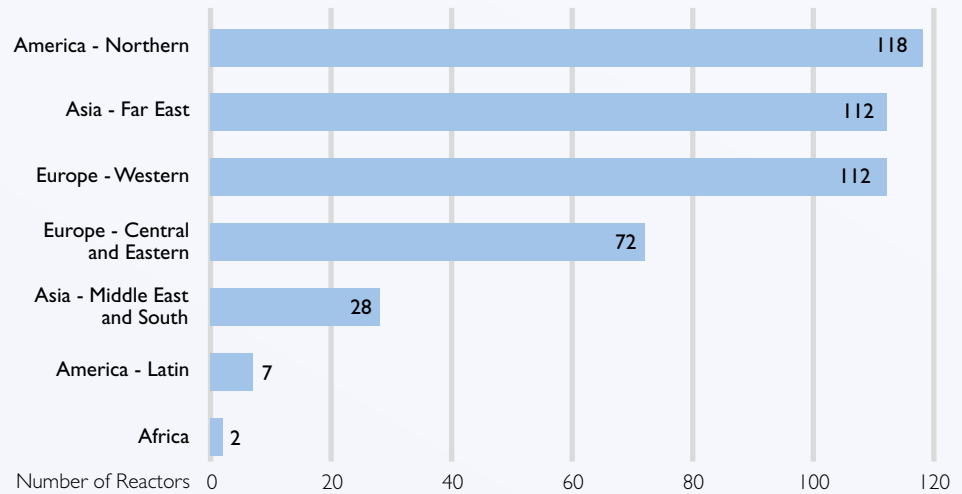
### **...on advanced fuel cycles**

As mentioned earlier, some countries already use recycled spent fuel. Advanced fuel cycles aim at fully recycling the valuable nuclear materials contained in the spent fuel in order to optimize natural resources. ►

SOURCED FROM IAEA INFORMATION/PRIS

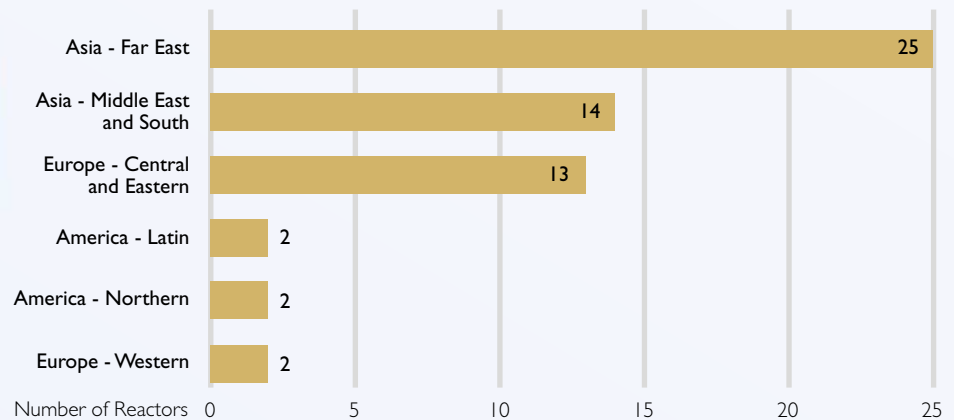
### Operational & Long-Term Shutdown Reactors

Total Number of Reactors: 451



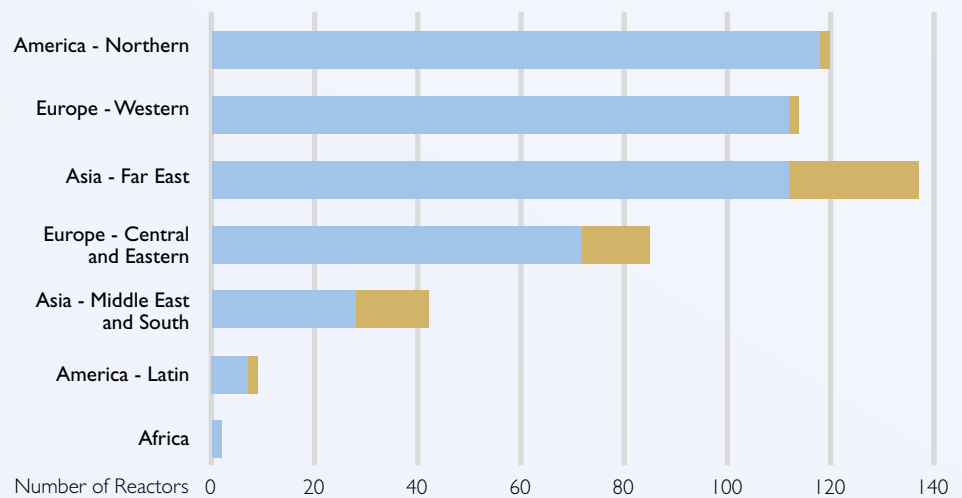
### Under Construction Reactors

Total Number of Reactors: 58



### Regional Distribution of Nuclear Power Plants

Operational Under Construction



◀ Some countries work on the development of advanced fuel cycles with some processes already at pilot scale. The deployment of advanced fuel cycles is very much linked to the transition to next generations of nuclear reactors; what we call 'fast reactors'. This transition would take another couple of decades at least.

### ...on uranium

We will not run out of nuclear fuel any time soon. There is quite a lot of uranium in the world – typically in Australia, Canada, Namibia, Niger, South Africa, the US and some in Europe. With the current proved uranium reserves countries can sustain nuclear power development for quite a long period of time. Many current proved or explored reserves are also not exploited due to economic reasons. If at some point uranium increases in price, there will be more incentive for further exploration and for developing advanced fuel cycle technology. We have seen this over and again. When we think we're going to run out, the price of uranium goes up and further exploration finds more. The price then goes back down. If at some point there doesn't seem to be enough, recycling may take over.

### ...on the future of nuclear

In some markets, cost plays a part in determining the future for nuclear. In the US, reactors are being shut down early because of economics – there are cheaper alternatives. With the development of the fracking technique, natural gas has reduced the cost of energy in the US particularly and made it difficult for various other energy sources to compete. The countries that are developing nuclear power (primarily in Asia) don't have low cost natural gas. Most of the growth we're seeing in nuclear power comes from Asia, primarily China and India. Countries want a diverse energy mix that they can control. This is why some countries developed nuclear to begin with; because they lacked supply in terms of coal

**“There is quite a lot of uranium in the world – typically in Australia, Canada, Namibia, Niger, South Africa, the US and some in Europe.”**

or natural gas. So they wanted energy independence. This is part of the rationale of the 30 countries I mentioned that are currently considering nuclear. Around half of these are making good, consistent progress.

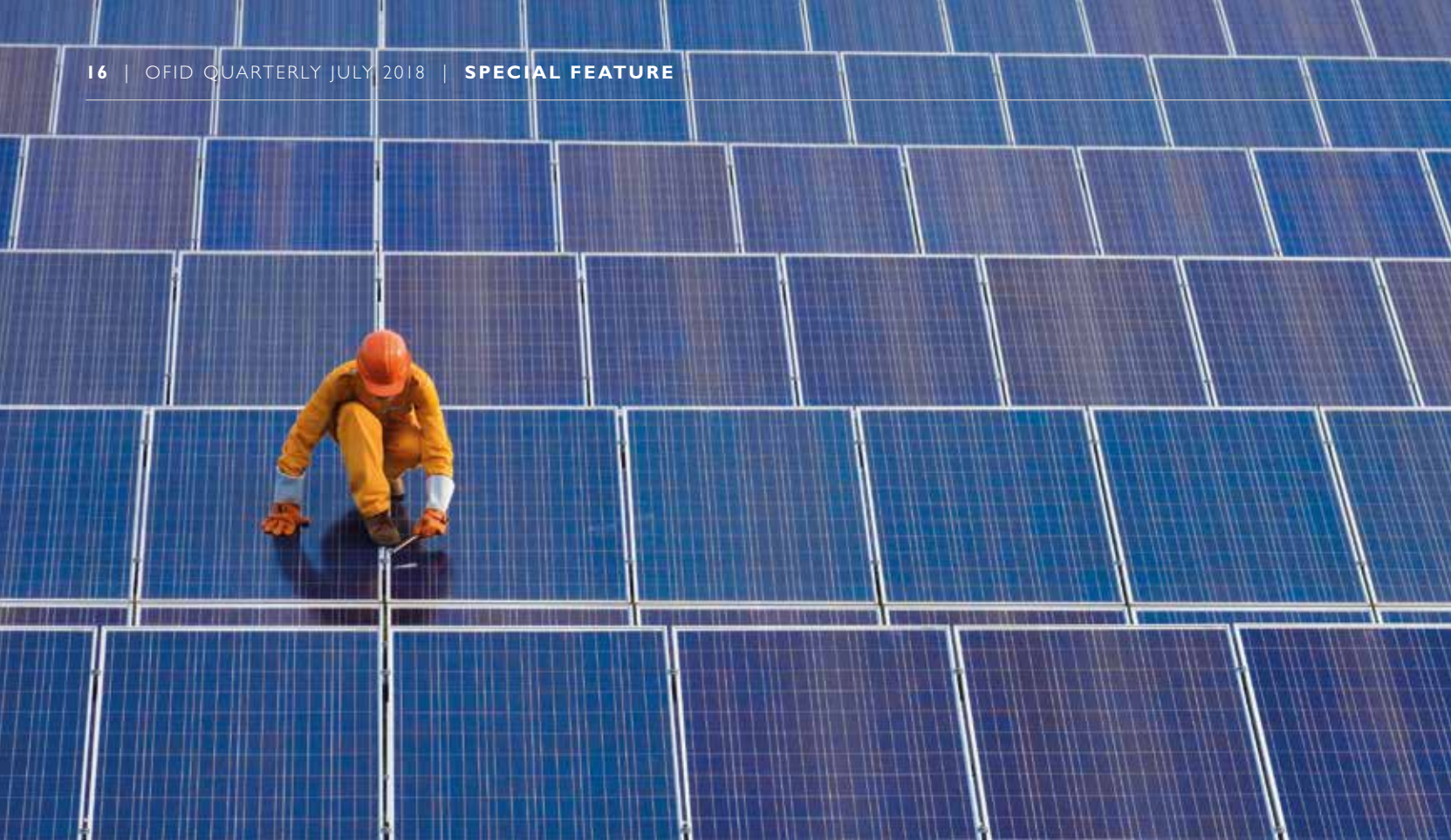
### ...on challenges for the industry (and climate change)

Between now and 2030, a number of reactors around the world will begin retiring. But the question is: how will they be replaced? Will the countries involved want to replace them with some other form of energy? Even if they decide to replace them with new nuclear facilities, reactors take a long time to build and the plan to do so has to be set in motion now. We're at a crucial time with the 450 nuclear reactors around the world. A lot of what happens next will depend on the economics of nuclear in a country and political will. What happens in the near-term will be vital, particularly for climate change. The retirement of nuclear power plants could create uncertainty towards achieving the Paris Agreement goal and SDG 7, as we would need other options to fill this gap. A lot of the problem is public acceptance and regulatory issues, as well as cost and politics. We also need look at innovative technology that can further improve nuclear economic competitiveness, address radioactive waste, and expand nuclear power applications.

### ...on financing nuclear

Over the past years, there have been new forms of financing that have increased the options to respond to the significant up-front capital needed to build reactors. For instance, carbon pricing has prompted nuclear power and renewable energy sources in some countries by guaranteeing that electricity prices will give a premium to low-carbon electricity. This is an option to be considered, especially in light of the commitment that countries made to cut CO2 emissions with the 2016 Paris Agreement. ■





# A tipping point for solar energy?

By Joaquim Levy

Managing Director and World Bank Group Chief Financial Officer

Solar energy is poised to transform low-income economies, many of which are in the world's sunniest regions. Solar's growing share of the energy mix is being driven by better storage capacity and attractive generation costs. Large solar parks are now competitive with most alternatives; their average cost is below 5 cents per kilowatt-hour in some developing countries. Smaller-scale solar grids are also getting more competitive, opening new paths to financing this clean energy source. With rapid improvements in energy efficient lighting, refrigeration, water pumps, and other technologies for households, solar may soon be

as game-changing as mobile phones have been in the last decade.

Solar's potential is evident from its quick growth in India, where installed capacity recently topped 20 gigawatts (GW), putting the country closer to its ambitious target of 100 GW from clean energy by 2022 (an amount comparable to total installed capacity in the United Kingdom). Solar offers key advantages: facilities can be built quickly, do not need fuel to be transported to power plants, and can eliminate transmission costs where mini-grids or off-grid units are built to serve local communities.

Solar can reach people in areas that are poorly served by the national

**“...solar may soon be as game-changing as mobile phones have been in the last decade.”**

grid or electric utilities. Mini-grids and off-grid generation are well suited to low-income countries where much of the population lives in rural areas; they can also increase access in urban areas. This relieves pressure on traditional energy companies, which are often unable to provide adequate service because consumer tariffs are not enough to cover their costs. They have had to rely on government transfers, which have become more and more precarious. Inadequate service, in turn, makes customers less willing to pay for an expensive and erratic power supply. In a vicious cycle, large physical and commercial losses have further



PHOTO: THANIT PKC/SHUTTERSTOCK.COM

weakened the financial capacity of these companies and their ability to invest.

Technology trends in solar power are changing the supply and demand equation, making it easier to align incentives for producers and consumers, particularly in smaller communities. With costs falling and effective pay-as-you-go sales plans being introduced, the landscape is becoming like mobile communications, where consumers are ready to pre-pay if they value a service and find it affordable. This scenario already applies to small grids, especially in communities where users can easily verify each other's behavior and help install

and maintain equipment. It may soon apply to rooftop units, especially if storage costs drop further. The flexibility of deploying solar power can also make the provision of electricity subject to price competition that benefits consumers.

Solar offers a new financing equation in part because it does not face the price volatility associated with fuel costs for traditional power plants. Together with the ability to charge more effectively for the service, lower volatility makes it easier for investors to hedge their income streams and helps compensate for the higher capital intensity of solar. Less uncertainty also simplifies the design of contracts, the ex-ante determination of the subsidies needed, and budgeting over the lifetime of a project.

In this new environment, the regulatory burden to protect rights and align expectations of investors and consumers becomes lighter and easier to standardize. This can reduce transaction costs and the need for credit enhancement. The main risk becomes macroeconomic, from the impact of currency fluctuations on the cost of hard currency financing. This can largely be addressed by government guarantees to top off the debt service when the currency goes beyond a certain threshold. The liquidity can be repaid by the electricity provider as the impact of depreciation wears off or is absorbed by gradual tariff adjustments that permit the pass-through of currency fluctuations while keeping the service affordable. In these conditions, the macroeconomic risk becomes a liquidity risk rather than a solvency risk. The guarantees can be efficiently backed by contingent loans from multilateral development banks (MDBs), helping reduce the risk premium on commercial financing.

In some cases, MDBs can also help provide low-cost finance; blending it with commercial finance would

PHOTO: WORLD BANK



**Joaquim Levy** joined the World Bank Group in February 2016. Previously, he served as the Minister of Finance for the Federal Republic of Brazil, working with the president and government in reforming the world's fifth largest economy.

**“To make the most of solar power’s potential for profound transformation it will be important to introduce low-cost, efficient energy storage at scale.”**

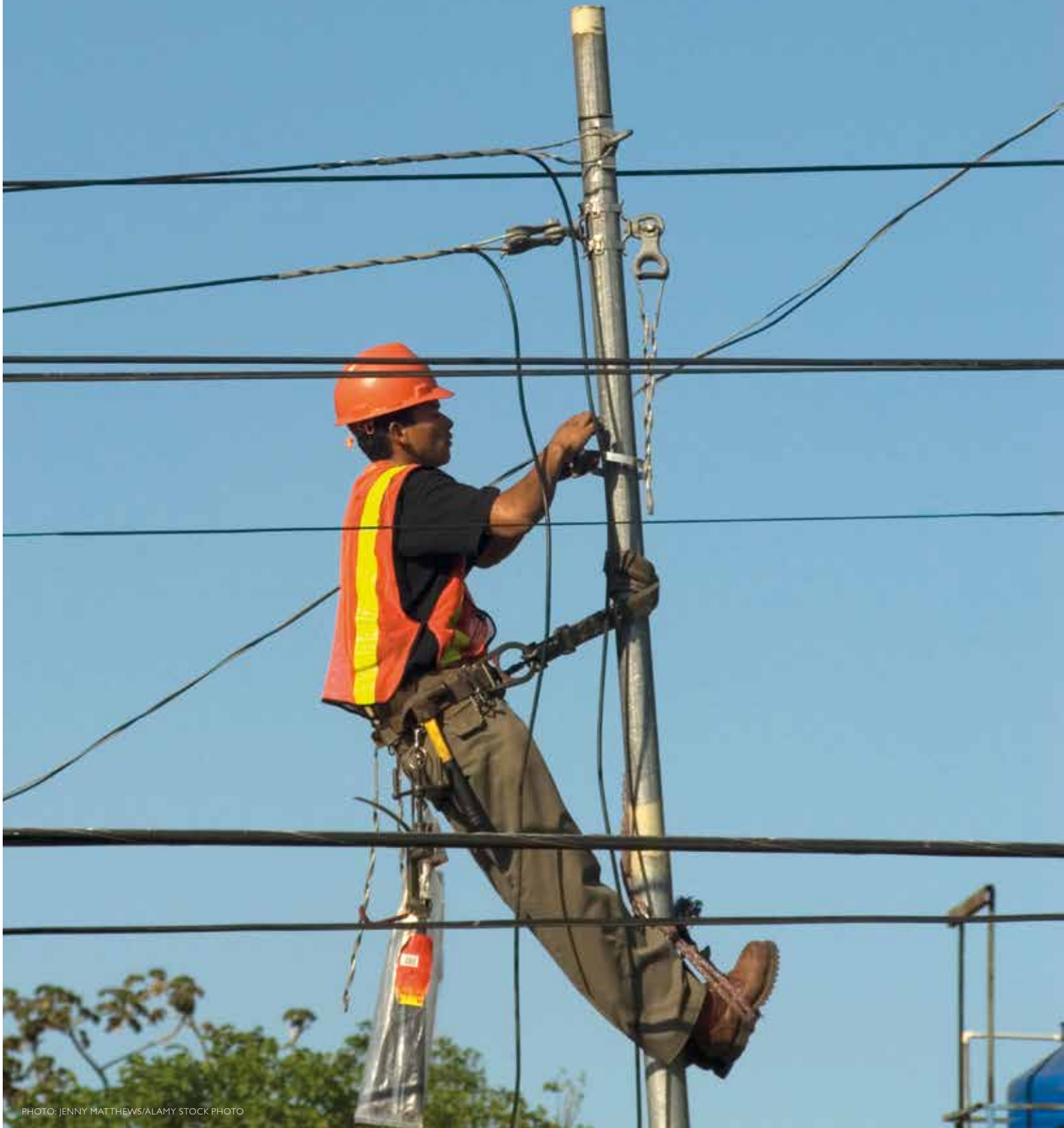
help defray some investment costs and reduce the payback period to investors. This could address some of the obsolescence risks in the solar industry. In specific cases, the overall financing equation could benefit from treating solar energy as a potential export resource from low-income countries to mature economies. One early example is a new transmission link between Italy and Tunisia’s electricity grids, a project being prepared by the Global Infrastructure Facility (GIF), housed at the World Bank.

To make the most of solar power’s potential for profound transformation in many countries, it will be important to introduce low-cost, efficient energy storage at scale and understand better what’s possible in the new financial equation. It will also be essential to coordinate efforts globally. To help jump-start cooperation, the International Solar Alliance, supported by France and India and headquartered in India, is bringing together more than 120 countries to accelerate the deployment of solar energy. The alliance is helping realize a global vision in which solar plays a crucial role in mitigating climate change and ensuring a cleaner energy future. ■

*This article first appeared as a blog post on the World Bank website in April 2018. Many thanks to Joaquim and the World Bank Group for allowing us to include it in the OFID Quarterly.*



## OFID in the field





# Nicaragua powers down poverty

## Rural communities and settlements get connected

BY STEVE HUGHES

Nicaragua's energy infrastructure has in the past obstructed its economic growth, directly impacting the country's competitiveness, discouraging investments and hindering socio-economic development, particularly in poor rural areas.

Since 2007, the government of Nicaragua has targeted poverty reduction through its national development plans. Within this framework, the National Program for Sustainable Electrification and Renewable Energy (PNESER) was launched in 2010 with the aim of reducing poverty by promoting access to modern and sustainable electricity services.

As part of this initiative, a US\$10.5 million loan provided by OFID to the Republic of Nicaragua is helping to improve energy access through the expansion, repair and

**OFID employees with some 'newly connected' members of the local community.**



PHOTO: OFID/MIGUEL LINARES

upgrade of distribution networks to be connected to the existing transmission infrastructure in 61 rural communities, and to regularize the electric power supply in 28 settlements.

"The project aims to make important contributions to poverty reduction by generating employment opportunities in the short-term; lowering the energy costs for both people and goods; and improving access to education, health and other social services," says OFID's Public Sector Operations Officer Luis Aguilar. "There are other expected benefits too. The project will contribute to technology transfer and the building of technical skills; to promoting a sense of community and ownership among local mayors and residents; and by improving the overall quality of life in rural areas, benefiting more than 33,000 people. Social awareness campaigns will

also promote a culture of responsible electricity use among users and beneficiaries."

Earlier phases of the PNESER initiative have received both financial and technical support from a large number of development finance institutions, including OFID. In December 2015, OFID approved a loan of US\$10 million to provide electricity access for nearly 4,000 households located in off-grid rural communities and rehabilitate the electricity connections of nearly 6,000 households.

Since the PNESER initiative began, access to modern energy through Nicaragua's National Electrical Grid has increased rapidly to more than 90 percent (2016). This phase of the project began earlier this year (2018) and is expected to be implemented over a period of 4.5 years. The government of Nicaragua is a co-financer. ■

### STAND-OUT PERFORMANCE

Nicaragua stands out for maintaining growth levels above average for Latin America and the Caribbean. Disciplined macroeconomic policies, combined with a steady expansion of exports and foreign direct investment, helped the country to weather the global economic crisis of 2008-09 and rising food and oil prices.

According to the 2016 Standard of Living Survey by the National Development Information Institute, between 2014 and 2016 general poverty in Nicaragua dropped from 29.6 to 24.9 percent; while in the same period extreme poverty fell from 8.3 to 6.9 percent.

Source: World Bank

# Finance helps family-run pharma flourish

Small and medium-sized enterprises (SMEs) are critical to creating jobs, improving living standards and driving economies, particularly in developing countries. Despite their importance, many SMEs struggle to access finance to grow or start a business. In 2015, OFID signed a US\$10 million loan with Banco Hipotecario, a bank in El Salvador, to support on-lending to SMEs' trade finance activities. Below, Luciana Pacheco de Sugisawa, CEO of El Salvadorian SME, Laboratorios Ferson, explains how important access to finance has been for her company.

BY STEVE HUGHES

“Nothing can be achieved without financing, especially in a country like ours, with a low average income and a small scale economy. Financial support for business is essential for a start-up as well as for ongoing operations and growth.

We especially appreciate banks with a local vision and knowledge about our country, as we recognize it's challenging to understand the specifics of doing business here. Each country in our region has its particularities, and not even Central American countries are fully comparable, never mind those in Latin America as a whole. With its local and specific knowledge about SMEs, Banco Hipotecario excels, and is without a doubt *the* Bank of Salvadorian SMEs.

According to the Central Reserve Bank of El Salvador, around 60 percent of El Salvador's GDP is generated by SMEs. SMEs are also the main source of employment, so their



Old photographs document the company's history.

importance becomes even more apparent. Our company, in addition to providing high quality, safe and effective medication at affordable prices, is also a growing source of specialized employment, and, on average, we pay salaries that are two to three times higher than the national average.

In August 2018, Laboratorios Ferson will have been operating for 70 years in the Salvadorian and Central American markets. During these seven decades we have been able to grow and provide for three

## Finance in action

“In many Latin American countries, SMEs account for more than 50 percent of job creation and growth,” says Luiscela Moreno Jimenez, OFID's Private Sector Officer who recently visited Laboratorios Ferson in El Salvador. “It's gratifying to see how our financing is supporting SMEs on the ground, and in turn, helping to improve employment opportunities and quality of life.”



PHOTOS: OFID/LUISCELA MORENO JIMENEZ

generations of people in a continuous and sustainable manner. In recent years, we have exceeded by five times the annual percentage GDP growth of El Salvador.

I have had the honor of leading this company for five years now, following the unexpected death of my father. Previously, I was CFO for six years. I ensure it remains true to its origins: developing, manufacturing and marketing high quality medication to care for our customers.

It has been a challenge to weather the volatile economy in the past five years, but I think we have achieved outstanding results. When times are good, obtaining financing is relatively easy, but when our business was going through a low period, we encountered difficulties.

It is during these times that one learns to recognize and appreciate the banks that are able to understand our business and that have a sufficient long-term vision to understand our challenges.

**“They had faith in my ability to lead the company and prove how resilient it could be – even though I had limited experience as a CEO and I am a woman in an industry dominated by men.”**

Luciana Pacheco de Sugisawa  
*Director President (CEO) of Laboratorios Ferson*

One of these low periods coincided with the death of my father in 2012. It was precisely during that period that Banco Hipotecario had faith in Laboratorios Ferson and in my ability to lead the company and prove how resilient it could be – even though I had limited experience as a CEO and I am a woman in an industry dominated by men. It makes us extremely proud to have been able to prove to them that it was the right decision.

Thanks to the loan, we have become pioneers in Central America when it comes to obtaining certificates for good manufacturing

practices based on World Health Organization standards. This recognizes and celebrates our focus on high quality, safety, effectiveness and affordable prices.

We also aim to support professional development and basic health and food needs – and even some of the entertainment needs – of our employees and their families. In addition, our social responsibility program provides free medical services and medication to the community on a daily basis throughout the year. We are also very active donating medication to hospitals, health centers, churches and NGOs.

According to our Strategic Plan, during the next three years we expect to be engaged much more aggressively in the export sector, adding countries to our current export destinations. Staying true to our values, we hope to continue offering quality, safe, effective and affordable medicine to an ever-increasing number of Latin American consumers. ”

**OFID’s Luiscela Moreno Jimenez (left) with Luciana Pacheco de Sugisawa (CEO) and other members of the Laboratorios Ferson team.**





Syrian refugee camp at Bekaa Valley, Lebanon.

PHOTO: AHMAD ZIKRI/SHUTTERSTOCK.COM

# Under pressure: Infrastructure in Jordan and Lebanon

The spillover effects of the Syria crisis affect the entire sub-region. Collaboration between OFID and UNDP has been helping to repair, establish and improve some essential basic infrastructure. Two successful initiatives are considered below.

BY STEVE HUGHES WITH CONTRIBUTION FROM UNDP

## Water-saving solutions in Jordan

“The water crisis in Jordan is not a recent phenomenon, but it has been aggravated by the impact of the Syria crisis,” says Salameh Mahasneh from Jordan’s Ministry of Water and Irrigation.

Social cohesion in Jordan and other parts of the Middle East is under pressure from new local dynamics following the massive and well-documented movement of refugees. In an attempt to strengthen the resilience of the host communities most affected by the Syria crisis, OFID and the United Nations Development Programme (UNDP) have

been working together to provide innovative and sustainable water solutions.

Salameh Mahasneh from Jordan’s Ministry of Water and Irrigation explains how the efforts of the two organizations – which have included installing rainwater harvesting and greywater systems in Jordan – have benefited around 60,000 people. The project focused on 38 public buildings in the state, recognizing their important role in bringing and keeping communities together – including Syrian inhabitants. Schools, which have

## Social cohesion in Jordan and other parts of the Middle East is under pressure.

been under severe stress (with staff often having to resort to double shifts to cope with inflated numbers to provide for both Jordanian and Syrian students) were also included in the initiative.

The Ajloun University College, with around 3,000 students, is just one of the schools that benefited. In addition to receiving a water harvesting system, technology has been installed to collect and filter wastewater from washbasins and reuse it for cleaning purposes. “Through these interventions, we can address the short-term needs



PHOTOS: UNDP

of local communities while strengthening the long-term sustainability of water use,” says Mahasneh.

The strong partnerships established with local communities and organizations by UNDP – with OFID’s support – have helped local people take full ownership of the initiative. Working with three non-governmental organizations in particular – namely the Royal Society for the Conservation of Nature, the Royal Scientific Society, and Future Pioneers for Empowering Communities – all of which have robust links to local communities

contributed in no small part to the project’s success.

Project activities went beyond the installation of water solutions. Awareness raising sessions were organized in schools and with local organizations and people learned how to make more efficient use of water in their everyday lives. People were also familiarized with water-efficient hygiene practices and provided with information about household water harvesting and grey water systems.

Given the chronic water scarcity in Jordan, educating children to use

water more efficiently is vital. Many have called for similar awareness raising campaigns to be made part of the school curricula, not just a component of development projects.

To help the project’s sustainability, UNDP developed a ‘water toolkit’ that addresses challenges and best practices that emerged throughout the project. The toolkit will be distributed to academic institutions, civil society organizations, local communities and individuals to further promote sustainable water use and the installation of additional water solutions across the country.

**Innovative water systems for harvesting and irrigation are supporting local communities.**

## Landfill in Lebanon

As part of its broader regional support since 2011, OFID has extended financial assistance to UNDP in its ongoing response to manage municipal solid waste in Lebanon, a neighboring country that currently hosts around 1.5 million Syrians.

Ghazze, a village in Lebanon’s Bekaa Valley, was home to 6,000 people prior to the outbreak of the Syria crisis. Over the past years, it has hosted more than 30,000 displaced people fleeing violence and conflict.

The pressure on Ghazze has been significant, putting a strain on services and the labor market. “We found ourselves in the eye of the crisis,” says Mohammad Al Majzoub, Head of the Ghazze Municipality. “We struggle every day to address the growing challenges.”



Mohammad Al Majzoub, Head of the Ghazze Municipality that benefited from the UNDP-OFID intervention.

Just a year ago, due to the absence of functioning municipal solid waste management facilities and the increased waste produced by the growing population, an open unsanitary dumpsite posed numerous environmental and health threats to Ghazze and its inhabitants.

The UNDP intervention – supported by OFID – focused on the rehabilitation of the dumpsite by constructing a sanitary landfill for existing and future waste. The first sanitary cell of the landfill has been already filled and closed, while the second should meet the waste disposal needs of Ghazze for the coming years. The project also included an awareness raising campaign about waste reduction and sorting for recycling and reuse as well as the supply and distribution of bins. The construction of the landfill has also created work opportunities.

“Although the crisis is still unfolding, we need to be forward-looking and start from now to build a better future for the population of Ghazze, irrespective of whether they are Lebanese citizens or refugees,” said Al Majzoub. ■





## OFID's Ministerial Council gathers to set policy



## MINISTERIAL COUNCIL HOLDS 39TH SESSION



OFID's highest policy making body, the Ministerial Council, held its 39th Annual Session in Vienna, Austria, to review the organization's performance and set policy for the coming year.



OFID's Ministerial Council met for its 39th session at the OFID headquarters in June.

Meeting at OFID's headquarters in June, the organization's Ministerial Council elected Indonesia to the chair, represented by Sri Mulyani Indrawati, Minister of Finance. She replaces the Republic of Ecuador, represented by Carlos Alberto de la Torre, Minister of Economy and Finance. The Islamic Republic of Iran was elected Vice-Chair, represented by Masoud Karbasian, Minister of Economic Affairs and Finance.

The Council also appointed Saudi Arabian national Dr Abdulhamid Alkhalifa to the position of OFID Director-General (see page 36). He replaces outgoing Director-General Suleiman J Al-Herbish who was appointed in November 2003 and has served three five-year terms.

The highlight of the Council's public session was the presentation of the OFID Annual Award for Development to the Bangladesh-based BRAC. The non-governmental organization will receive US\$100,000 from OFID in recognition of its support for Rohingya refugees in Bangladesh (see page 32).





Newly-elected Chair and Indonesia's Minister of Finance Sri Mulyani Indrawati (center), with Governing Board Chairman Abdul Wahab A Al-Bader (left) and OFID Director-General Suleiman J Al-Herbish (right).

The acting incumbent Chair, Dr Carlos Alberto Patricio Játiva Naranjo, Ecuador's head of delegation and OFID Governor, Ambassador and Representative to the Vienna-based International Organizations, stated that environmental sustainability and the efforts required to help mitigate and adapt to climate change require "critical effort". In line with this, he said: "OFID's advocacy has been instrumental in fostering sustainable development, namely with regard to SDG 7 and energy poverty eradication. Although the progress achieved in 2017 for SDG 7 was mixed, we should all be very proud that OFID continues to exert great influence in the SDG arena."

Chairman of the OFID Governing Board Abdul Wahab A Al-Bader gave sincere thanks to the Ministerial Council, to his colleagues in the

Governing Board, as well as to the Director-General and all the staff of OFID for their outstanding efforts and commitment to the work of OFID. He also outlined some of the organization's main operations and priorities for the coming years.

In his statement to ministers, Al-Herbish, reflecting on his tenure, said: "Our efforts – along with those of our friends in the international arena – have culminated in something remarkable; something that will underpin the entire sustainable development agenda to 2030 and beyond: access to energy for all is recognized as Sustainable Development Goal 7; a stand-alone goal in the United Nations Agenda 2030 for Sustainable Development. OFID, as you can see, is now far more than a simple lending institution. Our organization has matured and now helps set the global development agenda."

**"Our efforts – along with those of our friends in the international arena – have culminated in something remarkable."**

*Al-Herbish  
OFID Director-General*

Other matters during the session included the consideration and approval of OFID's financial statements and Annual Report for 2017 (see page 34) which detailed OFID's cumulative commitments to global development of nearly US\$22 billion – and fresh funding for development-related projects amounting to US\$1,508 million. In keeping with its mandate to prioritize low-income nations, OFID approved US\$695.6 million for projects in Africa, benefiting 32 countries. In Asia, 26 countries benefited from approvals of US\$434.9 million. In Latin America and the Caribbean, 11 countries shared US\$354.5 million of development finance.

The Ministerial Council comprises the finance ministers and other high-level representatives of OFID Member Countries. It meets once a year.





## 39th Session of the Ministerial Council PHOTO GALLERY

The Council elected to the Chair the Republic of Indonesia, represented by Sri Mulyani Indrawati, Minister of Finance.

“OFID is far more than a simple lending institution. Our organization has matured and now helps set the global development agenda.”

OFID Director-General Suleiman J Al-Herbish



**Abderrahmane Raouia**  
Minister of Finance, Algeria.



**Dr Carlos Alberto Patricio Játiva Naranjo**  
Governor and Ambassador of Ecuador to Austria.



**Jean J Essono Nguema**  
Advisor to Gabon's Minister, Ministry of Economy,  
Planning and Development Programming.



**Masoud Karbasian**  
Minister of Economic Affairs and Finance, IR Iran.



**Hussein J Abdul Hameed Al Khaqani**  
Governor of Iraq to OFID.



**Dr Nayef Falah Al-Hajraf**  
Minister of Finance, Kuwait.



**Sheikh Ali Bin Jassim Al-Thani**  
Ambassador of the State of Qatar.



**Mohammed Al-Jadaan**  
Minister of Finance, Saudi Arabia.





**Al Taher Al Jheimi**  
Minister of Planning, Libya.



**Dr Mahmoud Isa-Dutse**  
Deputy State Minister and Governor of Nigeria to OFID.



**Obaid H Al-Tayer**  
Minister of State for Finance, United Arab Emirates.



**Jesse Alonso Chacón Escamillo**  
Ambassador of Venezuela to Austria and  
Governor of Venezuela to OFID.



(From left) Abdul Wahab A Al-Bader, Governor of Kuwait to OFID and Chairman of the Governing Board; Dr Mushtaque Chowdhury, Vice Chair of BRAC; acting outgoing Ministerial Council Chairman Dr Carlos Alberto Patricio Játiva Naranjo; and OFID Director-General Suleiman J Al-Herbish.

# Women are the engines of development, says BRAC

Bangladesh-based non-governmental organization wins 2018 OFID Annual Award for Development for providing support to Rohingya refugees in Bangladesh.

“If there was one thing we could change about the world, it would be to empower women,” said Dr Mushtaque Chowdhury, Vice Chair of Bangladesh-based BRAC. “It’s based on our own experience. You have to really invest in women – they are the engines of development. We have seen it time and again – when women come forward, things change for the better.”

Dr Chowdhury was speaking with the *OFID Quarterly* after receiving the 2018 OFID Annual Award for Development in recognition of BRAC’s remarkable support for

Rohingya refugees in Bangladesh. Non-governmental organization BRAC has launched the largest civil society response in support of the newly arrived Rohingya refugees. This response is meeting the immediate needs of vulnerable people, while building skills, resilience and awareness that will facilitate their long-term wellbeing as the situation evolves.

“We need to invest in women in every society – even in developed societies,” continued Dr Chowdhury, who joined BRAC as a statistician in 1977. “The safe spaces we are

## OFID Annual Award for Development

The OFID Annual Award for Development was introduced in 2006 to highlight the achievements of organizations and individuals in poverty reduction and sustainable development. Past winners include: the Foundation for Integral Development in Guatemala; Syrian refugee Doaa Al Zamel; the Children’s Cancer Hospital in Egypt; Kenya’s Kakenya Center for Excellence; Malala Yousafzai of Pakistan; Dr Mazen Al-Hajri, renowned ENT surgeon and philanthropist; Professor Muhammad Yunus; and Bartolina Sisa National Confederation of Peasant Indigenous Native Women of Bolivia.



providing for Rohingya women and children are very important – and the monetary element of the OFID Annual Award [US\$100,000] will be used to provide further support in this area.”

Accepting the award earlier in the day at OFID’s 39th Session of the Ministerial Council, Dr Chowdhury said: “We at BRAC are delighted to accept the OFID Annual Award for 2018. This will inspire us and many others to move forward with added zeal and commitment.”

“This is a very prestigious award,” Dr Chowdhury told the *OFID Quarterly*. “It will help us take forward the agenda not just to help the Rohingya in Bangladesh, but also to raise awareness globally.” The overall goal is that Rohingyas and host communities live with dignity, security and opportunity, in social and economic harmony, until acceptable repatriation opportunities become possible.

“Relief is not the solution,” Dr Chowdhury continued. “A person is not simply poor because they lack money or employment. A person is poor because he or she doesn’t have access to healthcare and education; a person is poor because they are not empowered. To address poverty, you need to address the causes of poverty, and that is where development comes in.”



**“This award will help us to raise awareness globally.”**

BRAC’s  
Dr Chowdhury

The award was presented by Dr Carlos Alberto Patricio Játiva Naranjo, Ecuador’s head of delegation and OFID Governor, Ambassador and Representative to the Vienna-based International Organizations. BRAC was first announced as the winner by OFID Director-General Suleiman J Al-Herbish, who remarked: “This year’s award aims to help shed light on the Rohingya crisis and recognize one particular organization for standing strong in the face of injustice.” He added that BRAC “empowers the vulnerable and helps them bring about positive change in their lives by creating opportunities.”

It is estimated that over 700,000 refugees have fled from Myanmar to Bangladesh since August 2017. BRAC has provided lifesaving services at scale in the sectors where it is currently a leading provider, such as water and sanitation, health and child protection, and has contributed substantially to others, including education, shelter and nutrition.

Since launching its response activities, BRAC has provided over 660,000 people with at least one form of critical support. The NGO is working closely with the government of Bangladesh, the United Nations, and local and international organizations, and will continue to provide a range of services through its integrated, community-based approach.

BRAC has so far mobilized around US\$37 million from different partners in its efforts to strengthen the humanitarian work in Cox’s Bazar, Bangladesh. ■



PHOTO: BRAC

## A bit about BRAC

■ Following the independence of Bangladesh, BRAC was established in 1972 as a small relief organization. Today it employs almost 120,000 people in 11 countries. Over the last 40 years, the organization has reached a total of 138 million lives.

■ BRAC runs 45,000 schools, which have graduated 10.8 million children to date. It currently has 900,000 students enrolled in its schools in Bangladesh, Afghanistan, Pakistan, the Philippines, Uganda and South Sudan.

■ BRAC’s 106,000 community health workers in Bangladesh are all women. They have provided antenatal care to 25.6 million women, and post-natal care to 27.4 million women in Bangladesh. In the last four years, BRAC ensured the safe delivery of two million babies.

■ BRAC was one of the first organizations to provide small loans to women via ‘all women’ groups. Today BRAC’s work in microfinance extends across seven countries, offering access to credit, savings, skills training, productive assets and supply chains.

■ BRAC operates the world’s largest water, sanitation and hygiene intervention, reaching 66.4 million people, and significantly changing behavior towards hygiene in communities.

■ BRAC operates 10,500 adolescent clubs for girls aged 13–25 around the world. These clubs promote life skills education, livelihood training, financial literacy, credit support and community participation.



# OFID deepens commitment to sustainable development agenda

New Annual Report shows cumulative commitments to global development approach US\$22 billion in 2017 – and fresh funding for the year amounts to US\$1,508 million.

BY ANNA ILARIA-MAYRHOFER

OFID has launched its 2017 Annual Report which shows the organization's deepened commitment to the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The report shows that projects in the energy, water and food sectors, enabled by transportation, continued to receive significant focus during 2017. OFID Director-General Suleiman J Al-Herbish, writing in the Foreword, explained that energy dominated the approved funds

“in line with the institution's well-founded belief that access to affordable, modern energy is at the heart of sustainable development.”

### Focus areas

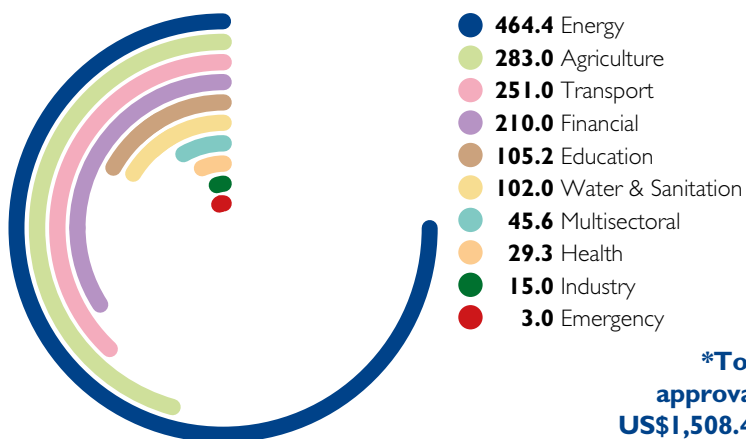
In 2017, US\$464.4 million in development finance approvals were earmarked for energy projects in 35 countries. Amounting to over 23 percent of total approvals in 2017, the funding supported a variety of solutions, from power plants to rural electrification projects and small-scale renewable energy schemes.

**In 2017, US\$464.4 million in development finance approvals was earmarked for energy projects in 35 countries.**

Development projects in the agriculture sector received US\$283 million in new commitments, of which US\$161 million was committed to help enhance food security and incomes in five African countries for over 2.4 million people.

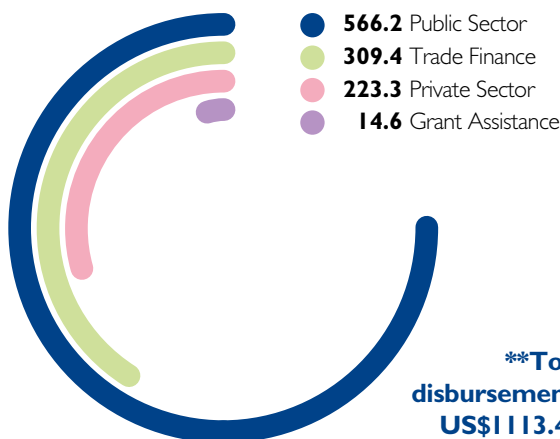
Transport-related operations benefiting nine countries will receive US\$251 million in 2017 (17 percent of the year's total approvals). This will help facilitate safer travel and promote economic opportunities, including tourism and trade.

**Approvals in 2017 by sector\***  
(US\$m)



**\*Total approvals: US\$1,508.4m**

**Disbursements in 2017 by mechanism\*\***  
(US\$m)



**\*\*Total disbursements: US\$1,113.4m**

\*Although in principle exempt from benefiting from OFID's assistance, Member Countries occasionally receive support in the wake of natural disasters or as part of a regional program.

\*\* As a gesture of solidarity with its host nation, OFID approved US\$200,000 in emergency aid to Austria in 2002 following severe floods.

Projects in the financial sector were also key recipients of funding, with US\$210 million committed to support a broad range of financial intermediaries, including microfinance institutions, leasing companies, commercial banks and regional development banks. This funding will be used to support international trade, for on-lending to micro, small and medium-sized enterprises, or to bolster the capital base of financial institutions.

**Regional operations**

In keeping with its mandate to prioritize low-income nations, OFID approved US\$695.6 million for development operations in Africa – representing by far the largest share (46 percent) of the organization’s commitments for 2017 and benefiting 32 countries. Reflecting the continent’s priorities, US\$266.8 million helped fund energy operations that included solar, wind and clean cooking initiatives. Africa’s agricultural



sector received US\$219.2 million in approved funds.

In Asia, 26 countries stand to benefit from development finance approvals of US\$434.9 million, with operations in the energy sector leading the way with US\$110.8 million; the financial sector is set to receive US\$95 million to help boost private sector

and trade finance activities; and US\$87.1 million has been approved for education initiatives.

In Latin America and the Caribbean, 11 countries will share US\$354.5 million of OFID funding for operations in the agriculture, energy, transport, and water and sanitation sectors with a view of boosting food security, trade, transportation, health indicators and living standards.

**Financial mechanisms**

Public sector operations remained the primary channel of OFID’s development work, with approvals amounting to US\$698.8 million (or 46 percent) in 2017. OFID’s private sector and trade finance operations continued to scale up in 2017, with approvals totaling US\$787.5 million, up from US\$711.5 million in 2016. Under OFID’s Grants and Technical Assistance window, US\$22.3 million was approved in 2017 to support 65 operations in some of the most disadvantaged regions of the world.

*The 2017 Annual Report is available in English, Arabic, French and Spanish and on USB in all four languages, as well as in PDF format for downloading from OFID’s website [www.ofid.org](http://www.ofid.org). ■*

# OFID Scholars announced

**T**en remarkable young individuals have been awarded OFID scholarships this year. The winners are: Alazar Woldeyohannes from Ethiopia, Evelyn Changala from Zambia, Nji Atanga Desmond from Cameroon, Abdishakur Ahmed from Somalia, Thokozani Chapomba from Malawi, Israa Mohamed from Sudan, Hayattullah Bayan from Afghanistan, Amayaa Wijesinghe from Sri Lanka, Maria Ines Cubides Kovacsics from Colombia and Mariana Javakhyan from Armenia.

**Scholarships recognize that today’s youth is essential for driving development.**

They were chosen from a pool of almost 10,000 applicants.

The OFID Scholarship Award program sponsors outstanding young students from developing countries through graduate studies in a development-related discipline. It is currently in its 12th year of operation. To date, it has sponsored 50 outstanding young people.

The program was conceived with the aim of rewarding the efforts of young people working hard to achieve development goals in their home countries. For many

developing countries, people under the age of 35 make up the majority of the population which means that today’s youth is essential for driving development. Receiving a quality education helps aspiring development practitioners to gain the knowledge needed to further their goals and solidify visions for the development of their own nations.

Please see the next edition of the *OFID Quarterly* for more information about the scholars and their areas of study. ■





## NEWSROUND

# OFID appoints new Director-General

After 15 years at the helm, Al-Herbish hands the reins to Saudi national Dr Abdulhamid Alkhalifa.

BY STEVE HUGHES

**D**r Abdulhamid Alkhalifa, a Saudi Arabian national, has been elected as the new OFID Director-General. The announcement was made at OFID's 39th Ministerial Council meeting in June.

Dr Abdulhamid Alkhalifa will join OFID before the end of 2018 and lead the organization as it continues to support sustainable development in some of the world's most vulnerable communities. Since 2014, Dr Alkhalifa has been Deputy Secretary General of the Saudi Arabian Public Investment Fund. He is an accomplished and experienced professional who has previously held a number of leadership positions at the World Bank Group.

Outgoing Director-General Suleiman J Al-Herbish was appointed in November 2003 and has served three five-year terms. Throughout his 15 years at the helm of OFID, Al-Herbish has made the organization's work significantly more relevant and visible, broadening the way that development funding is

provided and strengthening cooperation with other development organizations.

Central to OFID's achievements under his leadership has been its campaign for the eradication of energy poverty, helping to make the world sit up and take notice of the one billion people still living without electricity, and the three billion people who do not have access to clean cooking fuels or technologies.

"Our efforts – along with those of our friends in the international arena – have culminated in something remarkable; something that will underpin the entire sustainable development agenda to 2030 and beyond," Al-Herbish said.

"Access to energy for all is recognized as Sustainable Development Goal 7 (SDG 7); a stand-alone goal in the United Nations 2030 Agenda for Sustainable Development," he added. "OFID is far more than a lending institution. Our organization now helps set the global development agenda and I am very proud of what we have achieved." ■





PHOTO: NESTEROVIVSHUTTERSTOCK.COM

# Better prospects for Palestinians

Unwavering support of the Palestinian people over four decades continues into 2018 and beyond

BY ANNA ILARIA-MAYRHOFER

OFID has signed 10 grant agreements totaling nearly US\$16.4 million to support a range of projects and programs aimed at bolstering the resilience and living standards of the Palestinian people. At the signing ceremonies during a high-level mission to Jordan, OFID Director-General Suleiman J Al-Herbish spoke of OFID's unwavering support and solidarity with the Palestinian people over four decades, as illustrated by hundreds of grant operations benefiting vulnerable populations and communities in both the West Bank and Gaza, in addition to Palestinian refugee camps in neighboring countries.

Al-Herbish commended partner implementing agencies on their “remarkable effectiveness” and “high social impact” in carrying out their mandates to help improve Palestinians people's livelihoods and prospects.

The grants signed were as follows:

- **United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)**. US\$1.5 million to enhance the health and living conditions of around 24,000 residents in the Shu'fat camp by upgrading storm-water and sewerage networks. OFID also co-funded Phase I of this initiative with a US\$1.4 million grant. A new administration agreement was also signed for converting the ▶



PHOTO: OFID

OFID Director-General Suleiman J Al-Herbish (right) and UNRWA Commissioner-General Pierre Krähenbühl.



OFID Director-General Suleiman J Al-Herbish (right) and Adil Al Sharif, Advisor of the Islamic Development Bank, President for Palestine Trust Funds.



Roberto Valent (left) Special Representative to UNDP's Programme of Assistance to the Palestinian People, and Al-Herbish.



Tala Sweis, Director of the Madrasati Initiative (left), and Al-Herbish.



Abdul-Kareem Al Zughier, Head of the Patients' Friends Society, Hebron and Al-Herbish.

◀ PALFund (OPEC Fund Micro-enterprises for Palestine) scheme from a trust fund into a grant of US\$10 million. This will become part of the regular capital of UNRWA's Microfinance Programme. This move comes in recognition of the success of the PALFund, and is expected to consolidate the Microfinance Programme's financial sustainability and growth, and subsequently its social impact.

● **Islamic Development Bank (IsDB).** US\$1.5 million. This grant, to be channeled through the IsDB and implemented by the Hebron Rehabilitation Committee, aims to improve living conditions of Palestinians in Hebron by rehabilitating residential units. Funds will also help restore the Ibrahimi Mosque – an endangered UNESCO heritage site.

● **United Nations Development Programme Assistance to the Palestinian People (UNDP/PAPP).** US\$1.16 million to carry out development projects in Jerusalem and Gaza, including Phase II of expanding the Cancer Department at the Augusta Victoria Hospital in Jerusalem (Phase I was also supported by a previous OFID grant). In Gaza, a center for visually impaired children will be established and desalination units installed at various educational institutions.





Dr Tafeeda Jarbawi, Director of the Welfare Association (Taawon) and Al-Herbish.



Suhail Khoury, Director-General, Edward Said National Conservatory of Music (left) and Al-Herbish.

PHOTOS: OFID

- **Jordan River Foundation – Madrasati Initiative.** US\$500,000 to enhance education access for Palestinian children in East Jerusalem.

- **Patients' Friends Society.** US\$1 million to provide nuclear imaging equipment for the Al-Ahli Hospital in Hebron, benefiting around 2,800 patients per year.

- **Welfare Association (Taawon).** US\$600,000 to address power supply challenges at seven health facilities in Gaza via solar power systems.

- **Edward Said National Conservatory of Music.** US\$100,000 to support academic and cultural activities among Palestinian children.

Al-Herbish also signed grant agreements with Professor Khaled Al-Karaki, President of the Jordanian Arabic Language Academy (US\$50,000) to support the production of an Arabic-English dictionary of economic terms; as well as with Professor Mohammad Adnan

**10 grant agreements totaling nearly US\$16.4m were signed.**

Al-Bakheet, Director, Center for Documents and Manuscripts, University of Jordan (US\$50,000) to help fund the restoration, digitization and analysis of documents from the Jerusalem Sharia Courts. The Director-General also inaugurated a laboratory at the University of Jordan that carries out manuscripts restoration works, which received funding from OFID for establishing and equipping the new facility.

## Emergency aid for Gaza Strip and Syria

OFID approved two emergency aid grants in May totaling US\$1 million to help bolster relief efforts in the Gaza Strip and Syria. The grants will be channeled through the Palestinian Red Crescent Society (PRCS) and the United Nations Refugee Agency (UNHCR), respectively.

Commenting on the newly-approved grants, OFID Director-General Suleiman J Al-Herbish commended the work of both organizations that provide “valuable lifelines” to vulnerable populations: “OFID hopes these latest grants will mark its strong sense of solidarity with the countless number of people facing unimaginable hardship as a result of conflict and displacement.”

A US\$500,000 grant to the PRCS will support ongoing relief operations in the Gaza Strip, where hospitals are in a state of emergency and have been working at full capacity.

UNHCR will also receive US\$500,000 to help internally displaced Syrians and returnees by improving their access to better health, safe water and education services.

OFID has a long partnership with UNHCR and has supported 14 earlier operations through funding of US\$7.35 million. Since the beginning of the Syrian crisis in 2011, OFID has extended 11 emergency grants totaling over US\$2.6 million to various implementing agencies – including the International Federation of the Red Cross, Islamic Relief and Care Austria, among others – to help refugees and the internally displaced.



PHOTO: KENTOH/SHUTTERSTOCK.COM

# US\$200m to boost development in seven partner countries

BY ANNA ILARIA-MAYRHOFER

On the sidelines of April's World Bank Spring Meetings in Washington, DC, OFID signed public sector loan agreements totaling nearly US\$200 million to help boost socio-economic development in seven partner countries in Africa, Asia and Latin America.

OFID Director-General Suleiman J Al-Herbish said the agreements illustrated OFID's continued commitment to developing countries and the United Nations 2030 Agenda for Sustainable Development: "We work in cooperation with developing country partners and the international donor community to stimulate economic growth and alleviate poverty in all disadvantaged regions of the world.

"Our work is people-centered, focusing on projects that meet basic needs – such as food, energy, clean

**"All the projects we support aim to inspire, ultimately, self-reliance and hope for the future."**

water and sanitation, healthcare and education," Al-Herbish continued. "All the projects we support aim to inspire, ultimately, self-reliance and hope for the future."

The loans are being co-financed with the respective governments of the beneficiary countries and OFID sister institution BADEA (Arab Bank for Economic Development in Africa), as well as the African Development Bank, the International Fund for Agricultural Development and the Netherlands Enterprise Agency.

The majority of the loans will co-fund projects in Africa. They are as follows:

- In **Burkina Faso**, US\$16.8 million will help construct and equip facilities at Koudougou University. Approximately 18,500 students are expected to benefit.
- A US\$19.5 million loan to **Cabo Verde** aims to boost tourism, a vital

economic sector for the country by constructing a cruise terminal.

- **Egypt** is receiving US\$53.2 million for the second phase of a project that will rehabilitate irrigation and drainage to raise agricultural production and help more than 380,000 people. OFID also co-funded phase I of the project.

- An 'Inclusive Agriculture Transformation Program' in **Madagascar** is being funded with a US\$20 million loan. The program aims to boost incomes and food security for around 1.6 million farmers.

- The agriculture sector in **Zambia** will be strengthened with a US\$12 million loan for a program that will support nearly 213,000 smallholder producers.

- Another loan to **Zambia** of US\$12.4 million will fund the construction of two new cancer treatment centers at provincial hospitals



in the cities of Livingstone and Ndola. The projects will also expand the existing Cancer Diseases Hospital in Lusaka (also supported by two earlier OFID loans) and provide new medical equipment. It is expected the new/expanded facilities will support around 9,000 additional patients.

- **China** will use its US\$35 million loan to build a new Chang'an Campus at the Shaanxi Youth Vocational College.
- A rural roads project in **Nicaragua** will be co-financed with a US\$30 million loan – ultimately benefiting around 100,000 people. ■



PHOTO: OFID/IRENA NIKOLOV

Admassu Tadesse (left), President and Chief Executive of TDB, and OFID Director-General Suleiman J Al-Herbish.

Also on the sidelines of the World Bank meetings, OFID Director-General Suleiman J Al-Herbish signed a membership and subscription agreement with the Eastern and Southern African Trade and Development Bank (TDB), subscribing to the bank's Class B shares in capital stock amounting to US\$20 million.

At the signing ceremony, Al-Herbish said: "TDB has renewed its commitment to regional socio-economic development in Africa and so represents a good fit for OFID. In 2017 alone, OFID approved US\$695.6 million for development operations in Africa and a total of 32 African countries shared this amount. We remain committed to the continent."

This investment enhances a nine year partnership with TDB, during which time OFID has approved lines of credit totaling US\$130 million to the bank for the benefit of countries in East and Southern Africa.

## Road out of poverty

US\$40 million to improve Belize's transport industry

BY ANNA ILARIA-MAYRHOFER

OFID recently signed a US\$40 million loan agreement in support of an important road rehabilitation project in Belize.

Alongside government funding, the loan will co-finance the upgrading of a 42.5km stretch of road in the Cayo District of Belize – an area heavily reliant on agriculture and tourism – making travel easier and boosting income-generation through improved access to markets and services. It is expected that the project will help reduce poverty for around 30,000 people and bring indirect benefits to some 50,000 people.

In May, OFID Director-General Suleiman J Al-Herbish led a delegation to the Central American nation, meeting with Belizean Prime Minister and Minister of Finance Dean O Barrow to sign the loan agreement. Al-Herbish spoke of ►



OFID Director-General Suleiman J Al-Herbish signs a loan agreement with Belizean Prime Minister Dean O Barrow.



◀ the longstanding partnership between OFID and Belize, which began three decades ago with a loan to rehabilitate the Belize International Airport.

Subsequent public sector commitments from OFID total more

than US\$131 million, of which nearly two-thirds have been directed toward enhancing the country's transport sector.

Prime Minister Barrow expressed his appreciation for OFID's longstanding support since 1988

and said the current project – an all-weather road – would be a “monumental achievement” and a “leap forward” in terms of its positive impact on the country's tourism and agriculture sectors. ■

## A dream for us all

OFID's delegation also attended the inauguration ceremony of the Port Loyola Organization for Women (PLOW) Centre, a beneficiary of the Southside Poverty Alleviation project in Belize City. OFID, along with the government of Belize, is co-financing all three phases of the project.

PLOW is one of the organizations implementing the social, educational and training component of the Southside Poverty Alleviation project, which aims to improve the infrastructure, health, education and social welfare needs in impoverished areas of Belize City.

PLOW director Lauren Burgess-Eagan said that the new center, thanks to support from OFID and the government of Belize, would enable women “to work; to pay their bills; to feed their children; to send them to school. OFID has given us this building, which is a dream for all of us.”



### Jacqueline Dawson, Participant, PLOW

*“Port Loyola Organization for Women was established to help struggling families put food on the table. Today, I see it fitting to acknowledge that PLOW has contributed positively to my role as a mother and as a professional. You see, I too, like many other Belizeans, have struggled to provide for my family. Thankfully, PLOW has been there for me. Through this organization, I was able to work professionally and I was able to stretch my dollar, like most Belizeans would put it.”*

OFID Director-General Suleiman J Al-Herbish with PLOW Director Lauren Burgess-Eagan in front of the new PLOW Center.



PHOTO: SEFORALL

# SDG 7: Partnerships, innovation and investment

OFID calls for intensified collaboration to fight energy poverty at Lisbon SEforALL Forum

BY ANNA ILARIA-MAYRHOFER

OFID Director-General Suleiman J Al-Herbish reaffirmed OFID's commitment to helping eradicate energy poverty at the recent 4th Sustainable Energy for All (SEforALL) Forum in Lisbon, Portugal. He also called upon the global community to intensify and accelerate the momentum of cooperation to achieve Sustainable Development Goal 7 (SDG 7): 'Ensure access to affordable, reliable, sustainable and modern energy for all.'

Al-Herbish delivered his remarks at the opening of the 'Market Place',

a platform for SEforALL partners to showcase their work and forge new connections. Al-Herbish highlighted OFID's focus on energy, water and food-related projects - while ensuring the organization responds to the needs and priorities of its partner countries.

Al-Herbish noted that while scalable solutions and growing commitments from governments and financiers toward delivering universal energy access were emerging, there was still much more to be done. "At OFID, we recognize the need to inspire new partnerships, ideas and

**"Advocacy, operations on the ground and partnerships are the main pillars for scaling up energy access."**

Al-Herbish  
OFID Director-General

investment in the quest for modern and affordable energy for all. Advocacy, operations on the ground and partnerships are the main pillars for scaling up energy access if SDG 7 is to be met," he stressed.

On the sidelines of the Forum, Al-Herbish signed a US\$70,000 grant agreement with SEforALL CEO Rachel Kyte. The grant enabled around 30 delegates from developing countries in Africa to attend the Forum, in line with OFID's sponsorship in 2017. ■





PHOTOS: IEF

# Energy Access Platform showcased at major energy meeting

BY ANNA ILARIA-MAYRHOFFER

**O** FID Director-General Suleiman J Al-Herbish stressed the importance of the most effective framework to deliver affordable universal energy access at the recent 16th International Energy Forum (IEF) Ministerial meeting in New Delhi, India. That framework, he said, centers on advocacy, operations on the ground, and partnerships.

“Financing alone cannot effectively ensure universal energy access,” said Al-Herbish, addressing

the world’s largest gathering of energy ministers and experts. “Partnerships allow for an efficient pooling of resources and facilitate the sharing of knowledge and best practices.”

One such partnership, he explained, was a joint effort between OFID and the World Petroleum Council: the Oil and Gas Industry Energy Access Platform (EAP), launched in 2016.

The EAP directly supports the achievement of Sustainable Development Goal (SDG) 7 on energy by providing a space for oil and gas

## EAP primary focus areas include:

- clean cooking
- mini-grids
- zero-gas flaring
- gas-to-power
- ecosystems and markets
- off-grid products

## Other EAP members include:

- Total S.A.
- Shell international
- International Gas Union
- Global LPG Partnership
- Schlumberger
- OMV
- Boston Consulting Group
- Saudi Aramco

**“Financing alone cannot effectively ensure universal energy access.”**

Al-Herbish  
OFID Director-General

companies to collaborate with other stakeholders on a range of actions focused on energy access. These actions include the identification of corporate social responsibility opportunities in host countries, and the better integration of energy access in policies and projects at country level.

Al-Herbish said: “We are currently negotiating with the national oil companies of our Member Countries to join the platform. This strategic partnership is intended to leverage the knowledge, experience and technology of the oil and gas industry to provide a framework for collaboration on energy access solutions.”



Indian Prime Minister Narendra Modi greets OFID Director-General Suleiman J Al-Herbish.



# VEF contributes to energy-development agenda

Vienna Energy Forum Special Session to inform sustainable development forum in New York

BY ANNA ILARIA-MAYRHOFER

Continuing its role of advocating ‘energy for all’ to reduce poverty in developing countries, OFID recently participated in a Special Session of the 2018 Vienna Energy Forum (VEF) at the United Nations Office at Vienna.

Although the VEF is usually a bi-annual event, the Special Session was held to provide input that will be presented at a formal review by a High-Level Political Forum on Sustainable Development taking place July 16-18 in New York.

The Director-General of the United Nations Industrial Development Organization (UNIDO), LI Yong, delivered opening remarks at a joint OFID – UNIDO-hosted luncheon, and said OFID and UNIDO had consistently proven themselves “decisive actors in the global effort to ensure access to clean, affordable and sustainable energy.”

LI Yong also commended OFID’s nexus approach to energy poverty and talked of the long and productive relationship between the two organizations. He said their work

**2018 marks the 10th anniversary of OFID’s Energy for the Poor initiative.**

had particularly focused on energy access in the world’s developing and least developed countries.

OFID Director-General Suleiman J Al-Herbish explained how his organization’s partnership with UNIDO was important for all of the United Nations Sustainable Development Goals (SDGs) – not simply SDG 7 on affordable and clean energy – since all 17 goals are interrelated and dynamic: “You cannot address one and forget about the others.”

Al-Herbish also noted that 2018 marks the 10th anniversary of ►



OFID participated in a special session of the Vienna Energy Forum (VEF) 2018, which was themed around ‘SDG 7: Affordable and Clean Energy.’



Faris Hasan, Director of OFID’s Strategic Planning and Economic Services Department, talks about energy-related start-ups and SMEs at a roundtable session.

◀ OFID’s Energy for the Poor initiative, which is funded through a revolving endowment of US\$1 billion; a sum pledged by the institution’s Ministerial Council in its June 2012 Declaration on Energy Poverty.

Also participating in the Special Session was OFID’s Director of Strategic Planning and Economic Services Faris Hasan, who was a panelist for a roundtable discussion on energy-related start-ups and small and medium-sized enterprises (SMEs) in developing countries.

Some of the concluding recommendations proposed by panelists included: supporting energy champions that engage with both governments and the general public;

helping build the financial capabilities of SMEs by reducing barriers to operating globally and boosting the availability of working capital; and addressing the need for innovation hubs and green certification.

The VEF gathers leaders from governments, civil society, international organizations and the private sector in an aim to drive the energy-development agenda. Participants debate key issues and opportunities surrounding sustainable energy for development, reflect on how to strengthen and advance SDG 7 and its nexus with other development goals, and provide action-oriented objectives across sectors.



OFID Director-General Suleiman J Al-Herbish delivers opening remarks at a joint OFID – UNIDO-hosted luncheon.

The High-Level New York forum will be held under the theme ‘Transformation towards sustainable and resilient societies’ and will not only carry out in-depth analyses of SDG 7, but also:



Goal 6: Ensure availability and sustainable management of water and sanitation for all.



Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.



Goal 12: Ensure sustainable consumption and production patterns.



Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

# Future Aleppo

## One boy's dream to rebuild his city

BY FATMA ELZAHRA ELSHHATI AND SILVIA MATEYKA

**F**uture Aleppo is a project inspired by the remarkable work of sixteen year-old Mohammed Kteish, an aspiring Syrian architect who dreams of rebuilding his beloved home of Aleppo. This summer, OFID partnered with the ZOOM Children's Museum to bring Mohammed's installation – and its accompanying virtual reality experience – to Vienna. Over several days, children from different backgrounds were encouraged to work together to create their own virtual city based on their personal stories and ideas.

### Mohammed's vision for Aleppo

In 2012, as he witnessed his city being destroyed, Mohammed began crafting his vision for the future of Aleppo. Using paper, wood, colored pencils and glue inside his father's garage, he created a life-like miniature model of the city. Mohammed not only reconstructed the fallen landmarks of Aleppo, like the medieval Citadel and his favorite park, he also created new structures to improve the war-torn city, including gardens, rooftop pools, bridges, roads, solar panels, helicopter pads and more.

As the war intensified in 2015, Mohammed and his family were forced to flee to Turkey. This is where he met filmmaker Alex Pearson



PHOTO: REDTHREAD

**“I hope to someday be able to return to my home and take part in the efforts to rebuild it.”**

and together they rebuilt his model, this time with an interactive virtual reality technology to allow other children to experience Mohammed's vision.

For Mohammed, the model maintains a connection to the city where he was raised. “I was always interested in arts and crafts as a child,” he told the *OFID Quarterly*. “I hope to someday be able to return to my home and take part in the efforts to rebuild it.”

Alex Pearson, the project's Director, told the *OFID Quarterly*: “From the moment I met Mohammed, it was clear that his example could inspire children across the world. Throughout the project, we have faced many challenges, but it has been Mohammed's creativity and courage that has brought us to the point where we can not only share his vision, but also invite others to participate in realizing his dream.” ▶



**Future Aleppo meets Zoom**

◀ With the support of OFID, the project and its team came to Vienna to provide a series of workshops at the ZOOM Children’s Museum. The workshops were aimed at children between the ages 10-13. Over several days, visitors explored the city of Aleppo and began to understand its history through the lens of virtual reality. Children were invited to interact with Mohammed’s original model with its embedded digital

sounds and virtual reality display. After being introduced to Mohammed and his story, they then worked in groups to create their own building and landmarks. The result, after several days, was a city landscape built from the imagination of dozens of children, encompassing their visions for the future.

Dr Elisabeth Menasse-Wiesbauer, Director of the ZOOM Children’s Museum, said: “This project combines empathy and creativity in a



PHOTO: ZOOM / JIJKUCEK

**Dr Elisabeth Menasse-Wiesbauer,**  
Director of Zoom Children’s Museum.

very special way and gives the participating children the perspective to shape their future.”

“Mohammed’s story shows that many refugees want nothing more than to return to their homeland and rebuild their country,” Dr Menasse-Wiesbauer continued. “The most special thing about Mohammed is the tremendous creativity and power he puts into his dream, thereby breaking clichés and giving us hope.” ■



The exhibition allowed visitors to explore the city of Aleppo and understand its history through the lens of virtual reality.



PHOTO: REDTHREAD



# Bridging the data gap in the Arab World

BY FATMA ELZAHRA ELSHHATI

The Arab Development Portal (ADP), an initiative of the Arab Coordination Group, is fast becoming *the* hub for data concerning development in the Arab world.

As part of its efforts to enhance national capacities to report on the Sustainable Development Goals (SDGs), the ADP conducted an April workshop on the theme of “building and strengthening capacities to disseminate official statistics and report on the SDGs”. Approximately 50 people from 13 Arab countries attended this workshop. Representatives from national statistics offices, ministries of planning and investment and international organizations were present.

ADP’s workshop was timely and relevant. Held as a pre-event to the United Nations Economic and Social Commission for West Asia’s (UNESCWA) Arab Forum for Sustainable Development (AFSD), it touched on many similar topics including the importance of collaboration and accurate data monitoring in helping to achieve the SDGs. The 2030 Agenda for Sustainable Development stresses the importance of developing a monitoring framework to follow up on progress. Yet still, in the Arab world, data and statistics remain incomplete or unreliable.

Khaled Al-Mahdi, General Secretary for the Supreme Council for Planning and Development in Kuwait, who participated in the April workshop commented: “ADP’s data portal is a great tool that has the potential to eventually become the main data hub for all Arab countries.”



Farah Choucair, ADP Project Manager

During the workshop, participants also discussed how to build on cooperation and ensure that all data is brought up to international standards, the role of Big Data and more.

## Opening up information flows in the Arab World

Civil society in an Arab world demands data and information that is freely and readily available. This ensures that the development agenda remains participatory and transparent.

The ADP has been ambitious in its goals. It is the first regional effort of its kind that aims not only to aggregate data, but also to train the producers and users about how to use the data. The latest workshop is part of a regional series that bridges the gap between users and producers.

The ADP is becoming more and more active. In the April edition of the *OFID Quarterly*, we reported on

another ADP initiative called the Visualise 2030 data camp, which brought together Arab youth to create innovative, data-driven content. ADP has supported the establishment of the first Arab Network for data journalists, too.

## Using data to guide decision making

The AFSD is focusing on the importance of measuring and reporting on SDG indicators. Through voluntary national reviews, Arab states are reporting and collecting data about their progress on Agenda 2030. To support, the ADP has created the first regional SDG tracking tool that serves as a regional data platform allowing data visualization, analysis and forecasting.

The SDG tracking tool includes several features that allow government planners to be more creative than before and review policies based on empirical evidence. Countries may monitor their progress against the targets they have set out in their national development plans, for example, and users can visualize data to allow for multi-country comparisons.

Dr Ahmad Kamali, Advisor to Egypt’s Minister of Planning, Monitoring and Administrative Reform, who participated in ADP’s April workshop and was a panel speaker during AFSD, said that Egypt’s government is interested in widening cooperation with the ADP, adding: “We are in desperate need of such initiatives in the Arab region to be able to track the implementations of SDGs in a precise and objective manner.”

“ADP’s data portal is a great tool that has the potential to eventually become the main data hub for all Arab countries.”

Khaled Al-Mahdi  
General Secretary for  
the Supreme Council  
for Planning and Development  
in Kuwait



# Central America set to receive development boost

New agreement in support of SDGs and investment in both public and private sectors



BY STEVE HUGHES



CABEI President Dr Nick Rischbieth and OFID Director-General Suleiman J Al-Herbish (right).

**O** FID has signed a Collaboration Agreement with the Central American Bank for Economic Integration (CABEI) to promote cooperation and co-financing of public and private sector projects in Central America.

Outlining OFID's support for Sustainable Development Goal (SDG) 17 – which aims at revitalizing the global partnership for sustainable development – OFID Director General Suleiman J Al-Herbish said: “Our aim is to encourage our organizations to make parallel investments in sustainable development projects in Central America.”

Expanding on the objectives of the alliance, CABEI President Dr Nick Rischbieth noted that the framework for collaboration is designed to support technical financial assistance, private and public sector projects, commercial and private capital transactions, and generally facilitate investment in CABEI partner countries.

OFID's relationship with CABEI dates back to 1979 when both institutions participated in the financing of the El Cajon Hydroelectric Project in Honduras. Since then, OFID and CABEI have jointly participated as parallel lenders in a number of public sector projects in Belize, Guatemala, Honduras and Nicaragua, across different sectors such as energy, agriculture and transport.

In 2003, the partnership was expanded to the private sector when OFID approved its first loan in favor of CABEI; it was followed by a second facility in 2011. These loans supported CABEI's development-related activities in Central America. Since then, the relationship has evolved and currently, CABEI and OFID are co-financing a large solar project in Honduras. ■

## About CABEI

The Central American 'regional economic integration process' began on December 13, 1960 with the signing of the General Treaty on Central America Economic Integration, which included the establishment of the Central American Bank for Economic Integration. CABEI has become the financial arm for the integration and development of Central America.



**Dr Nick Rischbieth, CABEI President**, spoke with the *OFID Quarterly* about sustainable development across Central America, CABEI's growth and his bank's relationship with OFID. Interview by **Steve Hughes**; write-up by OFID intern **Manya Tandan**.

“ As of 2003, CABEI had only five member countries. But it has grown over recent years to incorporate all SICA member countries (Central American Integration System or *Sistema de la Integración Centroamericana*, SICA). We promote the economic integration and the balanced economic and social development of the Central American region.

This growth of our bank has given us the impetus to take on a new form. We now aim at using a wider range of financial instruments – much like OFID – such as long-term loans, guarantees and financial development assistance to both the private and public sectors.

We also help the public sector in project formulation. We focus on energy, social development and sustainability – again, similar to OFID.

CABEI is mission-oriented. We aim to support economic integration and play a financing role for projects that connect different geographies. For example, we have been a large supporter of SIEPAC – the regional electricity market uniting all Central American countries. Another main area of focus is highways; especially those that connect different countries. We also support projects that streamline processes and facilitate easier commerce between countries.

Developing countries face an array of challenges. Our members are situated in a privileged geographical zone in the center of the continent, but are not able to exploit this advantage fully for various reasons. This agreement with OFID aims to guide future cooperation to support our member countries – particularly in the spheres of energy, infrastructure and international trade – by helping us to work as parallel lenders. We have a long history with OFID – our organizations trust one another and work well together. We look forward to supporting more sustainable development across Central America. ”



# Legal leaders discuss sustainable development

BY STEVE HUGHES

“Good governance, strong institutions and predictable legal frameworks are critical for sustainable development,” said OFID General Counsel Violet Onyemenam recently, as representatives from 20 International Financial Institutions (IFIs) gathered to discuss the latest legal challenges and best practice in development finance.

The discussions took place at OFID, as the organization hosted the 23rd IFIs General Counsels Annual Meeting in May. Numerous legal leaders were in attendance, including former World Bank Senior Vice President and Group General Counsel, Anne-Marie Leroy. During her keynote speech, Leroy reminded the General Counsels of their

mission to protect their respective institutions and preserve their stability: “The responsibility that rests upon your shoulders is not just to be a good lawyer. It is also to help the organization live up to the moral standard on which it was founded,” she said.

OFID’s Onyemenam noted that OFID had in the past extended funding to several projects to promote the rule of law and build effective institutions in partner countries. Similarly, OFID Director General, Suleiman J Al-Herbish, during a welcoming speech, spoke of OFID’s work on the rule of law: “In line with our commitment to the Sustainable Development Goals (SDGs) – among them SDG 16 on peace, justice and strong institutions

**“The responsibility that rests upon your shoulders is not just to be a good lawyer. It is also to help the organization live up to the moral standard on which it was founded.”**

Anne-Marie Leroy  
World Bank  
Senior Vice President

– we further enhanced our commitment to strengthening the rule of law in partner countries through our partnership with the International Development Law Organisation (IDLO).”

IDLO is the only intergovernmental organization exclusively devoted to promoting the rule of law and OFID was the first multilateral organization to join. Through this partnership, OFID has financed projects aimed at capacity building, including one to strengthen the legal and regulatory framework in Kenya’s energy sector to attract private sector investments.

As part of the agenda, the General Counsels examined the role of their institutions in promoting SDG 16 and how IFIs can support developing countries in achieving their development targets. Recent developments in data and privacy laws were also at the top of the agenda. In particular, the European Union General Data Protection Regulation, which came into effect in May, was discussed. The General Counsels spoke about the importance of data and privacy rights and how their respective internal policies could be strengthened to protect individual privacy rights. ■



OFID Director-General Suleiman J Al-Herbish (right) with former World Bank Senior Vice President and Group General Counsel Anne-Marie Leroy and Asian Development Bank General Counsel Christopher Stevens.

## Legal leaders at OFID

### Attendees included...

**Christopher Stevens**, General Counsel, Asian Development Bank

**Heikki Cantell**, General Counsel and Secretary General, Nordic Investment Bank

**Ethiopia Tafara**, Vice President and General Counsel, International Finance Corporation

**Anne-Marie Leroy**, former World Bank Senior Vice President and Group General Counsel



PHOTOS: WOODSIDE MALL LIMITED

# Modern mall to boost Zambia's economy

BY JUSTINE WÜRTZ

In March this year, Woodside Mall – an energy-efficient retail mall with a low carbon footprint located about 7 km north of Lusaka's Central Business District – opened its doors to excited shoppers ahead of schedule and under budget.

Where previously only a few small food and ancillary markets existed, this expansive shopping mall offers the growing low-middle income population of Zambia's capital and largest city access to a wide range of products and services, including banks and restaurants.

The project has also increased opportunities for local small and medium-sized enterprises (SMEs) via its supply chain and contributed to the development of Zambia's retail infrastructure, improving supply chain efficiency and enhancing the platforms for local SMEs to trade.

"The investment will do much to boost the region's economic growth," says Tareq Alnassar, OFID's Assistant Director-General, Private

Sector and Trade Finance Operations. "The mall created many jobs during the construction phase and continues to provide employment opportunities, particularly for women, who often dominate in retail and services markets."

Additionally, Alnassar points out that the project raises market standards. "The quality of services and products – such as food – as well as safety standards and the

**"The investment will do much to boost the region's economic growth."**

Tareq Alnassar  
OFID Assistant  
Director-General

modernized design of the mall itself help to raise people's expectations," he says. "This benefits local populations and regional producers and ultimately increases the country's international trading chances."

OFID approved a long-term loan to Woodside Mall in March to part-finance the project with the International Finance Corporation. The project sponsor, Novare Africa Property Fund II, is an important fund in Africa's real estate landscape. This partnership paves the way for OFID to participate with IFC in other projects being developed by the sponsor in Africa.

In the short-term, retail property growth is relatively constrained by Lusaka's population and general income levels. However, over the medium to long-term, retail property growth will strengthen as the population expands, consumers become wealthier and more people transition from informal to more formal shopping habits.







# OFID DIARY

APRIL–JUNE 2018

MAY 22

## Trade Finance agreement signed

**International Islamic Trade Finance Corporation (ITFC).** US\$40 million. OFID is participating in a trade finance facility arranged by the ITFC to support the Islamic Republic of Pakistan's purchase of crude oil and refined petroleum products.

MAY 25

## Public sector loan agreement signed

**Cameroon.** US\$13 million. Rural Electrification Project. To provide energy access to households where agriculture and livestock represent key income-generating activities. Works to be carried out will include construction of rural power networks to provide connection to over 2,700 households, representing around 60,000 people.

MAY 29

## Trade Finance agreement signed

**International Islamic Trade Finance Corporation (ITFC).** €23 million. OFID is participating in a syndicated Murabaha agreement arranged by the ITFC to support the purchase and sale of crude oil to the Republic of Cameroon through its national refinery company (SONARA).

JUNE 19

## Emergency aid grant approved

**International Federation of Red Cross and Red Crescent Societies.** US\$100,000. To support humanitarian operations being carried out by the Guatemalan Red Cross for 6,000 of the most vulnerable survivors of a volcanic eruption.

JUNE 21

## Ministerial Council holds 39th Annual Session

See story, page 24.

JUNE 22

## 163rd Session of the Governing Board

### Public sector loans approved

**Albania.** US\$16 million. To complete works on a landslide-damaged highway. The project will reduce travel time significantly for the 750,000 people living in one of the country's largest urban centers.

**Benin.** US\$24 million. Beroubouay-Malanville Road Rehabilitation. To rehabilitate a 169 km stretch of road in an area inhabited by over one million people. This will help promote regional trade between Benin and its landlocked neighbors Niger and Burkina Faso.

**Burundi.** US\$20 million. Rumonge-Nyanza Lac Road Rehabilitation. To promote development in Burundi's southwest region and strengthen regional integration with Tanzania. Around 340,000 people living in the vicinity of this 52 km stretch of road will benefit.

**Cuba.** US\$25 million. Las Tunas Province Water and Sanitation (Phase II). To expand water infrastructure in the eastern part of the country for circa 150,000 people.

**Kenya.** US\$25 million. Modogashe-Wajir Road. To upgrade a 157 km stretch of road in the east/northeast – a high poverty area populated by over 1.6 million people.

**Niger.** US\$15 million. Niamey Express Highway. To rehabilitate a 9.6 km road connecting the Diori Hamami International Airport to the city center, benefiting over 1.2 million people.

**Uganda.** US\$11.5 million. Luwero-Butalangu Road. To upgrade a 30 km road in an area highly dependent on agriculture. Around 678,000 people will benefit.

### Grants approved

**Envirofit International.** US\$200,000. To promote the use of Envirofit's 'smart gas system' utilizing LPG – liquefied petroleum gas – as a cooking solution among poor rural households in India. LPG will be made available on a per-use basis, making its use more affordable and sustainable. Initially benefiting around 10,000

people, the program's scalable business model is expected to encourage other regions to adopt this cleaner source of energy.

**Hilfswerk International.** US\$600,000. To improve maternal and child health in central Mozambique. Activities include constructing mother-care centers and installing water and renewable energy systems, as well as building/equipping rural health posts in low-income provinces. Also planned is capacity-building at institutional and community levels and implementing outreach activities.

**International Development Law Organization.** US\$1 million. To build national capacity in Bangladesh, Kenya, Sri Lanka, Tanzania and Uganda to help implement law and policy reforms to address non-communicable diseases such as cancer, diabetes and cardiovascular diseases.

**King Hussein Cancer Foundation.** US\$400,000. To help procure equipment for the King Hussein Cancer Center in Jordan to enable the delivery of less invasive diagnostic and treatment procedures. Over 4,000 patients per year are expected to benefit.

**Mlanda Foundation.** US\$610,000. To enhance access to energy services to some 21,000 people in 41 villages by installing minigrids. This will be coupled with capacity building to improve farm productivity and increase the sale of energy-efficient appliances such as irrigation pumps.



Aruni Wijewardane, Director, International Atomic Energy Agency Secretariat of the Policy-Making Organs (right), pays a courtesy visit to OFID Director-General Suleiman J Al-Herbish.



Al-Herbish receives Fatima Sidikou, Ambassador of Niger to Switzerland, Austria and Liechtenstein.

**United Nations Human Settlements Program (UN-Habitat).**

US\$1 million. To be implemented under UN Habitat's Global Water Operators' Partnership Alliance, this project aims to improve the performance of water and sanitation utilities in Bangladesh, Ethiopia, Malawi, Samoa and Vietnam to benefit more than six million people.

**Research grants approved**

**Ahfad University.** US\$100,000. To reduce the incidence of water-borne diseases in rural communities in Gezira state, central Sudan, by providing water purification units and training on their use.

**Trustees of the Arab Coordination Group (ACG).**

US\$100,000. To support the review, updating and production of the ACG's procurement documents.

**Columbia University.**

US\$200,000. To promote the adoption of a battery-less solar power irrigation system across Senegal to demonstrate to both farmers and the Senegalese government that the technology can increase food production and farmers' incomes.

**United Nations Commission on International Trade Law (UNCITRAL).**

US\$150,000. To cover the administration and maintenance, as well as day-to-day legal and operational functions, of UNCITRAL's Transparency Registry for Investor-State Disputes.



Al-Herbish briefs Prakash Kumar Suvedi, Ambassador of Nepal in Vienna, on OFID's operational activities.



Al-Herbish presents Dieudonné Kere, Ambassador of Burkina Faso to Austria, with a copy of OFID's 2017 Annual Report.



Michael A O Oyugi, Ambassador of Kenya to Austria (right), pays a courtesy call to Al-Herbish.





May 30. OFID hosted the 4th Executive Committee Meeting of the Oil and Gas Industry Energy Access Platform (EAP). Industry leaders from Total, Shell, OMV, Schlumberger, the IGU, the Global LPG Partnership, the WPC, the Boston Consulting Group and the Shell Foundation attended. The meeting included election of the EAP Executive Committee, discussion of the platform's objectives, an update about the EAP's website, and progress reviews of the platform's task forces, as well as a discussion of potential outreach and collaborative opportunities.



May 30-June 1. OFID hosted the 23rd Annual Meeting of General Counsels of International Financial Institutions, which was attended by representatives from the World Bank Group and the International Fund for Agricultural Development, as well as several regional development banks and European financial institutions.



Dr. Ali Al Hakim, Executive Director of the United Nations Economic and Social Commission for West Asia learns about OFID and its operational activities.



Ambassador and Permanent Representative of Pakistan Ayesha Riyaz thanks OFID Director-General Suleiman J Al-Herbish for OFID's longstanding engagement with her country.

## Meetings attended by OFID

### APRIL 1 – 5

TUNIS, TUNISIA  
43rd Annual Meeting of the Islamic Development Bank Group

### APRIL 4 – 13

NEW DELHI, INDIA  
International Energy Forum and the 16th IEF Ministerial meetings

### APRIL 10 – 11

DEAD SEA REGION, JORDAN  
Arab Financial Institutions' joint annual meeting

### APRIL 19 – 23

WASHINGTON DC, US  
World Bank and International Monetary Fund Spring Meetings

### APRIL 23 – 24

WASHINGTON DC, US  
World Bank's 16th Executive Forum for Policy Makers and Senior Officials

### APRIL 24 – 26

BEIRUT, LEBANON  
Arab Forum for Sustainable Development

### APRIL 29 – MAY 3

LISBON, PORTUGAL  
4th Sustainable Energy for All Forum

### MAY 2 – 4

LONDON, UK  
6th Africa Financial Services Conference

### MAY 4 – 5

KUWAIT  
Arab Energy Club Meeting

### MAY 6 – 9

MADRID, SPAIN  
Spanish Energy Club

### MAY 7

MANILA, PHILIPPINES  
51st Asian Development Bank's Annual Meeting

### MAY 8 – 10

SWEIMEH, JORDAN  
27th Annual Meeting of the Board of Governors of the European Bank for Reconstruction and Development

### MAY 14

VIENNA, AUSTRIA  
Special session of the Vienna Energy Forum

### MAY 15

VIENNA, AUSTRIA  
R20 Austrian World Summit

### MAY 21 – 25

BUSAN, SOUTH KOREA  
53rd Annual Meetings of the African Development Bank

### MAY 28 – JUNE 1

ST GEORGE'S, GRENADA  
48th Annual Meeting of the Board of Governors of the Caribbean Development Bank

### MAY 30

VIENNA, AUSTRIA  
4th Executive Committee Meeting of the Oil and Gas Industry Energy Access Platform

### MAY 30 – JUNE 1

VIENNA, AUSTRIA  
23rd Annual Meeting of General Counsels of International Financial Institutions

### JUNE 5

VIENNA, AUSTRIA  
48th Annual International Peace Institute Seminar

### JUNE 18 – 20

TUNIS, TUNISIA  
Deauville Partnership and IFI Coordination Platform meetings

### JUNE 19 – 22

LE MORNE, MAURITIUS  
Africa Energy Forum

### JUNE 20 – 21

VIENNA, AUSTRIA  
7th OPEC International Seminar

### JUNE 24 – 26

WASHINGTON DC, US  
Africa Trade and Investment Global Summit

### JUNE 28 – 29

FRANKFURT, GERMANY  
International Financial Reporting Standards Foundation Annual Conference





## 163rd Session of the Governing Board

OFID's Governing Board approved more than US\$210 million of new funding to benefit developing countries across the globe at its 163rd Session in Vienna on June 22. The loans underscored OFID's commitment to the energy-water-food nexus, as well as the transportation sector. The public sector loans, which amounted to US\$136.5 million, will support projects in Albania, Benin, Burundi, Cuba, Kenya, Niger and Uganda. Other approvals include six grants totaling US\$3.81 million to Envirofit International; Hilfswerk International; the International Development Law Organization; the King Hussein Cancer Foundation; the Mlinda Foundation and UN Habitat. Also approved was a facility of US\$25 million to support the expansion of construction materials facilities in Kenya and Uganda. Under OFID's trade finance operations, the Board approved US\$45 million to support international trade finance activities in El Salvador and Turkey.



**Dr Ahmed Menesi**  
Governor, Libya

**Dr Mohammad Khazaei**

Governor, Iran IR



**Farid Tiaiba**

Governor, Algeria

**Askolani**

Governor, Indonesia



**Majed Ali Omran**

Governor, United Arab Emirates



# Eliminating neglected tropical diseases: the story so far

BY ANNA ILARIA-MAYRHOFER



Dr Matshidiso Moeti, WHO Regional Director for Africa, and OFID Director-General Suleiman J Al-Herbish (right).

In May, OFID signed a US\$1 million grant agreement with the World Health Organization (WHO) for an initiative aimed at eliminating neglected tropical diseases (NTDs) in seven African countries. This latest agreement underlines a partnership that began nearly four decades ago when OFID extended a US\$2 million grant to WHO in support of its Onchocerciasis Control Program (OCP) – one of the earliest containment initiatives targeting river blindness.

The most recent agreement was signed by WHO Regional Director for Africa Dr Matshidiso Moeti and OFID Director-General Suleiman J Al-Herbish. The *OFID Quarterly's* Deputy Editor **Anna Iliaria-Mayrhofer** spoke to Dr Moeti about WHO's Expanded Special Project for Elimination of Neglected Tropical Diseases (ESPEN), the challenges of NTD eradication and WHO's relationship with OFID.

WHO has long been involved in NTD eradication efforts, starting with the aforementioned OCP and later the African Program for Onchocerciasis Control (APOC) – all phases of which receive OFID support (see box on page 62). The latest grant is helping fund ESPEN – WHO's Expanded Special Project for Elimination of Neglected Tropical Diseases.

## Why neglected?

While rarely fatal, NTDs have devastating consequences on millions of lives – physically, mentally and socially. They can cause permanent disfigurement, disability and unremitting discomfort; they decrease mobility and render victims unable to work, go to school or harvest crops. And they can impede progress and development and impoverish households.

NTDs are, however, preventable and treatable. But there are many challenges involved, particularly in tackling diseases deemed 'neglected.' Dr Moeti explains why many members of the global community are unaware of their existence.

"These are diseases primarily found in rural, low-income populations – people hidden away from the day-to-day view of the media – and are largely out from the reach of health services. And there is a lot of stigmatization. We've seen this ►





# SPOTLIGHT

## The London Declaration

In January 2012, a coalition of philanthropic organizations, donor countries, governments of NTD endemic countries and pharmaceutical companies signed the London Declaration, committing to control, eliminate or eradicate 10 NTDs by January 2020. Pharmaceutical companies have pledged more than US\$17.8 billion in drug donations, providing an unparalleled opportunity to achieve the 2020 NTD goals and fulfill related commitments to progress on NTDs and Universal Health Coverage (UHC) under the UN Sustainable Development Goals (SDGs) and the 2015 G7 Leaders' Declaration.

Source: WHO brochure ESPEN: for an Africa free of NTDs.





Dr Matshidiso Moeti,  
WHO Regional Director for Africa

◀ with leprosy – the person is hidden by their families and communities – there is a lot of shame and neglect.

“This is in contrast with diseases that have garnered much more international attention like HIV and malaria. During malaria outbreaks one sees dramatic coverage of people ill and dying – and malaria can kill someone in a very short space of time. Although HIV/AIDS takes longer to develop, it also affects developed countries and attracts more international attention.

“The world has also seen the dramatic picture of HIV/AIDS in Africa – millions of people, especially young people – have been struck down with this very painful, and in its later stages, highly visible illness. For example, in my home country Botswana, cemeteries were filled with people in their late teens and twenties who perished from AIDS – it looked more like the result of war.

### **ESPEN – spurring progress in the most under-privileged countries**

Launched in 2016, ESPEN is a public-private partnership between the WHO Regional Office for Africa, Member States and NTD partners. It focuses on the disease onchocerciasis, in addition to schistosomiasis (bilharzia), trachoma, lymphatic filariasis and soil-transmitted helminths. The countries targeted are Cameroon, Central African Republic, Comoros, Democratic Republic of Congo, Eritrea, Republic of Congo and Somalia.

### **ESPEN accomplishments to date**

- WHO certified Togo as the first sub-Saharan Africa country to eliminate lymphatic filariasis as a public health problem.
- 30 million people reached through direct operation support to Mass Drug Administration in 15 countries.
- 19 countries have been trained to stop treatment in selected areas after elimination of lymphatic filariasis has been reached.
- 41 countries are sharing data and maps.

Source: WHO

**The program is flexible and adapts to the changing needs and priorities of beneficiary countries.**

“ESPEN is a great development because strategies are being devised to spur progress in the most under-privileged, underserved and neglected countries,” says Dr Moeti. “This focus has been heightened in this era of the United Nations Sustainable Development Goals (SDGs). This brings not only health benefits to the targeted countries but also helps promote justice and fairness.”

## **OCP and APOC**

Launched in 1974, **OCP** was a collaboration between WHO, the World Bank, the United Nations Development Programme and the Food and Agriculture Organization. With operations in 11 African countries covering over 1.2 million km<sup>2</sup>, OCP protected an estimated 30 million people from blindness over its nearly 30-year lifespan. Initially focusing on vector control through insecticide-spraying over blackfly breeding sites, the program expanded in 1987 to include mass distribution of donated anti-parasitic drugs.

OCP countries: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea Bissau, Guinea, Mali, Niger, Senegal, Sierra Leone and Togo. Ten out of these 11 countries were successful in eliminating onchocerciasis as a public health problem.

**APOC** – the African Program for Onchocerciasis Control – followed in 1995 and implemented community-directed treatment. APOC targeted other endemic countries and achieved remarkable results: by the end of 2012 more than 100.8 million people were receiving regular treatment.

APOC countries: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Ethiopia, Equatorial Guinea, Gabon, Kenya, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sudan, Tanzania and Uganda.

Source: WHO

PHOTO: JOERG BOETHLING/ALAMY STOCK PHOTO





PHOTO: SPEAK UP AFRICA - SCHOOL MIDS IN THE MERU DISTRICT, TANZANIA, MAY 2017

ESPEN has four overarching objectives for controlling and eliminating NTDs that are treatable by preventative therapy (see below). The program is flexible and adapts to the changing needs and priorities of beneficiary countries.

### The journey to elimination

Reducing or eliminating NTDs is a massive, multi-faceted undertaking. One highly effective, prevention-driven component is Mass Drug Administration (MDA). This involves the consistent and broad-reaching distribution of drugs, donated by various pharmaceutical companies, and has prevented illness among millions living in endemic countries.

Dr Moeti talks about MDA: “Preventative chemotherapy has been a very successful intervention. What’s even more promising is that some of the same medicines can prevent other NTDs. For example, ivermectin,

## MDA successes

According to the WHO report *Crossing the Billion*, 44 countries in Africa are endemic for one or more NTDs, and 17 are endemic for all five. Thanks to donated medicines and strong political commitment in the targeted countries, 11 reached their goal of 75 percent coverage in 2015 against soil-transmitted helminths and schistosomiasis in school-age children. Last year, Togo eliminated lymphatic filariasis as a public health problem – the first sub-Saharan African country to do so.

used for treating river blindness, can also treat lymphatic filariasis and soil-transmitted helminths. So the same campaign can address several diseases, which is very cost effective.”

She explains how data mapping and tracking are also instrumental to monitor the endemic countries’ progress. “ESPEN has established a data portal where countries can send their data at the sub-national, district and local level. This provides a very precise mapping of the disease pattern that can guide us

**Reducing or eliminating NTDs is a massive, multi-faceted undertaking.**

where efforts need to be focused. This data enables us to more strategically focus our efforts and drive a country faster and more efficiently towards their elimination goals.

“We are also linking up with water and sanitation sectors of endemic countries – not only to improve hygiene conditions but also for vector control to reduce breeding sites for some of the causative organisms that are spreading diseases.

“Before a country can be officially declared ‘free’ of a particular disease, it is required to undergo a ▶



## Five neglected tropical diseases (NTDs)



**Schistosomiasis** is caused by a blood fluke that develops in certain species of freshwater snails. The immature parasite is (eventually) free-swimming and enters its host by penetrating the skin; this commonly occurs while people are swimming or bathing in lakes, irrigation canals and other water sources. After penetrating the host's skin, the parasite develops further in the urinary tract or intestinal region (depending on the species). In the long term, schistosomiasis can lead to liver and kidney damage, as well as bladder cancer.

**Onchocerciasis (river blindness)** is transmitted by a species of blackfly that lives near swift-moving rivers and streams. After maturing in its host, the parasite produces microfilariae that migrate to the subcutaneous region of the skin (forming nodules that cause a severe allergic reaction). The microfilariae also settle in parts of the eye, causing scarring and irreversible blindness if left untreated. Adult worms can live up to 15 years in an infected individual.



**Lymphatic filariasis (elephantiasis)** is spread by a certain species of mosquito. The transmitted microfilariae damage various regions of the lymphatic system. This results in painful thickening of the skin and severe swelling of the lower regions of the body and sometimes the arms. While the microfilariae can be killed, some of the effects of the disease are permanent.

**Trachoma**, a leading cause of blindness in the developing world, is an easily-spread bacterial infection predominantly found in regions with poor water and sanitation. The bacteria (*Chlamydia trachomatis*) targets the underside of the eyelid, causing thickening that often turns the eyelashes inward. This leads to scarring and blindness unless corrected surgically.



**Soil-transmitted helminths**, a collective term for various parasitic worms, is commonly found in areas with poor sanitation. Transmitted via faeces, the microfilariae infect the host by penetrating the skin (such as when the host is walking barefoot) or via ingestion from consuming fruit or vegetables grown in contaminated soil. Hand to mouth transmission is particularly common among children when playing in the dirt. Those affected experience diarrhea or dysentery, impaired absorption of nutrients and malnutrition, leading to impaired growth and development.

ICONS-SOURCE: SPEAK UP AFRICA

◀ documentation process that culminates in a formal declaration – a large milestone. At this point the country can halt MDA and direct the funds to other sectors. So while there's a long road ahead, there is now a high level of ambition and strong dynamics on an international level to achieve this – especially after the London Declaration (see page 61) was made in 2013.

### The strength of partnerships

“Partnerships are absolutely vital and enable WHO to carry out its work. We've always had a strong coalition of partners – this includes, of course, OFID. Our relationship with OFID is not just valuable in terms of financial contribution; when other development finance institutions (DFIs), policy-makers, governments – even national leaders – see such a well-established organization as OFID engaging in programs like ESPEN, it imparts trust and encourages others to join the global effort.”

### The path to SDG 3

United Nations Sustainable Development Goal 3 (SDG 3) focuses on 'Good health and wellbeing.' One of its targets – SDG 3.3 – calls on the international community to: “By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne disease and other communicable diseases.” While NTD-related mortality and morbidity rates are on the decline in some areas – is this target realistic?

Dr Moeti thinks so. “It's an ambitious goal. I strongly believe in being driven by ambition. If you aren't reaching for really high targets and goals you won't succeed. This drives us to be creative, learn lessons, find ways of doing things better. I am optimistic that with this type of determination within the international community, along with solid partnerships and resources – this elimination target can be met.” ■

**Q: What does a global agrifood business do when it wants to focus more on sustainable development?**

**A: It works with OFID.**

PHOTO: OFID/STEVE HUGHES



Phoenix is a leading international agri-food, farming, distribution and resources group generating revenues in excess of US\$2.05 billion. **Gaurav Dhawan**, Phoenix Executive Chairman and **Nitin Navandher**, Phoenix Group Finance Controller, recently visited OFID in Vienna following OFID's successful participation in Phoenix's US\$205 million syndicated borrowing base. The borrowing base is a key facility for Phoenix, enabling the group to increase its activities in Africa and Asia.

During his trip, Dhawan took time out to speak with the *OFID Quarterly* about human centered development, empowerment, motivation and more. As told to Editor **Steve Hughes...**

### On the new borrowing facility...

The borrowing base facility is key for Phoenix, supporting our activities in Africa and Asia. The driver for Phoenix wanting OFID to enter the syndicated facility was not liquidity, but rather our preference of having a DFI as part of the group given our strategic initiatives.

The facility brings together several banks, which helps both Phoenix and our banks. For example, it brings together liquidity under one facility as well as providing us with 'operations ease' when drawing down. From a bank perspective, it helps with their country limit management. The facility is important for our growth plans of increasing market share and volume.

### On working with a development finance institution (DFI)...

Fortunately for us, we have longstanding relationships with some of the largest trade finance banks globally. However, in line with our strategy and focus on sustainability, responsibility in terms of agriculture, traceability and making a developmental impact, we wanted to work with a DFI that has clear focus on these fronts and can also provide us with best practice insight as well. This is the first time we've worked with a DFI, and OFID was the perfect match to support us and our efforts on sustainable agricultural growth, especially in Africa and South East Asia.

**“What better DFI to start with than OFID?”**

### On the Phoenix philosophy...

The shareholders of Phoenix are the management and we have grown and developed the company from scratch. We follow a commercial agenda, but at Phoenix, we recognise the importance of doing right by people and the planet through the correct thinking and the correct action in every aspect of our global operations.

To channel our philosophy, we launched an initiative last year called 'the 1% change'. It stems from the belief that small steps taken to make the world a better place can have a huge impact as an aggregate.

For example, our distribution company in Dubai recently changed the type of plastic used for the garbage bags it distributes. As the Middle East has plenty of sunshine and high temperatures, oxy-biodegradable plastics decompose well. Accordingly, we converted all of our production – more than 800 tons a month – to oxy-biodegradable plastics. The cost impact was compensated by increased turnover. Overall, this may be a mere speck in terms of the millions of tons of plastic on the planet, but we are playing our part. This is what our 1% philosophy is all about.

We cannot have a short-term focus on shareholder returns, or else our business will soon have negative returns. We must consider the triple bottom line. Accordingly, we have decided to choose projects with a developmental agenda, and we strongly feel such projects generate better returns and economical value to shareholders. ▶





## OFID and Phoenix

Commenting on OFID's participation in the US\$205 million borrowing facility for Phoenix Global, Head of Private Sector and Trade Finance Department Operations Tareq Alnassar said the transaction represents an important step in the relationship between OFID, the Phoenix Group and one of OFID's important existing strategic partners, Standard Chartered Bank. The transaction supports two of OFID's key objectives: improving food security and strengthening South-South trade, with the main beneficiary countries being in Africa.

## On inspiration...

◀ My team and colleagues are my inspiration. I am driven by the belief that Phoenix is on a good trajectory. A team of 35 in 2006 is today a team of more than 2,500 colleagues. Someday soon we will cross the 5,000 threshold. Each and every colleague is working toward bettering Phoenix and the communities it works in.

We believe that great changes can be effected through a series of small, well-planned, and well-executed steps, which contribute to the greater good. This led to the coining of the term and initiative "the 1% change", which was actually an initiative inspired by my spouse.

Everyone is empowered to do some change and every change has an impact. It may take a bit longer, but it's possible to fill a huge container with tiny drops of water. This was the start of the 1% change. We will not simply wait for 'the big one' but instead we have made a collection of small changes, like switching the lighting in our head office to LEDs, for example, or providing equipment for schools to clear snow in the winters to enable continuity in our farming communities of Baimyrza and Pushkinskoye, Kazakhstan.

Furthermore, we are setting up the Phoenix Foundation where we will invite all our stakeholders to participate: suppliers, buyers and colleagues will have the opportunity to make a contribution. We are still finalising the details, but the foundation will focus on community work where we currently have a presence: Africa, East Europe, India and Vietnam.

**"I believe in empowerment and value creation. This is the ideology that drives us."**

## On Kashmir and human development...

I have spent time in Kashmir and unfortunately the people there are in a geopolitical storm. A way to provide normality and a way out of such conditions for these people is through education and economic prosperity. If parents can send their children to good schools, have better food to eat, have cars to drive, nice homes to live in, things will change.

So, we made a plan. Leveraging our expertise in horticulture, we will lease land to set up apple orchards. Apple orchards are in the DNA and history of Kashmir; hence our model would provide traditional employment opportunities. Phoenix will lease orchards – which are generally family farms of about one acre – and improve them using best horticulture and management practices. We will then employ at least one member of the family and provide an income that is higher than their present one. In addition, we are also working to create self-employment opportunities.

The importance of our plan is that it is a commercially viable operation. We are not a charity. Nevertheless, through careful planning and implementation we can provide assistance to those less fortunate to help them stand on their own feet. We can empower people and give them a chance to create a better life for themselves and their communities.

I believe in empowerment and value creation. This is the ideology that drives us.

## On education and joining Phoenix...

I was born and brought up in Delhi, India. On the successful completion of my studies – a Bachelor of Business Studies in Delhi and a Masters in International Business from the Indian Institute of Foreign Trade – I moved to Thailand where I started my career in 1997 with a large commodities trading company. I was also privileged enough to spend time in China, Myanmar, Bangladesh and Kenya.

In 2001, I was invited to join Phoenix, which had just been founded by my former boss and mentor. I was 28 at the time, and being invited to be part of the founding team of a new start-up was an exciting opportunity as well as a huge privilege.

Through the hard work of the Phoenix team, both past and present, and with good fortune, we are now in a great position today. I'm so happy that I made the decision to join Phoenix. ■



For more information, please see [phoenixcommodities.com](http://phoenixcommodities.com)

# OPEC Secretary General receives Abdullah Bin Hamad Al Attiyah Energy Award for Lifetime Achievement for the Advancement of OPEC

OPEC Secretary General, Mohammad Sanusi Barkindo, was presented with the Abdullah Bin Hamad Al Attiyah Energy Award for Lifetime Achievement for the Advancement of OPEC at a ceremony in Doha, Qatar, on May 7.

The Award was given in recognition of the pivotal role the Secretary General has played in the adoption of the 'Declaration of Cooperation', which has had a transformative impact on the global oil industry.

COURTESY OF THE OPEC BULLETIN

The Abdullah Bin Hamad Al Attiyah International Energy Awards celebrate the legacy of Al Attiyah by recognizing the work of individuals who have, over the course of a professional lifetime, made an indelibly positive contribution to the betterment of the global oil industry. The Awards are homage to Al Attiyah's rich legacy of stewardship and leadership in the advancement of partnership, sustainability, development, transparency, and cooperation in the global energy industry.

## Previous recipients

The Awards are now in their seventh year. Previous recipients of the Lifetime Achievement Award for the Advancement of OPEC include Abdalla Salem El-Badri, former OPEC Secretary General; Dr Adnan Shihab-Eldin, Director General of the Kuwait Foundation for the Advancement of Sciences, Advisor to and Member of the Kuwait National Nuclear Energy Committee (KNNEC) and former Acting Secretary General and Director of the Research Department at OPEC; Dr Ramzi Salman, Former Deputy Secretary General ▶



PHOTO: OPEC

Mohammad Sanusi Barkindo (c), OPEC Secretary General, was presented with the Abdullah Bin Hamad Al Attiyah Energy Award for Lifetime Achievement for the Advancement of OPEC, by Dr Mohammed Bin Saleh Al-Sada (r), Minister of Energy and Industry, Qatar, and Dr Ibrahim Ibrahim (l), Economic Adviser at Amiri Diwan and Vice-Chairman, The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy & Sustainable Development.





PHOTO: OPEC

Recipients of the Abdullah Bin Hamad Al Attiyah Energy Award 2018 with Dr Ibrahim Ibrahim (front third right), Economic Adviser at Amiri Diwan and Vice-Chairman, The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy & Sustainable Development.

◀ of OPEC; Dr Majid Al-Moneef, Advisor to the Royal Court of the Kingdom of Saudi Arabia; and Suleiman Jasir Al-Herbish, Director-General at the OPEC Fund for International Development (OFID).

Barkindo was introduced by Dr Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, Qatar, who paid tribute to the Secretary General's inspiring leadership, statesmanship and unwavering dedication to furthering the objectives of OPEC. Al-Sada stated: "OPEC is in Mohammad Barkindo's blood. He doesn't just view the Organization merely as an employer or the Secretariat as a building. Rather Barkindo is a true believer in OPEC's and, indeed, the oil industry's capacity to be a force for good in our world;

fueling modern civilization and lifting millions out of energy poverty."

#### **Declaration of Cooperation**

Al-Sada worked particularly closely with Barkindo during Qatar's Presidency of the OPEC Conference in 2016, which involved the arduous negotiations that culminated in the historic 'Declaration of Cooperation'.

Barkindo paid tribute to the remarkable legacy of Al Attiyah. "Over the decades I have known His Excellency, my respect and admiration have continuously grown," he said. He described Al Attiyah as "an icon, a living legend, an industry veteran, with sharp wit, a wonderful sense of humor and deep humility."

The Secretary General also thanked the wider OPEC family,

saying: "I would like to conclude by thanking all members of the OPEC family who make our Organization such a unique environment in which to work. I have known many of them over the years and am always inspired by their determination to collaborate for the betterment of our industry."

After the ceremony, the Secretary General reflected on the significance of receiving the Award at this time. "I am receiving this prestigious award on behalf of OPEC, which together with our non-OPEC partners has joined hands to assist the oil industry in restoring stability to the markets through the historic 'Declaration of Cooperation', after the longest and most destructive oil cycle in history," he said. ■

## **Our vision**

To aspire to a world where Sustainable Development, centered on human capacity building, is a reality for all.

## **Our mission**

To foster South-South Partnership with fellow developing countries worldwide with the aim of eradicating poverty.



**Uniting against Poverty**





## **Uniting against Poverty**

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