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OFID Quarterly

THE OPEC FUND
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DEVELOPMENT

Asia: A new horizon?

China leads green energy market

UNRWA chief highlights refugee plight

AIDS 2016: Time to break conspiracy of complacency

OFID enters blogosphere

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Asia: Catching the wave of success



s the highest performing region under the Millennium Development Goals, Asia has much to shout about. Among other notable achievements, poverty has been slashed by more than two-thirds, great strides have been made in the delivery of healthcare, and primary school enrolments have surged.

The results are remarkable for a continent that is the largest on earth and home to more than half the world's population.

Led by China, India and Indonesia, economies across the region are booming—on a platform of structural change, increased productivity and a shift from agriculture to manufacturing. At the same time, greater investment in education has equipped populations with the skills to turn opportunity into advantage.

Riding high on this wave of success, Asia has become the poster child for economic and social transformation.

As impressive as these accomplishments are, however, it's not all positive news. For the statistics mask stubborn discrepancies among and within countries. Vulnerability to poverty remains high, as does hunger. Some 600 million people are still living without electricity. And, while access to education and health services has improved, there are still questions over equity and quality.

So, while prosperity and a bright new future beckon for the majority, vast numbers of people are being left behind. Sucked under by the same wave that is sweeping others forward, these groups are mostly the victims of entrenched discrimination and marginalization.

On top of the challenges relating to social welfare and inclusion, the region must also confront the even bigger problems of water scarcity and environmental degradation. With the lowest per capita renewable water resources in the world and multiplying CO₂ emissions, these are probably the most pressing issues of all for the continent. Tackling them and getting onto a path of long-term sustainable development must be Asia's priority.

OFID's association with Asia goes back to August 1976, when balance of payments loans to 10 of the region's "Most Seriously Affected Countries" were among the first ever batch of approvals by the then-named OPEC Special Fund.

Since then, our cooperation has widened to embrace 40 nations, a diverse group spread across the Middle East, Central Asia, Southeast Asia and the Pacific. Together they have shared a cumulative US\$5.7bn in OFID financing for projects covering all economic and social sectors. The list ranges from some of the region's least developed countries, such as Afghanistan, Myanmar and Yemen, to the transitioning nations of the Commonwealth of Independent States, to the "tiger" economies of China, India and Vietnam.

As elsewhere in the world, our chief objective in Asia is to alleviate poverty among the most vulnerable populations, while promoting economic growth, integration and competitiveness. In doing so, we respect and support the individual priorities of the partner governments. In a continent so diverse, with countries at different points on the development spectrum, a tailored response is essential.

Given the region's needs—and its potential—it is no coincidence that almost one-half of OFID financing to Asia has gone to the strategically critical energy-water-food nexus. Once the nexus-enabling transportation sector is added, the total comes to around US\$3.5bn, or over 60 percent of all approvals to the region. In terms of widening access to safe drinking water, modern and affordable energy, and an adequate food supply, these resources have been well used.

To boost employment, productivity and competitiveness, we have channeled close to US\$1bn to the Asian private sector. With the aim of promoting financial inclusion, the bulk of this has gone in support of micro-, small- and medium-sized enterprises (MSMEs), a sector that plays a pivotal role in driving growth across the region. We have also provided over US\$660m in trade finance to partner countries to help bridge the yawning trade finance gap that is stifling opportunities, especially for MSMEs.

We are aided in our endeavors by a formal partnership agreement with the Asian Development Bank, which sees us cofinance priority projects in specific countries.

All told, OFID is truly proud of its contribution to Asia's transformation. While modest in the grand scheme of things, our support over the past four decades has made a genuine difference to communities the length and breadth of the continent. From smallholder farmers in Armenia to fisher folk in the Maldives, from schoolchildren in Palestine to commuters in the Laotian capital Vientiane, our work has touched millions.

That said, there is still much left to do, as the region strives to continue its rise while tackling the multiple challenges blocking the way. OFID will remain a steadfast partner on this journey, as we work together to ensure that everyone gets to catch the wave that is Asia's success. ■



Asia: A new horizon?

Following the region's strong performance in the Millennium Development Goals, the Quarterly looks at Asia's potential for continued transformation and its chances of playing another leading role in the post-2015 development landscape.

BY STEVE HUGHES



A

s the world sets its sights on the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs), many eyes will be on Asia as the region that performed strongest under the Millennium Development Goals (MDGs).

Over the coming years, countries will mobilize to end all forms of poverty, fight inequalities and tackle climate change under the SDGs, while attempting to ensure that no one is left behind. Will Asia continue to lead the way? And what have been the reasons for its success to date? Or will the new post-2015 development landscape be too much for a region that still, to a greater or lesser extent, looks to close the material development gap between itself and its western neighbours?

The MDGs produced the most successful anti-poverty movement in history. Only two decades ago, nearly half of the developing world lived in extreme poverty. But last year's United Nation's MDG Report confirms that millions of people have been lifted out of poverty, women and girls have been empowered, health and wellbeing has improved, and new opportunities have been created for better lives. And according to the report, extreme poverty reduction in Asia is the highlight of the MDGs' achievements.

Looking to the future, world leaders have now called for long-term sustainability goals to succeed the MDGs. The new agenda aims to break fresh ground, with ambition related to inequalities, economic growth, employment, energy, climate change, sustainable consumption and production, peace and justice and more. "The emerging post-2015 development agenda, including the set of Sustainable Development Goals, strives to build on our successes and put all countries, together, firmly on track towards a more prosperous, sustainable and equitable world," says UN Secretary-General Ban Ki-moon.

Big impact

As the largest continent on earth with more than half the world's population and some of its most dynamic economies, Asia's progress made a dramatic contribution to the MDGs' success. As Yongyi Min, Chief of the UN's Sustainable Development Goal Monitoring Unit Statistics Division says: "Overall, Asia has experienced the greatest decline in extreme poverty across the sub-regions. Actually, by 2011, Asia had met the target of halving the proportion of people who live in extreme poverty." Min goes on to explain that East Asia and

Southeast Asia have met or are close to meeting most of the MDG targets, while South Asia has made remarkable progress in some areas, but increased efforts are needed in others.

Joseph D'Cruz, the Asia-Pacific Regional Team Leader, Inclusive Growth and Sustainable Development, the United Nations Development Program, describes progress in Asia as being largely driven by economic growth and structural transformation, but also by investments into health, education and social protection.

He adds that much of Asia's success in reducing extreme poverty is due to strong economic growth, particularly in China, but also in parts of Southeast Asia and South Asia. Structural transformation, greater productivity and a shift from agriculture to manufacturing, and the service sector—facilitated by greater integration into global and regional value chains—has supported this process in many countries.

Underpinning this growth has been a strong policy focus in many countries on investments to expand access to education and health services, D'Cruz continues. This has equipped growing populations with the necessary productive skills and talent. As Asian countries have developed, they have also initiated social assistance or social protection schemes to allow the benefits of growth to flow to the poor and most vulnerable, including young children, the elderly and the disabled.

Mixed progress

However, D'Cruz also argues that progress has been mixed and vulnerability to poverty remains high. The percentage of people living on less than US\$1.25 per day has dropped most dramatically in China (which has also pulled down the regional average) and a few other countries such as Vietnam, but less impressive progress has been made in many parts of South Asia.

Alisa DiCaprio, Research Economist at the Asian Development Bank (ADB) Institute, agrees that the aggregate gains achieved by Asia and the Pacific in some key MDGs are balanced by more limited success in others. Asia and the Pacific have had some phenomenal successes in achieving MDG targets, she says, but the region continues to struggle in areas that are vital to prosperity and social development. DiCaprio explains that the number of people in the region living on less than US\$ 1.25 a day has fallen by more than two thirds, as D'Cruz alluded to. But she says that hunger, as measured by underweight children, remains a serious problem. ►

Millennium Development Goals: 2015 Progress Chart

Goals and Targets	Asia				
	Eastern	South-Eastern	Southern	Western	Caucasus and Central Asia

GOAL 1 | Eradicate extreme poverty and hunger

Reduce extreme poverty by half	low poverty	moderate poverty	high poverty	low poverty	low poverty
Productive and decent employment	moderate deficit	large deficit	large deficit	large deficit	small deficit
Reduce hunger by half	moderate hunger	moderate hunger	high hunger	moderate hunger	moderate hunger

The progress chart operates on two levels. The text in each box indicates the present level of development. The colours show progress made towards the target according to the legend below:

- Target met or excellent progress.
- Good progress.
- Fair progress.
- Poor progress or deterioration.
- Missing or insufficient data.

GOAL 2 | Achieve universal primary education

Universal primary schooling	high enrolment				
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GOAL 3 | Promote gender equality and empower women

Equal girls' enrolment in primary school	parity	parity	parity	close to parity	parity
Women's share of paid employment	high share	medium share	low share	low share	high share
Women's equal representation in national parliaments	moderate representation	low representation	low representation	low representation	low representation

GOAL 4 | Reduce child mortality

Reduce mortality of under-five-year-olds by two thirds	low mortality	low mortality	moderate mortality	low mortality	low mortality
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GOAL 5 | Improve maternal health

Reduce maternal mortality by three quarters	low mortality	moderate mortality	moderate mortality	low mortality	low mortality
Access to reproductive health	high access	moderate access	moderate access	moderate access	moderate access

GOAL 6 | Combat HIV/AIDS, malaria and other diseases

Halt and begin to reverse the spread of HIV/AIDS	low incidence	low incidence	low incidence	low incidence	low incidence
Halt and reverse the spread of tuberculosis	low mortality	moderate mortality	moderate mortality	low mortality	moderate mortality

GOAL 7 | Ensure environmental sustainability

Halve proportion of population without improved drinking water	high coverage	high coverage	high coverage	high coverage	moderate coverage
Halve proportion of population without sanitation	moderate coverage	low coverage	very low coverage	high coverage	high coverage
Improve the lives of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	—

GOAL 8 | Develop a global partnership for development

Internet users	high usage	moderate usage	low usage	high usage	high usage
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Sources: United Nations, based on data and estimates provided by: Food and Agriculture Organization of the United Nations; Inter-Parliamentary Union; International Labour Organization; International Telecommunication Union; UNAIDS; UNESCO; UN-Habitat; UNICEF; UN Population Division; World Bank; World Health Organization - based on statistics available as of June 2015. Compiled by the Statistics Division, Department of Economic and Social Affairs, United Nations.

◀ DiCaprio quotes ADB figures showing school enrolment of primary age children rose from 86 percent in 1990 to 95 percent in 2013, with the number of out-of-school children falling from around 45 million in 1990 to 17 million in 2013. This accomplishment included reducing the number of out-of-school girls from 31 million to 8 million. And in almost all countries in Asia and the Pacific, the goal of equal access to school for boys and girls has been achieved.

But when it comes to secondary and tertiary levels, gender gaps, though reduced, still remain. Women's access to non-agriculture jobs in Asia remains low, as does the proportion of parliamentary seats held by women. Min, Chief of the United Nation's Sustainable Development Goal Monitoring Unit, puts this down to a number of interconnected cultural issues: "Women continue to face discrimination in access to work, economic assets and participation in public and private decision making," she says. "It has improved, but it started out from a very low base. The challenge is still on. But issues with women's gender equality is not particular to Asia—it's a worldwide issue."

Sustainable progress?

Challenges also remain when it comes to environmental sustainability—somewhat portentously, perhaps, given the new development agenda. Two-thirds of the countries in Asia have met the MDG goal on improved access to drinking water, but more than a third of the people in the region are still deprived of clean sanitation facilities. Similarly, while the number of people living in slums has decreased in countries across the region, and forest cover has increased slightly, the region's CO₂ emissions have more than doubled.

Professor Christopher Dent, a trade, renewable energy and development cooperation expert from the UK's University of Leeds picks up on this last point in particular. "When you look at the more advanced economies in Asia, such as Japan, South Korea, Taiwan and Singapore, we see they're on an established path toward low carbon development. But many of the other lower income economies in the region have governance issues—the structures to drive them toward sustainable development are not there."

Dent continues: "Environmental pressures at the local level are already becoming very acute and political. China and Japan know they have to take climate change very seriously. Much of China's population and economy, for example, is based around large river deltas and is very susceptible to rising sea-level climate risk. But at the same time, China still sees itself as a developing country in many respects and wants to close the material development gap with western countries. Culturally, it will be difficult to shift from a GDP growth-oriented approach to development to one based on qualitative economic development and sustainable growth."

D'Cruz recognizes the importance of a more sustainable growth path, too. The 2030 Agenda highlights the importance of a more integrated approach to development—balancing economic, social and environmental development, he points out. "To date, Asia's success in ensuring a more sustainable growth path has been mixed. Per capita CO₂ emissions have increased rapidly, deforestation is progressing and air and water pollution are undermining human development gains in many parts of Asia. Moving forward, greater attention will need to be paid to the environmental impact of economic policies."

The changing face of poverty

D'Cruz says that to be able to meet the ambitious goal of zero poverty (SDG 1) and reducing inequalities (SDG 10), Asia needs to focus on, among other things, the changing nature of poverty. In much of Asia, income poverty is largely concentrated in 'pockets' where it is more entrenched and the poverty-reducing impact of economic growth has been declining. The most disadvantaged groups, the 'real bottom billion,' often come from ethnic minority or other marginalized groups, requiring a greater focus on redistribution and addressing the root causes of discrimination and exclusion.

"While many countries in Asia have witnessed

DID YOU KNOW?

Some facts and figures
for Asia and the Pacific

WOMEN NEED MORE SEATS

Only 18%
women members
of Parliaments.
Only 6% on corporate boards.



EARNINGS

Women on
average
30 to 40% less
than men.



SOUTH ASIA

has the highest
prevalence of child marriage
in the world: **approximately
1 in 2 girls are married
before the age of 18.**



LAND

Only about 10%
of women own land
(global average: 20%).



Source: Asian Development Bank



Moving toward the last mile

Slow gains mean falling short

Changes in direction are needed

significant improvements in access to education and health facilities,” says D’Cruz, “quality issues and issues of equitable access remain a huge challenge.”

D’Cruz believes that Asia needs to recognize that rapid growth has been accompanied by rising inequalities and 80 percent of the region’s population lives in countries with widening income gaps. Progress in line with the MDGs (and in particular, poverty reduction at the aggregate level) has masked stagnating progress and growing inequalities at the sub-national or community level. Addressing inequalities requires looking at the root causes of poverty and inequality which differ significantly across the region, he argues. These range from conflict, social exclusion and lack of access to resources, to unequal representation and participation and weak, biased or corrupt governance structures. This also requires more progressive fiscal policies, which allow for a fairer distribution of wealth.

What can we learn from Asia?

One of the main lessons of Asia’s success story is that economic growth and the increasing integration into global and regional value chains have been instrumental for poverty reduction. However, this is not enough. Greater investments in equitable access to education and

healthcare as well as social protection will be important to sustain growth and move towards a more inclusive and sustainable growth trajectory.

In Asia, despite impressive progress toward the MDGs, vulnerability to poverty and risks such as natural disasters, climate change and economic crises remains high and is increasing. As one of the most global and regionally integrated regions, Asia is also affected by cross-border economic and other shocks. Policy responses to such shocks determine the speed and sustainability of the rebound and subsequent growth path.

Looking to the future, in an increasingly globalized world, sustainable development requires an inclusive international framework of cooperation under the SDGs. Some commentators have called for the framework to form part of a broader and more integrated agenda that addresses all aspects of sustainable development—a combined environmental, social and economic pathway to a better world. These objectives have received support across Asia and the Pacific. As the ADB states in its recent report entitled *Making it Happen*, many countries have already expressed readiness to embrace the new agenda and tackle higher levels of ambition. The stage seems set. It remains to be seen, however, how successfully things will play out. ■

Projecting Asia’s progress on the SDGs to 2030



Steve Hughes is a journalist and copywriter based in the UK. His background is in economics and financial journalism, but he has also spent time writing for press offices and internal communications departments. He was an editor and speechwriter with OPEC between 2008 and 2012 and now writes for various businesses and organizations.

The key to unlocking Asia's potential



PHOTO: ASIAN DEVELOPMENT BANK

PHOTO: APPLER/SHUTTERSTOCK.COM

With annual approvals hitting a record US\$27bn in 2015, the Asian Development Bank has a giant footprint across the whole Asia-Pacific region. Here, the *Quarterly* speaks to **Diwakar Gupta**, Vice President, Private Sector and Co-financing Operations, about the diverse challenges facing the Bank's huge constituency and the strategies it has in place to address them.

INTERVIEW BY AUDREY HAYLINS

OQ: *With a growth rate of 6.5 percent annually over the past five years, developing Asia continues to be the fastest growing region in the world. What do you consider to be the main challenges as the region seeks to maintain this momentum?*

DG: Asia is the most populous region in the world housing more than 50 percent of the world's population, and more than half of these people live in cities. Moreover, Asia accounts for 65 percent of the global poor. Asia therefore faces a formidable challenge in providing basic necessities to a large and deprived pool of humanity. This challenge can be met by developing sustainable infrastructure that meets basic needs and by skilling the people.

In order to alleviate poverty and sustain the momentum, more and better paying jobs are required both for the unemployed and under-employed. Investments in skills development, productive infrastructure, and basic services like health, water and sanitation, and access to energy are necessary to meet the needs of the poorest and most vulnerable sections of the population.

OQ: *The MDGs saw some remarkable progress across Asia, especially in terms of overall poverty reduction. However, the region remains home to the majority of the world's extremely poor. As a development expert, what is your reaction to Agenda 2030 and the SDGs with regard to bridging this gap?*

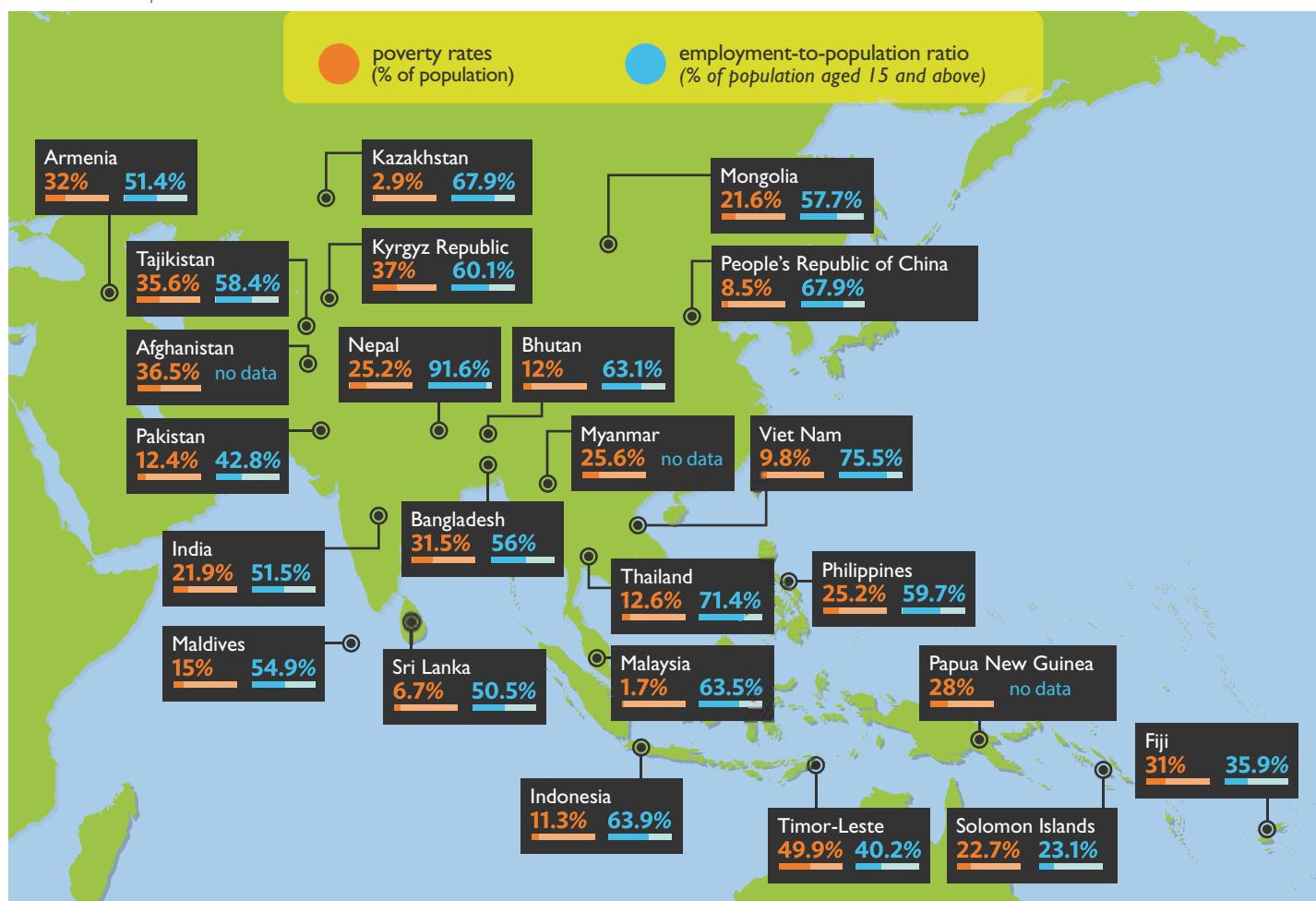
DG: ADB applauds the ambition of the Sustainable Development Goals. The 2030 Agenda for Sustainable Development is comprehensive and crucial for Asia and the Pacific, indeed for the entire world and can be instrumental in bridging the gap you mentioned. We know we cannot do it alone. So ADB will strengthen its collaboration with development partners, think tanks and the private sector to attract resources and knowledge so as to make it more effective regionally and globally. We stand ready to support our member countries in achieving the SDGs through investments in people, sustainable infrastructure, skill development, cross-border public goods, and gender empowerment. Given the enormous diversity of Asia and the Pacific, the SDGs are likely to be customized to regional, national and local contexts. ADB will provide tailored support to respond to specific challenges regionally, nationally and locally. Suitable governance structures are essential for achieving these objectives.

OQ: On the subject of hunger, the region's food security is coming under increasing pressure due to competing demands on water stocks that are threatening to compromise agricultural productivity. What kind of action is needed to avert this threat? Does ADB have a strategic response?

DG: The importance of water cannot be questioned, and it is said that the next major war may be over water. We recognize that the Asia and Pacific region has the world's lowest renewable water resources on a per capita basis and more than two-thirds of freshwater withdrawals are for agriculture, mainly for irrigation. With growing demand for energy, competing demands for water will increase, which can potentially affect agricultural productivity. A multi-pronged approach of harnessing, conserving, and replenishing water resources is needed to address this challenge. ADB's response is both strategic and practical. We help by supporting the water policies and strategies ►

Poverty and employment in Asia and the Pacific

Source: Asian Development Bank



► pursued by governments. At the same time, ADB funds research and development on agriculture to improve productivity. ADB's Water Financing Program, launched in 2006, sees ADB making water investments of at least US\$2bn a year or a total of US\$30bn by the end of 2020.

OQ: *SMEs play a critical role in driving growth in Asia, despite widespread difficulties in accessing finance. What steps can the financial sector take to underpin and strengthen this vital contribution and ensure the competitiveness of SMEs?*

DG: Micro, small and medium-sized enterprises (MSMEs) play an important role in the provision of employment, sources of subsistence, equitable distribution of, and deployment of domestic savings for investments. The benefits of an SME sector can be seen in the creation of a sound industrial base for an emerging economy. The employment opportunities for low-income groups generated through MSME development is a key instrument in poverty reduction efforts.

The dynamics for MSMEs need to be strengthened further to boost national productivity, given the recent global economic slowdown. In Asia, the liberalized trade and investment accelerated by regional economic integration will promote the structural change of the MSME business

model from being domestically focused to being globally competitive. The rise of internationalized SMEs requires new financing solutions for them, suggesting an increased demand on supply chain finance, trade finance, and long-term financing for their survival and further growth.

Finance is a critical element of national SME development. In particular, it is crucial to develop diversified financing models that go beyond traditional bank lending, to provide timely financing opportunities for SMEs according to their needs and stages of business growth. ADB is working with its member countries to help address core structural issues related to SME finance.

Their financial access can be improved by developing appropriate financial infrastructure, regulatory framework, and diversified financing models, such as nonbank and capital market financing windows, alongside traditional bank lending. Financial intermediation is the second largest sector, after infrastructure, supported by the private sector operations of ADB.

OQ: *On account of rapid urbanization, the region is experiencing a huge infrastructure crisis. What can you tell us about the MoU signed earlier this year between ADB and the Asian Infrastructure Investment Bank (AIIB)?*

DG: ADB will cooperate closely with AIIB, drawing on ADB's 50 years of experience and expertise and its extensive network of 31 field offices in developing member countries. ADB and AIIB have agreed to strengthen cooperation, including co-financing, at strategic and technical levels on the basis of the value to be added, institutional strengths and comparative advantages, and mutual benefits. Through co-financing, knowledge work, and joint policy dialogue with member countries, the two institutions will work together in areas impacted by rapid urbanization including energy, transportation, telecommunications, water, urban planning, and environmental protection. The region's investment requirements are estimated to be in trillions of dollars, providing space for all to collaborate and play their role. The institutions will undertake regular high-level consultations and joint data collection to promote implementation of the SDGs and the COP21 climate agreement.

OQ: *How do you see the path forward with the AIIB, and what are the common approaches to safeguarding social and environmental impacts of infrastructure development?*

DG: AIIB issued its safeguard policy, the Environmental and Social Framework, in



February 2016. It shares the same policy structure and safeguard elements (environment, involuntary resettlement and indigenous peoples) as ADB's Safeguard Policy Statement 2009. There are common approaches on biodiversity conservation, natural resources management, pollution prevention, health and safety, involuntary resettlement and protections for indigenous peoples' communities.

ADB and AIIB have already approved their first co-financed project and will continue to collaborate on co-financing. Although AIIB has its own safeguard policy, ADB and AIIB have agreed that ADB will provide services relating to environmental and social safeguards by conducting safeguard due diligence, monitoring and supervision for projects that we co-finance in accordance with the Safeguard Policy Statement.

OQ: *What are your views on the regions' challenges with regard to youth employment and gender equality, and how is the ADB working to address these issues?*

DG: Asia's youth are a large, valuable resource that must be invested in and empowered to ensure inclusive sustainable development. Too many of the region's youth do not have the right skillset for the tasks at hand. Unemployment and underemployment are significant challenges. Young people can't find jobs because they do not have work experience, skills, a network of contacts, the means to seek work or travel for it when required. ADB has provided US\$8.2bn over the past four decades to increase access and quality of education, strengthen management, mobilize resources, strengthen partnerships, and introduce new and innovative technologies. This support is expected to continue.

ADB is committed to gender equality and women's empowerment. Gender equality is a core requirement for a just and equal society, as well as for better development outcomes such as inclusive growth, faster poverty reduction and attaining the SDGs. ADB's Policy on Gender and Development adopts gender mainstreaming in its operations as the key strategy to promote gender equality and women's empowerment. Essentially, this requires gender equality considerations to be addressed across the full range of ADB operations—from country strategies to the design and implementation of gender-inclusive projects and programs.

OQ: *Natural disasters present one of the most serious threats to building prosperous and equitable societies in the region. How do you see ADB's plan of action in the context of both disaster risk reduction as well as climate change?*

DG: Asia and the Pacific dominates disaster impact rankings, making disaster risk a serious threat to inclusive and sustainable development. ADB's support for integrated disaster risk management was strengthened in 2014 by a new operational plan covering the period 2014–2020. The plan combines disaster risk reduction, climate change adaptation, and disaster risk financing under a mutually-reinforcing framework to strengthen disaster resilience before disaster strikes, and to enhance post-disaster relief, early recovery and reconstruction operations. ADB is looking at assisting governments to establish cost-effective and sustainable disaster risk financing solutions including insurance for the public financial management of natural disasters. ADB will double its annual financing for combating climate change to US\$6bn by 2020, with US\$4bn for mitigation and US\$2bn for adaptation. This will boost ADB's spending on climate change to around 30 percent of overall financing by 2020. Mitigation support will focus on scaling up efforts for renewable energy, energy efficiency, sustainable transport, and building smart cities. Adaptation support will focus on more resilient infrastructure, climate-smart agriculture, and better preparation for extreme weather events.

"Asia's youth are a large, valuable resource that must be invested in and empowered to ensure inclusive sustainable development."

OQ: *OFID and ADB have been partners for almost 40 years, co-financing 109 operations in 18 countries. How do you envision future collaboration toward meeting the strategic objective of reducing poverty and improving the quality of life in the Asia and Pacific region?*

DG: OFID and ADB renewed their institutional partnership by signing a new Framework Co-financing Agreement (FCA) in August 2016. The new FCA will further expand the existing cooperation and provide new opportunities for the two institutions to work together. Key areas that will be the focus of our partnership include energy, transport, agriculture, water supply and sanitation, education, and health. These are all critical for reducing poverty and improving the quality of life in the Asia and Pacific region. We hope also to simplify our processes, develop robust pipelines, and find ways to collaborate on knowledge-sharing activities. ■



PHOTO: VACLAV VOLRAB/SHUTTERSTOCK.COM

China leads green energy market

As developing nations apply themselves to the challenges of the 2030 Agenda for Sustainable Development, green energy is attracting growing attention as an efficient tool for simultaneously improving energy access and tackling climate change. And in Asia, it's China that's setting the pace.

BY NASTARAN SHARIF

There is no denying Asia's phenomenal growth trajectory. The region is on track to double its share of global GDP to over 50 percent by 2050. At the same time, however, social and economic inequalities have widened, creating an ever-growing gap between the wealthy and the poor. As the population continues to boom, great challenges persist in providing universal access to basic services.

Across Asia alone, some 600 million people still lack access to electricity. Set against this evident need are the immense challenges the region faces with regard to CO₂ emissions. With the Asian Development Bank predicting that non-OECD Asia will account for over 40 percent of global greenhouse gas emissions in the next decade, this represents more than just a bump in the road. Asian economies will have to look for alternative sources of energy and innovative financing mechanisms to meet the rising demand. Sustainable energy access will play a critical role in this transformation.

Rethinking Asia's energy paradigm

As Asia strives to ride this incoming tide without capsizing the opportunities, green energy investment could offer the most potent solution. Such a move falls in line with the December 2015 COP21 climate change agreement, which places environmentally sustainable growth at the heart of economic development strategies.

Achim Steiner, former Executive Director of the United Nations Environment Program (UNEP) recently stressed this approach at September's G20 summit in Hangzhou, China, when he said: "Financing the green transition is essential for sustained prosperity over the long term, and also to address immediate concerns to promote growth, employment and sustainability."

Asia's response to COP21 is an epochal transformation of its energy paradigm. Moving away from resource- and carbon-intensive growth, the region is set to emerge as a dominant investor in the green market. China alone added one-third of the world's new renewable and clean energy in 2015 and employed 3.5 million people in the sector, according to the International Renewable Energy Agency.

A new chapter in China's story

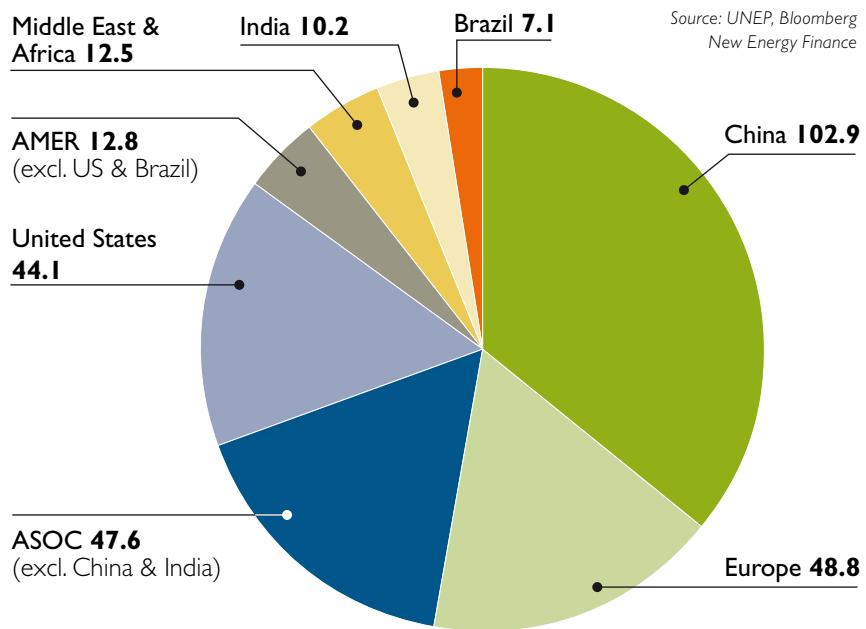
China's emergence as a global economic powerhouse is widely known and until recently largely admired. For more than three decades, annual growth exceeded nine percent and was accompanied by a steep decline in poverty numbers. New knowledge, however, shows that this growth—focused as it was on industrialization and manufacturing—came at significant cost. Without appropriate legislation in place to control it, environmental degradation has become widespread, with air, water and land quality severely compromised. Today, China is the world's largest emitter of greenhouse gases, a situation says UNEP that would require some US\$600bn a year to reverse and set the country on a low-carbon sustainable development path.

Despite the implied cost, China is not shying away from the challenge. Quietly and somewhat surprisingly, it has emerged as the pioneer of renewable energy investment. UNEP has revealed that, in 2015 alone, China committed US\$103bn to renewable energy investment, representing a 36 percent share of global commitments. The UN agency further disclosed that China's solar and wind energy capacity increased by 74 percent and 34 percent respectively in 2015. ▶

China is investing heavily in wind energy, increasing capacity by more than one-third in 2015 alone.



PHOTO: FENG LI/GETTY IMAGES



Global new investment in renewable energy by region, 2015 (\$bn)

◀ This transformation has resulted in a decrease in fossil fuel use, with China accelerating toward its goal to markedly reduce its coal usage and imports. Numerous headlines applaud China's falling coal consumption (minus 3.7 percent, year-on-year), and the much more significant decline in net coal imports to 198.7 million tons (minus 30.4 percent, year-on-year). The Institute for Energy Economics and Financial Analysis expects this trend to continue through 2016. The Institute also forecasts that China will install an additional 22GW of wind, 16GW of new hydro, 6GW of nuclear, and 18GW of solar in 2016.

Supporting the transition

So far so good. But China has reached an important juncture in its transition. The World Resource Institute estimates that less than 15 percent of the required finance to 'green' China will come from public sources. So, to maintain its booming green market, much-needed capital must be raised from the private sector. And this means establishing an enabling environment for investors, including the creation of laws and policies that support green financing.

Speaking at the G20 in Hangzhou, Chinese President, Xi Jinping, reiterated his country's commitment to a strategy of "green, low-carbon and circular development ... and conserving resources and protecting the environment." In the next five years, he stated, China's water and energy consumption as well as CO₂ emission per unit of GDP would be cut by 23, 15 and 18 percent respectively.

Acting on this commitment, the Chinese parliament has already adopted new and stronger environmental protection laws. In a first step, a specially set up Green Finance Task Force has identified a set of 14 specific proposals covering fiscal, regulatory, judicial and institutional innovations to encourage sustainable green finance. The guidelines have been described as the world's first attempt at an integrated policy package to promote a significant move toward a green economy.

Parallel efforts have been made to strengthen environmental monitoring and enforcement facilities. Chinese courts are levying significant fines on pollution, and Beijing has already closed down 1,000 polluting enterprises since 2013. Nor have state-owned factories been spared, confirms local news sources. A further twelve thousand projects with high consumption of energy and water or with heavy pollution have been banned from the city. The opportunity is now for China to promote green finance globally.

More than a model

Aside from leading investments, China can also enable other developing nations' access to renewable and green investment financing. Indeed, it is already doing so through its newly established Asian Infrastructure Investment Bank (AIIB), which was set up by President Xi Jinping in response to the emerging requirements of regional economic development. The China-led multilateral development bank—which has 57 founding member states—will work with Asian countries to develop and invest in their national green growth plans. In doing so, it is expected to make a significant contribution to efforts to achieve affordable and clean energy for all, as embraced in SDG7. By adopting market-based instruments for green financing, China could influence the outcome of the AIIB and promote best practices internationally.

As the world's largest oil companies announce a series of green investments, China's transition could not have come at a better time. The country's example could hold important lessons for both public and private sector investors in sustainable economies. But China is not the only country that aims to capitalize on the new opportunities of green financing. The green movement has been set in motion and other innovative policy packages, such as Bangladesh's Policy Guidelines for Green Banking and Indonesia's Sustainable Financing Roadmap, are fast emerging.

OFID in Asia: Adapting to shifting priorities

With a footprint that covers vast swathes of the Eastern hemisphere, OFID enjoys partnerships with no less than 40 Asian nations, which together have shared a cumulative US\$5.7bn in OFID financing. Here, the *Quarterly* speaks to **Anajulia Taylhardat**, head of public sector operations in Asia, **Tareq Alnassar**, head of private sector and trade finance, and **Walid Mehalaine**, head of grants, about helping partner countries onto a sustainable development path.

INTERVIEWS BY AUDREY HAYLINS

OQ: What would you say are the defining characteristics of OFID's outreach in Asia, specifically with regard to activities undertaken with the governments of partner countries?

Anajulia Taylhardat: OFID's footprint in Asia embraces a very diverse group of 40 countries across the Middle East, Central Asia, Southeast Asia and the Pacific. We are truly proud of the close cooperation we have built with the governments of these countries over the years in terms of supporting their development aspirations and their commitment to improving the living conditions of their citizens. Our aim is an inclusive approach in which resources are directed toward eligible partners for the implementation of their national poverty reduction and development plans. Because each country's circumstances are unique, so is our relationship with that country. In Vietnam, for example, we are working with the government to boost food security through investment in the agriculture sector. In Yemen, we've been supporting the varied activities of the Social Fund for Development for almost 20 years. And, since commencing cooperation with China in 2007, we've channeled almost US\$70m to the education sector, which is one of the gov-

ernment's priorities. The development agenda is different in each country, and we position ourselves accordingly.

OQ: In terms of share of total commitments, how does OFID's support to Asia compare with that to other developing regions?

AT: Cooperation with Asia accounts for 30 percent of total OFID commitments across all financing mechanisms. This share reflects the continuing need in a region where 800 million people live in extreme poverty and some 560 million people are undernourished. Despite the rapid transformation witnessed in certain economies and the substantial decline in overall poverty levels, disparities remain entrenched and growing. It is a fact that income and social inequality and economic insecurity continue to increase in many countries. We shouldn't forget that Asia is home to nine of the world's 48 least-developed countries, as ranked by the United Nations. Against



Anajulia Taylhardat

this background, OFID continues to work with its partners to meet the challenges ahead, supporting investment demand where needed. In the context of providing access to public goods, OFID has deployed nearly 50 percent of its resources to the improvement of transport and energy infrastructure. OFID is also addressing the deficits in urban centers with nearly one-

fifth of the regional resources directed to priority investments for sustainable cities. On a cumulative basis, we have supported a total 368 public sector projects across the region.

OQ: What factors determine the way OFID distributes its support?

AT: In determining the countries eligible for concessional public sector financing, we look at the more vulnerable countries but also at the so-called "better-off countries" that face inherent challenges with regard to reducing inequality and ►



PHOTO: SOCIAL FUND FOR DEVELOPMENT

Vocational training and skills development is just one of the areas OFID supports through Yemen's Social Fund for Development.

◀ poverty. In the early days, we fulfilled our mandate in the region through the provision of balance of payment support to the twelve "Most Seriously Affected Countries." Over time, this number gradually expanded, as did the nature of our support, which grew to include direct project financing, mainly in the energy and transport sectors. The mid-1990s was a critical time for OFID in Asia. With the break-up of the Soviet Union, a new batch of countries was thrust into the ranks of the needy, placing even greater demand on already stretched international aid resources. OFID made the decision to open its arms to these nations and, today, counts eight former Soviet republics in its Asian constituency.

In terms of how OFID distributes its resources among its partner countries, these are directed on the basis of a given country's population, the volume of the economy, debt distress level, ranking in the income per capita and human development indicator, as well as the track record of performance with OFID. By way of illustration, it is no coincidence that Bangladesh, one of the poorest countries in Asia, has received the largest share (US\$540m) of OFID public sector financing to the region.

OQ: *Some of the region's biggest challenges fall into what is called the energy-water-food nexus. How has this influenced OFID's strategic focus?*

AT: OFID has placed the nexus at the heart of its strategic plan for the period 2016–2025. And

it is not alone in recognizing the inherent links among the competing challenges of energy, water and food security. The UN Economic and Social Commission for Asia and Pacific also highlights the need for integrated and sustainable resource management across the region. For many Asian nations, the demand on these key natural resources is growing due to faster population and economic growth as well as urbanization. These pressures have led to an increase in resource use that is above the world average. Extraordinary efforts will be required to balance the use of water for agriculture—to achieve food security—with that required for industrial and domestic consumption. The same applies to energy, which is essential for food production and distribution as well as for the provision of water.

In view of the mounting resource constraints, OFID will focus on supporting partner countries' initiatives that fulfil the basic human needs of access to safe drinking water, affordable energy and adequate food supply. It will do so in a way that takes full account of the complex interactions among all three.

OQ: *Development priorities and strategies are constantly evolving. How has OFID adapted over time to meet shifting demands in Asia*

AT: It is widely recognized that development priorities in Asia aim at preparing the region toward enhanced resilience to the adverse impacts of natural hazards, while helping it to follow an environmentally sustainable path for economic growth and poverty reduction. Economic vulnerability in the region is intensified by increasingly damaging natural disasters. For example, during the period 1970–2010, the average number of people exposed to yearly flooding in Asia more than doubled from 30 million to 64 million while the population residing in cyclone-prone areas increased from 72 million to 121 million.

In association with most partner donors in the region, OFID operations incorporate a proactive approach to addressing these challenges. In particular, our operations are oriented toward helping the most deprived citizens, promoting sustainable transport and urban development, incorporating energy efficient and disaster preparedness investments and strengthening capacities. In keeping with OFID's mission to foster South-South partnership, our assistance stems—as a matter of policy—from the dialogue with our partner countries. Take the Maldives, for instance, where together with the government we have priori-

tized sectors that improve competitiveness while focusing on the wellbeing of the population. Currently, OFID is supporting the country's post-tsunami reconstruction program, as well as the expansion of transport infrastructure of critical relevance for the country's economic expansion.

OQ: *How is OFID mobilizing to help implement the SDGs in its Asian constituency?*

AT: The focus on sustainable development has introduced new challenges to the development financing arena, particularly with regard to integrating the three dimensions—economic, social and environmental—of sustainable development, as outlined in the Rio+20 outcome

document. Against this background, OFID will continue supporting the region's development momentum and the shift in its priorities, including looking for new drivers of economic growth, increasing spending on health, education, social protection and disaster management, and addressing deficits in infrastructure and sustainability, including through low carbon and green economy policies. Naturally OFID will ensure that all investments conform to and are aligned with the sustainable development targets. In identifying and implementing our projects, we will continue to collaborate closely with partner countries as well as with other development finance institutions to ensure the best possible outcomes.

Supporting Asia's trade and private enterprise

OQ: *When did OFID start working in the Asian private sector and how has this engagement developed?*

Tareq Alnassar: OFID's private sector involvement in Asia commenced in 1999, with the approval of credit lines to the National Bank of Uzbekistan and Lebanon's Byblos Bank, both in support of on-lending to small- and medium-sized enterprises. Our engagement in the region has deepened and expanded over time, falling just short of US\$1bn in cumulative approvals. This sum also includes support to real economy sectors, such as energy, telecommunications, transportation and agriculture. In 2015, over 30 percent of private sector approvals were allocated to investments in Asia.

OQ: *What are OFID's chief target countries/sectors and why?*

TA: Through the combined private sector/trade finance window we can operate in over 35 countries in Asia, and our strategy is closely aligned to the requirements of these countries. We operate across all sectors in our beneficiary countries—in line with our country limits—and target projects that meet our eligibility requirements, including developmental impact, economic viability, visibility to OFID and additionality. For example, in countries like Armenia and Sri Lanka, increasing financial access to target beneficiary groups is key for achieving sustainable socioeconomic development. OFID has continued to support financial inclu-

sion in these countries by providing significant funding to financial institutions for on-lending to micro, small and medium-sized enterprises (MSMEs) and international trade finance. Close to 55 percent of our outstanding exposure in Asia is in support of the financial sector.

OQ: *How important is trade financing for the region? And how exactly are OFID trade transactions benefiting partner countries?*

TA: Based on a survey conducted by the Asian Development Bank in 2015, there is a US\$693bn trade finance gap in Asia, and the lack of trade finance continues to put a brake on trade-based economic value creation and poverty alleviation, particularly for MSMEs. OFID continues to support its beneficiary countries through its trade finance facilities, with over 60 percent of total trade finance approvals in 2015 benefiting partner countries in Asia.

OQ: *How effective are strategic partnerships for OFID in the execution of its private sector and trade finance activities?*

TA: Strategic partnerships are a key element in the successful fulfillment of our mandate by providing us with invaluable country and sector knowledge and experience, enabling us to widen our client and sectorial outreach and also acting as an important catalyst for further investments in a project or country. These partnerships can take many forms, such as cooperation agreements—with the International ▶



Tareq Alnassar

Amret clients receiving their loans. OFID has provided five tranches of financing to the Cambodian micro-finance institution.



PHOTO: AMRET

◀ Finance Corporation, the Asian Development Bank and the Austrian Development Bank, for instance—and risk-sharing programs, or continuously adapting to the evolving needs of our existing clients, with each partnership providing its unique contribution in executing our activities. Through 17 years of experience in Asia, we have not only built successful part-

nerships with other co-financiers, be it other development finance institutions or commercial banks, but we have also built direct long-term client relationships which have enabled us to further execute our strategy effectively. In Cambodia, for example, we have provided five individual term loans to Amret Ltd, a leading microfinance institution.

Grant financing as an enabler of development



Walid Mehalaine

OQ: What are the main objectives of OFID's grants program in Asia?

Walid Mehalaine: The Asia region is the largest beneficiary of OFID grants, largely due to the prominence of Palestine in our portfolio. In Asia, as elsewhere, we prioritize initiatives aimed at meeting the needs of the most vulnerable, marginalized and disadvantaged people, with a focus on enhancing access to essential services such as energy, education, health, water and sanitation. Given the progress made in these areas by most partner countries in the region, we place more emphasis on efficiency, quality and reliability than on coverage. We also target human capacity building and have been supporting regional efforts aimed at fighting HIV/AIDS and other preventable diseases. Our aim is to seek out projects that are likely to produce substantial and sustainable socioeconomic benefits and which could complement OFID's interventions under its other financing windows.

OQ: What are the priority sectors of intervention?

WM: In terms of sectors, education, health and social assistance together account for the bulk (63 percent) of total grant commitments to the region. However, agriculture presently accounts for over 38 percent of ongoing operations in Asia. The share of the energy sector has also more than doubled, representing now nearly 7 percent of the portfolio of ongoing operations. These trends are consistent with OFID's new corporate strategy which prioritizes initiatives addressing food insecurity, energy poverty and water related challenges. They also reflect to a certain extent the constantly evolving development priorities in partner countries, in line with OFID's demand driven approach.

OQ: Could you describe some typical examples of OFID's engagement in the region and quantify the social impact?

WM: Among the hundreds of completed and ongoing operations, I can give a few examples to illustrate the scope of our work. In Palestine, one of our flagship operations is the recently completed *OFID/UNRWA School Program in East Jerusalem*. This multi-track intervention involved the rehabilitation of three UNRWA schools in Shu'fat Camp. In addition to enhancements to the schools' facilities, the project also provided educational materials and covered the staffing costs for a scholastic year. It is estimated that almost 1,700 children directly benefited from this project, and that a greater number will continue to benefit from the improved school facilities for years to come.

At the regional level, OFID recently supported a project of the World Health Organization for the prevention of transfusion-transmitted HIV/AIDS and hepatitis infections in Bangladesh, Bhutan, Nepal and Pakistan through the development of a reliable and effective blood screening system. The project made significant progress in achieving the goal of universal coverage and quality-assured testing of all donated blood for transfusion.

Another regional initiative worth mentioning, this time in the energy sector, is an ongoing project, implemented by the German agency *Welthungerhilfe*, which aims to provide vulnerable rural communities in Afghanistan

and Tajikistan with reliable access to electricity. It specifically supports the utilization of renewable energy resources, especially hydropower and solar. Expected benefits include increased productivity and enhanced access to basic services, in particular education and health. The project is expected to directly impact the lives of 17,000 people.

OQ: *How effective are strategic partnerships for OFID in the execution of its grant program?*

WM: In Asia, over the years, we have developed very effective and successful partnerships with a wide range of international development institutions, including UN agencies, international and national NGOs, and sister institutions. These partnerships have been particularly instrumental in the timely and successful implementation of our projects in countries facing difficult circumstances and multiple development challenges. One of the main lessons learnt from these kinds of projects is that to be more effective, their implementation requires a partner with technical expertise, significant country experience and a strong field presence. Such partnerships also help increase the impact of OFID's grant operations, and thus visibility, by leveraging more resources from other donors. ■

An OFID-sponsored blood screening system is preventing the transmission of HIV and hepatitis in Bangladesh, Bhutan, Nepal and Pakistan.



PHOTO: BSIP SA/ALAMY STOCK PHOTO



PHOTO: TZDO SUNI SHUTTERSTOCK.COM

OFID in the Field

A wide-angle photograph of a lush, green hillside covered in terraced rice fields. The fields are arranged in numerous curved rows that follow the contours of the mountain. In the foreground, two young boys are playing in a field of tall, yellow-green rice plants. One boy is wearing a red shirt and dark pants, while the other is wearing an orange vest over a light-colored shirt and dark pants. They appear to be running or playing together. The background shows more of the terraced landscape, with a small hut visible on one of the ridges.

In Asia, as elsewhere in the world, OFID's main aim is to alleviate poverty among the most vulnerable populations, while promoting economic growth, integration and competitiveness. In so doing, we respect and support the individual priorities of each partner country. In the following pages, we report on projects in Nepal, Cambodia and Papua New Guinea that are breathing new life into struggling communities.



PHOTOS: MRC NEPAL



Nepal: Reviving land, liberating communities

With the help of OFID, women in the poorest districts of Nepal are transforming their economies by cultivating barren lands for agricultural production.

BY FATMA ELZAHRA ELSHHATI

Traditional farming was not enough to support Bishnu Maya Sapkota and her family of eight in the Bara district in Southern Nepal. Every year from October to May, the production of her crops was interrupted by the country's lengthy dry season. During these months, water would retreat from the riverbeds leaving the surrounding land unsuitable for farming.

"In Nepal, traditional agriculture is totally dependent on climate," Bishnu told the Quarterly. But like most women farmers, she lacked the technical know-how and means to attempt off-season farming.

Bishnu's situation was transformed after receiving training and financial support from the Pragatisil Mahila Samuha women's group, in association with OFID partner the Multidimensional Resource Center Nepal (MRC-Nepal).

Through MRC-Nepal, which targets low income households dependant on agriculture and agribusiness, Bishnu received training for off-season vegetable farming, savings and credit, and leadership and management.

MRC-Nepal supports farmers, especially women, to gain knowledge about efficient farming technologies and practices to improve irrigation and mobilize unproductive land.

With the knowledge she has gained, Bishnu was able to plant gourd vegetables earning



Off-season vegetable farming has given hundreds of women the security of a reliable, year-round income.

an additional US\$1,100 from the sale of vegetables in one year. With this extra, sustainable source of income, she plans to scale up land for her farm.

Agents of change

The MRC-Nepal project has increased agricultural production and incomes, creating more job opportunities in the Bara, Parsa, Makwanpur and Chitwan districts of Southern Nepal where urban migration is prevalent.

These increased opportunities have prompted many men to return to the rural areas to work for their wives in the field. As well as providing financial relief for the families, this has endowed these traditionally marginalized women with greater respect in their communities.

This was the case for 45 year-old Goma Kharel, from Chitwan. With a family of five to support, she decided to join a women's group in 2014. The group helped Goma to mobilize her land based on organic farming and provided her with quality vegetable seeds including cowpea, okra, and sponge gourd.

"I now have a good social standing within my community and I'm seen as a progressive farmer," she said. Goma's husband now also works to support her activities, which have doubled her annual earnings.

MRC-Nepal has also provided 50 year-old Bigni Chaudhary with the tools to determine her own future. Only a year ago, Bigni planned to move to the city to support her family of ten. With only basic tools and knowledge of farming, she was unable to fully utilize her land, which yielded less than four months of food production, earning her less than US\$200 a year.

When Bigni learned that MRC-Nepal was training female farmers in efficient land management she enrolled in the Triveni women farmers group in Parsa. Within four months, she doubled the size of her land and earned enough to meet the basic needs of her family members.

With her increased income, Bigni is now able to send her children to private schools and provide them with good clothing and housing. What's more, she has become a commercial farmer and has been spreading her knowledge throughout her community.

To date, MRC-Nepal's support has boosted the incomes of 3,670 marginalized women farmers, who as a result have been able to reduce their dependency on their husbands, pay off debt and provide quality health and education for their children. As the drivers of rural growth, these women are improving the living conditions of their families and their communities.



Fish farmer Man Phirun has seen his business go from strength to strength thanks to microcredits.

PHOTO: SATHAPANA



an Phirun, 43, is a leading businessman in his community, generating annual sales revenues of US\$500,000-US\$600,000 from his highly successful fish farm in Cambodia's Kendal Province.

When he started his enterprise five years ago, Man had only one pond with less than 20,000 fish. He operated the business with the help of his wife and without any technical equipment. He was lucky if he made US\$16,000-US\$18,000 per annum.

Today, he owns seven hectares of land and operates five ponds containing over 500,000 baby fish. His business is partly mechanized and he employs a team of workers.

With his new income, Man has been able to significantly improve his family's living standards. As well expanding the land for his fish enterprise, he has purchased a plot for a family home, and bought several trucks for other businesses as well.

In addition to vision and hard work, Man's success can be attributed to a series of microcredits he obtained from *Sathapana*, one of Cambodia's leading microfinance institutions.

OFID is supporting Sathapana through a joint financing facility with the Dutch development bank FMO. OFID's share is being used specifically to provide small-business loans to low income households in rural areas of Cambodia.

After receiving an initial US\$15,000 in 2013, Man secured additional loans to continue expanding. "At first, I used the funds to buy fodder for the fish, then I bought a fodder mixing machine and another machine for water irrigation. This equipment has made my business more efficient and profitable," Man said.

For now, Man is happy with the size of his fish farming enterprise, but he is keeping an eye on market demand to see if there is an opportunity for further expansion next year. If so it will be with Sathapana's help.

Money talks ... and empowers

As inspiring as Man's story is, it is not unusual in Cambodia, where MSMEs (micro, small and medium enterprises) dominate the country's economy, making up almost 90 percent of the total business establishments and accounting for around 45 percent of employment.

The majority of MSMEs are family-run businesses, involved in the basic processing of primary produce for the domestic market. In order to grow, these enterprises need access to affordable financing.

Cambodia: Building a big future for small businesses

Access to affordable financing is key in a country whose economy is driven by a veritable army of micro-, small- and medium-sized entrepreneurs.

BY SILVIA MATEYKA

Specialist microfinance institutions like Sathapana play a vital role in providing financial services for the poor population in remote areas, especially women entrepreneurs.

Across Cambodia, around 80 percent of microfinance clients are women. In this spirit, microfinance institutions are not only an essential and effective tool for reducing poverty but also a means of empowering women as the head of the family.

With one of the biggest branch networks in the country, Sathapana enables small business owners in rural areas to build assets, increase incomes and reduce their vulnerability in economically difficult times.

"Sathapana is very close to its customers and focuses on helping its clients build successful enterprises," explained Khalid Khadduri, OFID private sector officer in charge of the transaction.

"Sathapana uses an innovative approach to reach its clients. They do not wait for people to visit their offices, but they rather visit their customers for lending and savings," he added. "This type of pro-activeness and close identifi-

cation with their customers is what has made Sathapana so successful."

With over 20 years of experience, Sathapana has built considerable expertise in microfinancing. The recent merger with its mother company Maruhan Japan Bank PLC, transformed Sathapana into a commercial bank. This not only allowed it to strengthen its 160-branch network but also to expand its product range and client outreach.

With the combination of the competencies and financial resources of the two entities, Sathapana Bank PLC will continue to develop and expand its MSME portfolio and also support clients who grow from SMEs into bigger corporate entities.

For one fish farmer in Kendal Province, who knows what opportunities the future holds. Said Man: "I believe that Sathapana Bank is a true business partner, and also a good partner for the Cambodian people because it provides lending services that meet their requirements to achieve their goals. I hope that Sathapana can offer better and even lower interest rates in the near future." ■

Sathapana plays a vital role in providing financial services to poor people, especially women entrepreneurs, in remote areas.



PHOTO: MEUNIERD/SHUTTERSTOCK.COM

Improving access to health for rural Papuans

With the inauguration of the first of over 150 new rural clinics, Papua New Guinea is looking forward to gradually transforming healthcare delivery and improving life expectancy for its 7.3 million people.

BY DAMELYS DELGADO

By providing readily accessible primary healthcare, the new clinics will support the development of a stronger, fitter population.

The new community health post in Milne Bay Province boasts only six beds but it represents a lifeline for the 10,000-strong local population. Expectant mothers no longer have to travel 35km to the nearest hospital for their antenatal check-ups, and they can deliver their babies close to home under the care of qualified midwives. For the general community, the clinic offers a whole range of primary healthcare services, including immunizations. Open 24/7 to accommodate minor emergencies, it also provides inpatient care.

The inauguration in the town of Bubuleta in late July marked a new era in Papua New Guinea's health system. Supported by the joint financial efforts of the international community, including OFID, the government is committed to overhauling the system, with the express aim of delivering quality healthcare services to remote, rural populations. The initial roll-out will see the construction, renovation and equipping of 32 community health posts and 128 healthcare facilities to cover more than 1.3 million people.

Challenging environment

Occupying the eastern part of New Guinea and some 600 smaller islands, Papua New Guinea is characterized by unique geographical and demographical conditions that have traditionally hampered healthcare delivery. The country extends over an area of around 462,000 square kilometres, but its population numbers only 7.3 million, meaning that it is widely scattered. As a comparison, the United Kingdom holds 65 million people in an area half that size.

Given the mountainous terrain and predominant rainforest, travel within the country is extremely difficult. Even the capital, Port Moresby, is not linked by road to any other major towns. Many remote villages can be reached only by light aircraft or on foot, which prevents 80 percent of the Papuans, who live in the country's rural areas, from having adequate access to health facilities. Often, they walk many hours or travel down the rivers on rafts to reach medical assistance. In countless cases, their efforts are in vain and they arrive at their destination too late for medical intervention.

According to estimates by the World Health Organization, life expectancy for Papuans is 63 years on average, six years shorter than the regional average of 69 and nine years less than the global average of 71. This gap is largely due to causes that could be solved with early medical attention.

Papua New Guinea's high mortality rate stems from communicable diseases such as malaria, tuberculosis, diarrhea, and acute respiratory disease. Official figures estimate a child



PHOTO: JASON SOUTH/FAIRFAX MEDIA/FAIRFAX MEDIA VIA GETTY IMAGES



PHOTOS: RPHSDP/NATIONAL DEPARTMENT OF HEALTH, PAPUA NEW GUINEA



The flagship health post in Bubuleta has already established itself as a community hub, with a market and other social services opening up around it.

mortality rate of 57 per 1,000 live births, while the maternal mortality rate is estimated at 733 per 100,000 live births. The country also has the highest incidence of HIV/AIDS in the Pacific region. The majority of these illnesses and related complications could be avoided through a more robust primary healthcare program.

Access to healthcare is further constrained by limited resources, dilapidated infrastructure and poorly trained staff, all of which has led to the closing of approximately 40 percent of rural clinics. The situation is compounded by above-average population growth against a stagnant cadre of medical professionals, which remains at 0.06 physicians per 1,000 people.

More than just a health post

OFID's contribution to the "Rural Primary Health Services Delivery Project" is being used exclusively for the infrastructure component, including for water, sanitation, energy and waste management facilities, as well as staff housing. Funding from other partners, such as the Asian Development Bank and AusAID, is covering essential medical equipment and furniture. A capacity building component is supporting existing and new health promotion programs implemented by local civil society organizations.

While the majority of the project communities are still waiting for the completion of their new health post, they can be encouraged by the success of the flagship clinic in Bubuleta. Although just weeks old, it has already established the area around it as a community hub. A market has set up nearby and local leaders have organized a place for community meetings and sporting events as well as a weekend playground for children. So, in addition to the prospect of improved health, families who previously have lived in isolation are already enjoying a closer community spirit. ■

Some economic facts

- About 40% of the population lives on less than US\$1 per day and 75% of households depend on subsistence agriculture.
- The country is richly endowed with natural resources: gold, copper, oil and gas are the main exports.
- Other mineral deposits include cobalt, nickel, silver, chromite and quartz.
- A liquefied natural gas facility that started in 2010 expects to produce more than 9tr cu ft of natural gas over its projected 30-year lifespan to supply the growing energy demand in the Asia-Pacific region.

Energy Access Platform Charter signed at OFID

Industry leaders have confirmed their commitment to the Oil and Gas Industry Energy Access Platform (EAP) by signing a Charter that formalizes and sets out the scope and objectives of the initiative.

BY NAMAT ABU AL-SOOF

The landmark Charter was signed at the inaugural EAP General Assembly hosted by OFID on July 21, just four months after the official launch of the initiative. The Assembly, which saw eight parties sign up for full membership, was attended by executives from major oil and gas companies and strategic partners.

In addition to OFID and the World Petroleum Council, who spearheaded the platform, other signatories to the agreement were Total, Shell, the Austrian state energy firm OMV, Schlumberger, the Global LPG Partnership and the International Gas Union. A representative from Aramco Overseas also attended the meeting as an observer.

In his welcoming remarks, OFID Director-General Suleiman J Al-Herbish congratulated the Group's combined efforts in formalizing the EAP in such a short period of time.

"Providing energy access to the poor is our shared responsibility; one we can best fulfill through such meaningful and creative cooperation," he stated.

Al-Herbish reminded participants that OFID had been working toward cooperating with the oil and gas industry to eradicate energy poverty since being mandated to do so by its Member Countries in November 2007.

"I look forward to seeing the first concrete results of this endeavor and to enhancing the lives of countless numbers

of people in developing countries," he said.

The EAP vision

The overall goal of the EAP is to contribute to the achievement of the Sustainable Energy for All (SE4ALL) objective on universal energy access through the enormous potential of the industry to build upon its leadership, technology and much relevant business experience.

At the same time, the EAP will provide a platform for oil and gas companies to collaborate with other stakeholders on specific actions focused on energy access.

The membership of the EAP is open to all companies within the oil and gas



Signatories to the Charter were OFID, the World Petroleum Council, Total, Shell, the Austrian state energy firm ÖMV, Schlumberger, the Global LPG Partnership and the International Gas Union.



PHOTO: MINISTRY OF INTERNATIONAL COOPERATION OF EGYPT

industry, as well as to other stakeholders, including development funds and business developers. In addition, companies and supporting partners can join as observers on a six-month renewable basis.

The General Assembly of the EAP elects the Executive Committee for a two-year tenure. The Committee comprises a maximum of 10 members, at least 50 percent of which should be from oil and gas companies, not counting OFID and WPC, who are permanent members.

In accordance with the Executive Committee election rules, the General Assembly unanimously elected the Executive Committee, which in turn unanimously elected Total as Chair and Shell as Vice-Chair.

Plan of action

The Committee's discussions revolved around the development of an action plan for 2016–2017, as well as additional avenues for future collaboration.

The Committee also considered outreach efforts for the platform and assigned for this purpose a working group on communications, to be led by OFID, which will also serve as a Secretariat for the EAP. A priority task of the group will be the launch of an EAP website, for which OFID will be responsible. This is scheduled for November.

The Committee also discussed related issues, including: the new strategic framework for the SE4ALL and how it will catalyze action on energy access; the possibility of using international events—such as the World Petroleum Congress, COP 22 and Astana Expo 2017—to promote the EAP and organize Executive Committee meetings and other EAP-related activities; and the current projects and initiatives of the EAP members that can be brought together and ultimately posted on the website.

The WPC offered to host the next Executive Committee meeting at the WPC Congress in July 2017, in Istanbul. ■

OFID Director-General Suleiman J Al-Herbish (left) with Dr Sahar Nasr, Egyptian Minister of International Cooperation.

OFID funding supports enterprise growth in Egypt

Director-General Suleiman Al-Herbish was recently in Cairo to witness first-hand the positive impact of OFID's funding and sign a loan agreement for further investment in Egypt's growing economy.

By JUSTINE WÜRTZ

The Egyptian Minister of International Cooperation Dr Sahar Nasr and Al-Herbish signed the US\$40m agreement on July 25. The loan supports the Egyptian government's endeavors to raise employment and spur economic growth.

"OFID is continuing to support Egypt's socioeconomic development and unprecedented levels of growth and prosperity," said Al-Herbish at the loan signing ceremony in the capital.

OFID's funding will finance the second phase of a project run by the government's Social Fund for Development. The Fund provides financing, technical assistance and training to micro and small enterprises to combat rising unemployment, boost productivity and improve living standards.

Established in 1991, the Fund targets marginalized groups, such as low-income families, women, small farmers and unemployed youth. Over the years, it has supported hundreds of thousands of micro and small entrepreneurs.

OFID provided US\$25m to Phase I in 2009. Around 650 small enterprises and 24,000 micro enterprises benefited, leading to the creation of some 28,000 jobs. The success of that project has led to the second tranche of OFID funding.

"OFID recognizes that financing for micro and small enterprises is a powerful tool to fight poverty," explained Khaled Al Zayer, coordinator of OFID's public sector projects in Egypt. "This is especially important in a country like Egypt, where small businesses play a substantial role in economic life, representing 40 percent of the total workforce."

The new agreement with OFID will cover direct lending to around 1,000 small enterprises, as well as on-lending to some 6,500 microenterprises through intermediary financial institutions. In both cases, the available funds are expected to be recycled several times during the duration of the project.

Altogether, Phase II is expected to create more than 23,000 jobs across all 27 governorates of the country, with priority ▶

◀ given to women, youth and other vulnerable groups. With youth unemployment standing at 42 percent in 2014, the government is keen to generate more job opportunities.

While in the country's capital, Al-Herbish visited the site of an earlier OFID project, the Liver Disease Institute in Cairo, which is near completion. Including research and treatment facilities,

the institute has been built with financial aid from OFID and the Arab Fund.

Al-Herbish was received by Professor Mohamed Ismail Saleem, Dean of the National Hepatology and Tropical Medicine Research Institute, who gave them a tour of the center. OFID's assistance has financed the purchase of advanced medical equipment and furniture for the center in Cairo and another in El-Mahalla.

The incidence of liver disease in Egypt is exceptionally high, and the country has the highest prevalence of hepatitis C virus worldwide. The Institute provides treatment for patients suffering from a variety of liver-related diseases. At the same time, it serves as a research and training centre for young scientists and doctors in the field of hepatology. ■

Feeding a brighter future in Burundi

OFID has partnered with the International Fund for Agriculture Development to support Burundi's strategic focus on agriculture for food security and economic growth.

BY JUSTINE WÜRTZ

The US\$6m loan agreement was signed in Vienna on August 17 by Director-General Al-Herbish and Burundi's Minister of Finance, Budget and Privatization Domitien Ndihogubwayo. The agreement supports government objectives to increase agricultural output, heighten food security, combat malnutrition and reduce poverty.

"Burundi has made significant steps toward achieving the education and health targets of the MDGs," Ndihogubwayo said of his country. "But considerable additional efforts need to be made to improve the lives of the population and to meet the SDGs."

OFID's loan will co-finance a second phase of the Agriculture Value Chain Development Program. OFID supported the first phase of the Program in 2011.

"Some 90 percent of Burundians live from agriculture and livestock farming. Therefore, the agriculture sector is very important to the national economy and will remain so despite the major challenges it witnesses," explained Ndihogubwayo.

Overcoming challenges

Burundi is one of the poorest and least developed countries in the world. Years of civil war and economic embargo have devastated infrastructure, value chains, and the agriculture sector. Formerly

self-sufficient in its food production, the country now struggles to feed itself and has the second highest malnutrition rate in the world.

Most households grow their own crops, dominating the sector with family-run subsistence farms. This results in small-scale multi-cropping practices which yield enough for personal consumption but provide few additional resources to boost economic growth or feed the remaining population.

Moving forward

The Agriculture Value Chain Development Program supports post-trauma schemes to aid conflict victims and reconstruction efforts. It also incorporates national education programs to combat chronic malnutrition.

Minister Ndihogubwayo advised that the government was focused on the mobilization of financial and human resources "to develop the agriculture sector from one that is subsistence-based to one that is market-orientated."

The country has potential to produce valuable cash crops such as coffee, tea, and cotton which could make an important contribution to GDP.

The Agriculture Value Chain Development Program will supply farmer's with additional provisions—including



Domitien Ndihogubwayo, Burundian Minister of Finance, Budget and Privatization.

seed, fertilizer and cattle—to increase crop and livestock production. The construction of eleven hydro-agricultural regions will help diversify food supply to the land-locked country.

Phase two includes important climate change adaptations to protect rural investments. It will also educate farmers on productive and sustainable agricultural methods to cope with climate change while increasing output.

The Program also introduces community and organizational frameworks to regenerate value chains—with priority given to rice and dairy production. Institutional changes will facilitate increased employment and microenterprise opportunities.

"These activities will stimulate economic growth, through which the quality of life for the population can grow," Ndihogubwayo stated with positivity, adding: "Being a small country does not mean Burundi cannot perform as well as other countries have." ■

Scholars carry the torch for OFID

In August, Myriam Castaneda, Aisuluu Abdyldaeva and Doaa Althalathini—recipients of the 2015 Annual Scholarship Award—visited OFID in Vienna.

BY JUSTINE WÜRTZ

Fortuitous timing enabled the three scholars to visit OFID together. Following their study year abroad, they met one another and OFID staff for the first time. So far, 2016 has seen a total of six student visits, with a further two planned for later in the year.

"Visiting scholars spend two days at OFID immersed in what we do and what this means for global development," said OFID's Acting Director of Information Arya Gunawan Usis. The department administers OFID's Award program—processing tens of thousands of applications and overseeing each scholar's study year.

"By visiting us, scholars gain a stronger, more personal, relationship with OFID, which becomes important as students return to their home countries," Usis explained.

The goal of the Scholarship Award is sustainable development centered on human capacity-building—the foundation of OFID's Vision. Students who receive the award are committed to further development in their country of origin. Their chosen degrees reflect this, and each scholar is contractually obliged to

return home and resume work in their chosen field.

"What we have found is that these exceptional young leaders embody the goals of our organization" said Usis. "This makes them the finest and most well-placed advocates of our mission."

During her visit to OFID an emotional 26 year-old Myriam Castaneda told staff: "This year has been incredible, a life-changing experience."

Myriam comes from Guatemala and completed a Master's in Social Policy and Development at the London School of Economics. She is committed to improving education and nutrition for children in rural areas of her homeland. "I feel so blessed that I received this scholarship. Now I am planning to go home and help my country."

Twenty-five year-old Aisuluu Abdyldaeva from Kyrgyzstan completed her Master's in International Management at England's University of Roehampton. "It's been a wonderful opportunity, my life has changed 360 degrees," she said.

Aisuluu will remain another few years in the UK to study for a PhD. Following that, she plans to open a consulting

agency in Kyrgyzstan to provide expertise on employment laws and practices. "I have huge plans," she exudes. "This Master's opened so many doors for me, and I will do my best to implement all my goals and help the people in my country as well."

Doaa Althalathini, 30, comes from the Gaza Strip in Palestine. After a year at the University of Sussex in the UK, she has obtained a Master's in Poverty and Development and will return home to promote and encourage women entrepreneurship through training programs and information centers.

"It was an amazing year," said Doaa. "I learnt a lot and met many people from many different countries, who shared their experience and knowledge of crisis and poverty issues."

She continued: "Since travelling to the UK my perception of life has changed. With organizations like OFID who are trying to help, I feel that there is hope for our future. There is a way for people who are suffering in developing countries to find solutions to serious problems."

To date, OFID has sponsored 31 graduate students from very different backgrounds and with wide ranging interests. They all have one thing in common: each describes OFID's Scholarship Award as a lifetime gift. Most are now home affecting positive change and acting as a community of ambassadors to promote OFID's vision.

"Youth are the future of our society," stated Usis, "and it is encouraging to see that the Scholarship Award benefits not one person but a whole community." ■



From left:
Aisuluu Abdyldaeva
from Kyrgyzstan,
Myriam Castaneda
from Guatemala, and
Doaa Althalathini
from Palestine.



For more information on past Scholarship recipients or how to apply for the Award please go to:
www.ofid.org/scholarship

OFID enters blogosphere

With the summer launch of its blog unitingagainstpoverty.org, OFID has added another string to its digital media bow.

BY AUDREY HAYLINS

Featuring true stories from the field, *unitingagainstpoverty* gives a voice to women, men and youth, who have benefited in one way or another from OFID's support.

"Our goal is to give the people we work with a platform to tell their stories," explained Damelys Delgado, information officer in charge of OFID's digital media. "Their voices are the prime advocates of OFID's global work, and testimonials of how this work has had an impact on their lives."

The new communication tool targets audiences through visuals, personal accounts, and simple narratives.

On the development of the blog, Delgado added: "This took several months in which our digital team tested different platforms and formats."

As is typical in a blog, the stories are related in reverse chronological order, with the photos and videos playing an important communication role. New stories are regularly added.

Among the first batch is Anahit, a grandmother from Armenia, who shares a touching story of loss replaced by hope. "For every end, there's a new beginning," she says.

Kevin, a married father of two from Kenya describes his joy at the opening of a new power plant. "At last we have our electricity back," he cheers.

Syrian refugee and 2016 Annual Award winner Doaa Al Zamel tells the horrific story of her flight across the Mediterranean Sea. She reflects: "If there was justice, I would not have gone through what I went through."

And then there's Ahmed, the small farmer struggling to support his family in the West Bank, who writes: "This [alfalfa] crop will help us feed our entire herd all year."

These and other inspirational stories of hope in the face of adversity offer

a deeper insight into the human aspect of OFID's work.

"We continuously aim to stay in step with current communication trends," stressed Delgado. "It's the best way to promote OFID's significant contribution to international development."

Genesis of the blog

Dave Winer of Scripting News wrote the first blog about politics and technology in 1997. Today, the estimates of the number of blogs in existence vary from 250 million to 480 million. Independently of precise figures, there are without doubt millions of them providing an unrestricted platform for the communication of ideas.

The word 'blog' is a contraction of the expression 'web log.' Jorn Barger of Robot-wisdom.com coined the word in December 1997 to identify this new format.

The word 'blog' started being commonly used that same year and referred to a method of publishing stories online.

The word blog led to the development of many other related words: blogging, blogger, blogosphere. It is certain that more vocabulary forms will yet be invented in the future.

"With the blog, the fascinating world of digital media has proven its potential for relating stories that have never yet been shared with a worldwide audience," added Delgado.

JULY 13

Research grant approved

World Food Program. US\$100,000. To support humanitarian food and nutrition assistance operations in Chad.

World Bank Global Forum on Law, Justice and Development. US\$50,000. To support ongoing initiatives of the forum: *Research and Evaluation of Nexuses of the Exploitation of Water in African Law; Law, Justice and Development Week 2016*; and, the *World Bank Legal Review*, Volume 7.

JULY 26

Public sector loan agreement signed

Egypt. US\$40m. Social Fund for Development Phase II. The project will help establish and expand about 7,500 micro and small enterprises, leading to around 23,000 employment opportunities among marginalized groups.

JULY 28

Research grant approved

One Young World (OYW). US\$100,000. To sponsor the participation of 25 delegates at the 2016 OYW Summit taking place September 28–October 1 in Ottawa, Canada.

AUGUST 17

Private sector loan agreement signed

Amret Company Ltd, Cambodia. This term loan will help support the country's micro, small and medium enterprises, a sector that plays a vital role in Cambodia's socio-economic development in terms of employment creation, general economic benefits and poverty reduction.

Public sector loan agreements signed

Burundi. US\$6m. Agriculture Value Chain Development Program Phase II.

The project will develop and improve crop and livestock production and strengthen community-based initiatives, and in turn enhance food security and incomes for over 200,000 people.

Zimbabwe. US\$7.6m. Poverty Alleviation Project. The project will be carried out in three provinces populated by around 3.8 million people. Activities include awareness campaigns, community support initiatives to identify demand-driven sub-projects and farm demonstration exercises to improve livestock productivity.

SEPTEMBER 20

156th Session of the Governing Board

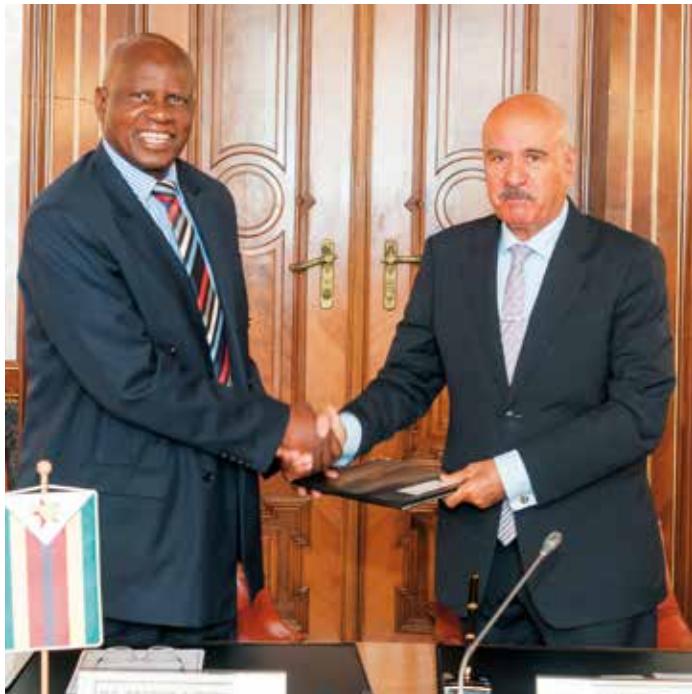
Public sector projects approved

Burkina Faso. US\$13m. Zano-Koupela Transmission Line. To reduce energy losses and provide a reliable source of power, particularly in poor, rural areas, for over one million people. In addition to raising living standards, the project will help decrease the use of biomass, thus having a favorable impact on both the population's health and the environment.

El Salvador. US\$50m. Rural Economic Transformation for Living Well National Program "Rural Adelante." To increase the incomes of 107,000 poor rural people and facilitate their adaptation to climate change via programs that include crop diversification, improving irrigation infrastructure and capacity building.

Grenada. US\$20m. Agricultural Feeder Roads Phase III. To upgrade 40km of roads and build five bridges, thus linking farming communities with local markets, reducing the cost of marketing and transporting produce and opening up new employment opportunities.

Maldives. US\$50m. Development of the Ibrahim Nasir International Airport. This airport expansion project will help meet present and ►



Director-General Al-Herbish concludes the US\$7.6m loan agreement with Patrick Anthony Chinamasa, Minister of Finance and Economic Development of Zimbabwe.



Al-Herbish greets new OPEC Secretary-General

The newly appointed Secretary-General of OPEC, Mohammad S Barkindo, paid a courtesy visit to Mr Al-Herbish on August 26. Barkindo, who started his three-year term as of August 1, replaced Abdalla Salem El-Badri, who left OPEC at the end of July.

Libyan Ambassador visits DG

On August 18, Mr Al-Herbish welcomed Libyan Ambassador Dr Ibrahim AS Albesbas to his office. During the meeting, they exchanged views on various events held to mark OFID's 40th anniversary.



KFAS Director-General makes courtesy call

Dr Adnan A Shihab-Eldin, Director-General of the Kuwait Foundation for the Advancement of Sciences (KFAS) paid a courtesy visit to Mr Al-Herbish on August 18. The meeting was an opportunity to discuss issues of mutual interest and possible future cooperation.



Al-Herbish meets with Yumkella

On September 7, Dr Kandeh Yumkella, Sierra Leonean politician and former CEO of the Sustainable Energy for All initiative, met with Director-General Al-Herbish.

◀ future travel demands with a projected traffic rate of 7.5 million passengers annually. This will in turn stimulate economic growth, enhance the tourism sector and create jobs.

Mali. US\$10.4m. Kwala-Mourdiah-Nara Road. To upgrade a 188 km-long stretch that serves 24 villages, where key economic activities include agriculture and animal husbandry. At least 16,000 inhabitants will benefit from improved links to marketplaces and social services, as well as job opportunities.

St Vincent & the Grenadines. US\$18.52m. Agricultural and Feeder Roads. To rehabilitate 25 sections of road, totaling circa 43km, with a view to improving trade, boosting tourism and enhancing socioeconomic development. In all, over 66,000 people are expected to benefit from the project.

Grants approved

Water and Sanitation for the Urban Poor. US\$400,000. To boost access for around 47,000 people to improved water sources and WASH (Water, Sanitation and Hygiene) services in urban areas of Antananarivo, Madagascar, and Beira, Mozambique, where access rates are low.

Pan American Health Organization (PAHO). US\$600,000. To reduce the burden of non-communicable diseases (NCDs) in Bolivia, Guatemala and Honduras through health promotion and risk reduction, prevention, treatment and monitoring of NCDs and their risk factors, among other activities.

UN Development Program/Program of Assistance to the Palestinian People (UNDP/PAPP). US\$1m. To support the second phase of a project aimed at improving living conditions of marginalized, low-income Palestinian families living in East Jerusalem, through the rehabilitation of 60 houses for around 450 people.

Birzeit University, Palestine. US\$500,000. To expand the scope of the university's laboratory testing center, which carries out testing on food, water, pharmaceuticals, animal feed and petroleum products. The grant will help purchase new equipment and reference materials.

Shell Foundation. US\$700,000. To create local renewable power sources (solar/biomass hybrid mini-grids) for cheaper, more reliable and better quality energy in rural, low-income households in India, Kenya and Tanzania, benefiting nearly 10,500 people.

EarthSpark International. US\$350,000. To launch a solar-powered smart grid in Tiburon, Haiti, to supply some 1,000 individuals with electrical power, and develop a micro-grid model that could be implemented in 80 additional towns in Haiti by 2020 to boost access to affordable, reliable and sustainable energy.

Research grants approved

Institute for Development Cooperation (ICEP). US\$150,000. To support the "Preparation for the Labor Market in East Africa" program, which will be carried out in

Kenya and Uganda. Activities will aim at improving the vocational training potential of local training institutions, benefiting over 29,000 individuals.

Regional Center for Renewable Energy and Energy Efficiency (RCREEE). US\$150,000. To support RCREEE's "Arab Program for Sustainable Energy Youth," through the provision of 12 internships for young professionals and graduate students from Djibouti, Mauritania, Palestine, Sudan, Somalia, Syria and Yemen.

Meetings attended by OFID

JULY 18–22

DURBAN, SOUTH AFRICA
21st International AIDS Conference

SEPTEMBER 25–27

NOORDWIJK,
NETHERLANDS
Fourth FMO Conference on the Future of Finance

JULY 21

VIENNA, AUSTRIA
First General Assembly of the Oil and Gas Industry Energy Access Platform

SEPT 28–OCT 1

OTTAWA, CANADA
One Young World 2016

SEPTEMBER 19–20

OXFORD, UK
38th Oxford Energy Seminar

SEPTEMBER 29–30

VIENNA, AUSTRIA
Global Partnership Providers' Conference



Governing Board Chairman Abdul Wahab Al-Bader (second from right) with Director-General Al-Herbish (center) and other members of OFID Senior Management.

156th Session of the Governing Board

Meeting in its 156th Session in Vienna on September 20, the Governing Board committed close to US\$300m in new financing for development in 22 partner countries. Of the total amount, US\$162m will go toward six public sector projects, all involving the strategic energy–water–food nexus. Energy was also the focus of approvals through the private sector window. Comprising seven transactions totaling US\$132m, these included facilities to improve energy provision in Jamaica, Jordan, Mali and Uganda, together with support to MSMEs in Rwanda and to Zambia's metal manufacturing industry. Grant financing accounted for some US\$3.6m of the new approvals and consisted of funding for six initiatives in a variety of priority areas, including the provision of energy, water and health services. Further details of public sector and grant approvals can be found in the *Diary*.



HE Rodolfo Medina del Río
Governor of Venezuela to OFID

Mr Dody Sembodo Kusumonegoro
Indonesian representative



Mr Jamal Hosseini
Alternate Governor of IR Iran to OFID

HE M Abdullah Al-Kharashi
Governor of Saudi Arabia to OFID



HE Dr Ahmed Menesi
Governor of Libya to OFID

Event: **21st International AIDS Conference**

Theme: Access Equity Rights Now

Hosted by: International AIDS Society (IAS)

Venue: Durban International Convention Centre, South Africa

Date: July 18–22, 2016

by Audrey Haylins

Time to break the conspiracy of complacency

In July, the biannual International AIDS conference returned to Durban, South Africa, 16 years after the watershed congress in 2000 that shattered denialism about the origins of HIV and sparked treatment scale-up across Africa.



The theme of AIDS 2016—"Access Equity Rights Now"—was a call to action to work together and reach the people who still lack access to comprehensive treatment, prevention, care and support services.

While the longstanding fight against the pandemic has delivered encouraging results, considerable challenges persist.

New infections continue to rise in many countries and among key population groups, while HIV-related deaths among adolescents have tripled since 2000. More than 50 percent of the 37 million people living with HIV are still without access to antiretroviral therapy.

The Durban conference brought together leading scientists, public health experts, policy makers and the HIV-affected community to define a way forward in the post-2015 framework.

Speaking at the opening session, Chris Beyrer, IAS President, said that despite significant progress, it was too soon to declare the human victory over HIV.

"We are here [in Durban] because of the urgency of the undone work—because we are still counting annual AIDS deaths in the millions—because less than half of our precious brothers and sisters living with HIV are being treated—and because new infections are holding steady

PHOTO: INTERNATIONAL AIDS SOCIETY/YABI INDRAKAJAN



From left: Olive Shisana, Local Co-Chair, and Chris Beyrer, IAS President

in most places, and expanding in others," he declared.

Beyrer continued: "Today, our movement is threatened. By complacency, by declining funding, by the continued refusal of too many governments to address the human rights and social justice issues that drive HIV spread for marginalized communities."

Welcoming delegates, Olive Shisana, AIDS 2016 Local Co-Chair, drove home the extent of



PHOTO: INTERNATIONAL AIDS SOCIETY/ABHI INDRARAJAN



Michel Sidibé, UNAIDS Executive-Director

PHOTO: INTERNATIONAL AIDS SOCIETY/MARCUS ROSE

the challenge in East and Southern Africa, where 19 million people are living with HIV.

In this region, she pointed out, new infections occurred mainly in the broader population rather than among the traditionally vulnerable groups of sex workers, people who inject drugs, men who have sex with men, and transgender people.

"Social determinants, such as social inequality, income inequality, and gender-based

violence drive the HIV epidemic in this [African] population, particularly among young people," she stated. "Thus, health is unavoidably a human rights issue."

Michel Sidibé, Executive-Director of UNAIDS, also addressed the opening session, calling for a "fast-track" approach to ending AIDS.

"It must be broken," he urged, referring to the complacency that had resulted in "lost time, lost momentum and lost lives."

Expressing his concern over the number of new infections, Sidibé emphasized the urgency of scaling up prevention efforts and the necessity of zero discrimination in healthcare settings.

"We need people-centered systems that integrate tuberculosis, hepatitis C, cancer and reproductive health services. All people should be welcomed to a clinic without fear of harassment," he urged.

Call on youth

Perhaps the most impassioned plea came from South African actress and AIDS activist, Charlize Theron, who called on today's young people to be the generation that ends the epidemic.

"HIV isn't just transmitted by sex—it's transmitted by sexism and racism, poverty, and homophobia," she declared. ▶

"If we are going to end AIDS, we must cure the disease in our hearts and minds first."

CHARLIZE THERON

PHOTO: INTERNATIONAL AIDS SOCIETY/MARCUS ROSE



Charlize Theron

HRH Prince Harry

PHOTOS: OFID/AUDREY HAYLINS



Sir Elton John

◀ “If we are going to end AIDS, we must cure the disease in our minds and hearts first. And I believe young people are the ones to do it. After all, this is the generation that is shattering taboos and redefining old notions of gender, sexuality and racial justice.

“If we support young people, if we give them the confidence and the space to speak out against bigotry and injustice, and if we take the time to listen and empower them, they will end this epidemic,” Theron said.

A highlight of the conference for many participants was a special youth-focused session on day four hosted by Sir Elton John and Prince Harry of Wales.

The session addressed the HIV epidemic among adolescents with a particular emphasis on the impact stigma and discrimination have on youth.

Both Sir Elton and Prince Harry are leading personalities in the global AIDS arena, Sir Elton through his AIDS foundation and Prince Harry

through his charity Sentebale in Lesotho.

Insisting that youth be placed at the heart of the battle against AIDS, Sir Elton said: “When you disenfranchise somebody and you leave them behind, they are going to go and spread this disease further. They’re going to feel less than ... and nobody should feel less than because of this disease.”

Sir Elton’s issued a rally call to the world’s youth: “You are the future, not just for AIDS, you are the future of this planet, and boy, do we need you. We need the young, we need their voices, we need their compassion,” he stated.

Prince Harry made a similar appeal, pointing out that although HIV had drifted from the headlines it remained among the most pressing global challenges.

“It is time for a new generation of leaders to step forward,” he said. “In helping young people to fight HIV, we would not just be ending this epidemic, we would change the direction of history for an entire generation.”

The Global Village lets delegates see firsthand how science translates into community action and intervention.

The day HIV changed my life... A collection of the human stories behind the statistics.



PHOTO: OFID/AUDREY HAYLINS

The voice of the people

While the serious business of AIDS 2016 was conducted in the lofty halls of the Durban International Convention Center, there was equally important work in an adjacent building.

The Global Village is a regular fixture of the international AIDS conferences. A diverse and vibrant space, it is where communities from all over the world gather to share experiences, give voice to their concerns and learn from each other.

It is also an opportunity for conference delegates to see firsthand how science translates into community action and intervention.

Alongside booths belonging to civil society groups advocating for one aspect or another of the fight against HIV/AIDS, Durban's Global Village featured colorful stalls displaying all manner of African handicrafts and traditional clothing, with sales proceeds going to fund the work of the groups concerned.

One booth displayed dozens of postcards telling individual stories of "How HIV changed

my life." The cards were written by passing visitors, who had their photo taken and mounted alongside their story.

Another stall, for a South African NGO offering support to children and adolescents affected by HIV, was decorated with colorful, cut-out hands of all sizes, each one holding a poignant message from its owner.

The Global Village also featured talks, discussions and performances, film screenings and art exhibits. This is the sharp end of HIV/AIDS, and an experience not to be missed by anyone who genuinely wants to understand the community impact and civil society movement.

Youth fighting their own fight

Among the thousands of young delegates in Durban were 80 whose participation was sponsored by OFID through the IAS scholarship program.

For most of these young activists, AIDS 2016 was their first out-of-country experience and first international conference. ►

OFID advocates integrated approach to HIV/AIDS

In a special satellite session on "HIV in Conservative Social Settings: Promoting a Rights Based Approach to HIV," OFID stressed the importance of linking HIV interventions with a broader health and development agenda.

Representing OFID, Shirin Hashemzadeh, argued that an integrated approach could have a positive impact on

stigma and discrimination, factors that continue to impede access to prevention, testing and treatment of HIV in certain cultural settings.

"People in conservative social settings will more readily seek out the advice and care they need if healthcare services are integrated and there is less likelihood of them being judged," she told delegates.

Hashemzadeh disclosed that OFID was adjusting its programs to accommodate new trends and challenges.

"This is our responsibility as a development organization," she said. "And this is why we are pursuing new pathways that consider utilizing available HIV/AIDS infrastructure as a gateway to effective case finding and management of non-communicable diseases and hepatitis B and C."

Hashemzadeh pointed to studies by the World Health Organization that have demonstrated the efficacy of new combination treatments that tackle HIV/AIDS in association with other types of disease.

"We must take into consideration that some seven to eight million people living with HIV are co-infected with either hepatitis B or C. This has become a major cause of disability and mortality among those taking antiretroviral therapy," she stated.

As a key partner of AIDS 2016, OFID sponsored and participated in a further two sessions:

- Developing Networks among MENA and Central Asian Countries
- Vulnerable Populations and HIV/AIDS in Islamic Communities



PHOTO: OFID/AUDREY HAYLINS

Shirin Hashemzadeh



PHOTOS: OFID/AUDREY HAYLINS

"Our message to young people is that having HIV is not the end of the world ... they can still be something despite their status."

SHAKIRAH FROM UGANDA

◀ Shakirah, a 22 year-old youth worker from Kampala, Uganda, works with a local civil society organization to offer support, counseling and inspiration to other HIV-positive youth.

"Our message to these young people is that having HIV is not the end of the world. By showing that we have fully accepted who we are, that we are happy and living normal lives, we try to be examples to those who are still suffering from stigma and discrimination," she said. "We want young HIV-positive people to understand that they can still be somebody despite their status."

Sitraka Ratsimba from Madagascar is involved in two associations; one focusing on advocacy and the other on research and development, with the aim of helping young rural girls and adolescents get HIV testing and treatment.

"So many of these young women are the victims of abuse by their families and face difficulties with regard to culture and gender issues," she said.

"This conference has really inspired me to do better for the situation of rural girls in my country. I want to work even harder to help ed-

ucate them about their rights and enable them to make informed decisions about their sexual and reproductive health. I am inspired to become an agent of change in my community."

Fahim Hossain is 26 years-old and from Bangladesh, where he has just completed his medical degree. Attending AIDS 2016 has motivated Fahim to speed up change in his home country.

"In my region, patients with HIV suffer severe discrimination, and on top of that, services are very poor. I recently visited a government hospital for AIDS and it was almost completely empty. I later discovered that because of the associated stigma, most people are too scared to say they have HIV or AIDS and so don't seek the treatment and other services they need."

"Here in Durban, I have learnt that the situation can be very different. I have seen that people can be very open about their HIV status. I have also come to realize that I am not alone in my desire to change things. There are thousands of people all sharing the same frustration and the same goals." ■

The power of the law in combating HIV

In the bid to overcome the stigma and discrimination associated with HIV, informing people of their rights and giving them the means to access these rights is a genuine game changer.

"The law has a huge role to play in the response to HIV," said David Patterson, Senior Legal Expert at the International Development Law Organization, on the sidelines of AIDS 2016.

"Today, everyone knows that the biggest obstacle to scaling up prevention and treatment of HIV is stigma and discrimination," he explained. "When people are afraid to get tested, they cannot find out if they are HIV-positive and cannot take steps to prevent themselves and others from transmitting the infection."

IDLO, a long-time partner of OFID, works to build capacity in affected countries by training lawyers to provide better legal services to people living with



David Patterson, Senior Legal Expert, IDLO

HIV as well as populations at risk of contracting HIV.

In a recent OFID-supported project, IDLO expanded HIV-related legal services in Benin, El Salvador and Guatemala, breaking new ground in reaching out to inform people of their rights and how to access them.

Among the advocacy tools IDLO has developed are TV and social media,

online legal services, telephone hotlines, peer educators, and printed guides for low literacy populations.

"The partners we engage with have been key," said Patterson. "For example, in El Salvador we reached out to the ombudsman's office, through our local partner, to equip it with the capacity to take on these issues and to ensure that the capacity will stay in the country after we leave."

While negotiation is often the preferred path to a satisfactory conclusion to a specific case, IDLO will also practice what it calls "strategic litigation," where a positive court ruling can have wide reaching impact, not just in a given country but across a region.

"In Egypt, for example, through strategic litigation, we saw the first court decision against HIV workplace discrimination," Patterson said.



OFID marks Long Day of Flight with refugee exhibition

Continuing its fortieth anniversary refugee theme through September, OFID welcomed over 120 students from nine local schools to its exhibition *Zusammen Menschlich* (“Shared Humanity”).

BY SILVIA MATEYKA

The exhibition took place September 26–30 at OFID HQ in observation of the Long Day of Flight—an annual event with numerous activities under the auspices of the United Nations refugee agency, UNHCR. It aimed at raising awareness of the plight of the thousands of refugees seeking to find a better life in Europe.

Zusammen Menschlich allowed the students, aged 15–20, to experience the hardships faced by refugees and to reflect on a full range of refugee experiences through images, videos and interactive exercises. The main objective was to educate and foster a sense of tolerance and understanding about this pressing issue.

“As the topic of refugees and asylum-seekers is a prominent one discussed in Austrian media and society, a positive approach to the subject flight and asylum is now more important than ever,” explained OFID Director-General Mr Suleiman J Al-Herbish.

Several stations took the students on a journey that thousands of refugees have to endure every day—from fleeing a war torn country to transit, arrival and resettlement.

The journey

At the start, the students received important facts and figures about the current refugee crisis. With 65.3 million people fleeing their homes worldwide, students learnt that the world is facing the greatest humanitarian tragedy since World War II. They also learnt the differences between the terms ‘refugee,’ ‘internally displaced person’ and ‘asylum seeker.’ ►

OFID facilitator Silvia Mateyka presents the routes that refugees take to reach Europe.





Lilian Al Bazaz, OFID facilitator, explains how child refugees are denied some of their most basic rights as laid out in the UN Convention on the Rights of the Child.

◀ Students continued to the second station ‘War breaks out,’ where they were confronted with photos of destruction by war and videos depicting the suffering of people and specifically children living in war zones.

The students were invited to think about what it would be like if war broke out in Vienna. What would they do? Where would they go? And if they could only take a small bag, what would they take? They had 90 seconds to pack 10 items.

Interestingly, many of the students had already dealt intensely with that subject. The top five items that were selected were passport, phone, money, documents and a first aid kit. However, most of them were surprised to hear that refugees often lose everything during their flight and arrive in Europe with nothing more than the clothes they are wearing and whatever they could fit in their pockets.

‘Flight,’ the third station, elaborated on the main travel routes to Europe. In a group discussion, students talked about the biggest

risks that refugees face on their journey to Europe. They also considered the challenges the refugee crisis poses for the European Union.

After the discussion, students watched a video about OFID’s 2016 Annual Award winner Doaa Al Zamel. Her incredible story of bravery and survival while fleeing from Syria to Europe brought many people to tears.

“Why are we [European countries] not doing more to save these people?” was a frequently asked question. Along with: “Why is not more being done to stop the war?”

The OFID facilitators re-emphasized the importance of the exhibition, which not only aimed at illustrating the reality of the refugee situation but also appealed for more humanity and sympathy.

The fourth station, ‘Inside a refugee camp,’ gave insight into the Za’atari Camp in Jordan, one of the biggest in the world and home to over 80,000 people. More than half the residents are children who have lost access to their essential rights, including their right to play and to an education.

The last two stages reviewed the actual figures of asylum applications in Austria as well as some of the negative stereotyping and prejudices encountered by refugees and asylum seekers when resettling in a new country. Eager to get involved in their communities, students were presented with different possibilities to support refugees in Vienna.

At the end of the tour, the students were encouraged to write messages of hope for the future as a sign of solidarity with the millions of children who have lost everything. Photos of

each student with his or her own message were mounted on a wall for every visitor to the exhibition to see.

Among the most heart wrenching were messages written by a group of 14 Syrian refugees who had fled their country two years ago and were now attending Austrian schools. Of these, the most powerful was from 15 year-old Iman, who addressed the people back home in Syria: "We will never forget you. Every day my thoughts are with you. Stay strong. We will come back." ■

Creative workshops—a ‘postcard’ from Vienna

On the last day of the exhibition, Austrian artist and founder of the Child of Play Initiative Lukas Hüller and two of his colleagues joined the OFID team.

At the end of each tour, they held a creative workshop. Students were asked to paint a picture which contained a message of their hopes and wishes for the future. These ‘postcards’ will be brought to schools in Amman, Jordan, where most of the children are refugees. They in return will be asked to send messages back.

The workshop is part of a project to create a form of communication between children in Austria and Jordan.

One of the visiting students, a Syrian refugee now settled in Austria, captioned her painting: "Syria, you will always be inside me & I love you a lot even if you are a thousand countries away."



No freedom, no rights, no dignity

In this frank interview **Pierre Krähenbühl**, UNRWA Commissioner-General, shares unique insight into the plight of refugees, highlighting the extraordinary resilience of Palestinians as they cling to hope in a life of continuing limbo.

INTERVIEW BY AUDREY HAYLINS



OQ: *We know that you share OFID's view about the need to foster greater awareness and understanding about the plight of refugees. What would you point to as the biggest misconception the general public tends to have about this situation?*

PK: Among the misconceptions the general public tends to hold about refugees is the notion that refugees choose to be refugees, and choose to leave their homes. The reality remains that most refugees are forced out of their homes and countries as they flee war and destruction. They are fleeing for their lives. Given the option, many refugees would choose to stay in their home and in their country. I have also never met a refugee who wishes to remain a refugee. Refugees aspire to the same respect for their rights and dignity as any other human being.

Another misconception is that refugees are primarily an economic burden on host countries. Although refugees undeniably impose costs on the hosting countries, they too bring with them opportunities for economic growth and benefits and development, as they tend to fill in existing labor and skill gaps. In fact, a new UN study conducted jointly by the United Nations Development Program (UNDP) and the UN refugee agency, UNHCR, suggests

that there may be far more positive implications from hosting refugees than previously estimated. It argues that for every dollar spent on the humanitarian response roughly another US\$0.50 is added to the economy through multiplier effects.

OQ: *The current refugee crisis in Europe has thrust the subject into the global spotlight. Do you think this has been beneficial or detrimental to the cause?*

PK: Although the war in Syria has been ongoing since 2011, the subsequent plight of the refugees became an increasing concern in international discussions after refugees started seeking asylum in Europe. A positive impact can be seen in an increased awareness of the plight of the refugees, a sense of a shared global responsibility, and recognition that defending the rights and dignity of refugees is not only the responsibility of their countries or regions of origin but an inherent right that should be defended worldwide.

On the other hand, the refugee crisis in Europe has resulted in a rising wave of xenophobia among some. A fear of refugees has been on the rise, be it due to the misconception regarding their being an economic burden, or due to the misconstrued association of refugees

from the region with terrorists. What we see among some countries, as a result, is a desire to restrict the movement of refugees, with some calling for the construction of walls and more barriers.

Furthermore, although the issue of Syrian refugees has been brought to the fore of the global attention, the inherent vulnerability and challenges that Palestine refugees face are not necessarily highlighted in public discussions. We must remember that the Palestinian refugee problem is the longest protracted refugee crisis of this century.

OQ: *What steps do you think the global community needs to take in order to have ready mechanisms in place to deal effectively with refugee crises as and when they arise?*

PK: Only sustained effort and political solutions can really contribute to a better life and a solution and an end to some of this suffering. While some of the emotions that surround the arrival of refugees in any country are comprehensible, Europeans need to understand that without concerted political action to address the cause of armed conflicts of the Middle East, movements of people from the region will continue.

OQ: *Refugee status is something we generally expect to be temporary, with people returning to their homes once a given emergency is over. The Palestine situation, of course, is very different. From what you have seen and experienced, what do you think it means for people to live their entire lives as refugees?*

PK: To be a refugee, particularly a Palestine refugee, is to live most of one's life, and in many cases all of it, permanently deprived of many very fundamental rights and denied one's dignity. It often means to be denied the lasting and just solution to one's plight. It means never getting a chance to settle in one place, and having one's life dominated and shaped by statelessness. It means that generations of Palestine refugees have been born in camps and grow up in exile.

This is the case for not one, but four generations of Palestine refugees since their exodus in 1948. However well-intentioned aid to refugees is, nobody wishes to stay in this situation for so long and be the recipient of aid for a lifetime. It will never make up for the denial of dignity and rights that Palestine refugees have suffered.

They have lived for 67 years without a political solution to their plight. In Palestine, it means almost fifty years of occupation; in Gaza it means almost nine years under the all-pervasive blockade—which means that 90 percent of UNRWA students in the Gaza strip have never left the Gaza strip in their life. In the West Bank and in Aida camp, it means being faced with daily incursions and military operations in one's immediate environment; it means restrictions on opportunities for everything—from jobs to freedom of movement. In Yarmouk Camp in Syria, every single day is still defined by siege, violence and destruction. In Nahr El Bared Camp, life is still defined by the frustrations related to the slow pace of reconstruction of the camp and all of the elements of exclusion surrounding it. ►

UNRWA runs 700 schools in the Middle East for half a million students, some of whom are among the most highly educated in the region.



PHOTO: UNRWA/SHAREEF SARHAN



"I have never met a refugee who wants to remain a refugee ... [they] aspire to the same respect for their rights and dignity as any other human being"

◀ **OQ:** *Is there anything about the way Palestinians cope with their occupation / exile that you find inspiring?*

PK: There is a great deal that is inspiring about the way Palestinians cope with their exile. Despite the adversity, injustice and oppression that they face, the Palestinians have demonstrated such commendable strength and courage. Furthermore, the energy that young Palestinian boys and girls invest in getting the education and in fighting for that right is admirable. It gives me all the energy I need to project this on the international stage and to remind people that it is unacceptable to reduce suffering to anonymity. It gives me the energy to tell the story of Rua Khdeih, a 14 year-old student whose school book I found in the middle of the rubble when I visited a damaged UNRWA school in August 2014, due to the war in Gaza. In it she had written a poem and expressed an understanding beyond her young years when she said: "Hope is a friend that never betrays you. It is something that goes away from time to time, but will always come back." When we re-inaugurated the school in April 2015, Rua read the poem, sending a powerful message to us all. Hope will never die, but it needs a serious boost. I am also deeply marked by the story of young Ahed, who I met in a school in Ohan Younis. In 2014, her home was destroyed by an airstrike. When she woke up from a coma that lasted seven months, she was told that her mother and two brothers had been killed in that strike, and yet she is one of the highest performing students in our schools.

The hope that I see in the classrooms, among these young students, is an inspiration to say the least.

OQ: *UNRWA's operations in the Middle East reach out into numerous aspects of Palestinian society. Is there any one facet of your work that you deem the most important?*

PK: In May 1950, UNRWA started its operations in the Middle East, originally for the 750,000 Palestine refugees that were driven from their homes or who fled and arrived in the West Bank, Gaza, Syria, Jordan, and Lebanon, where we continue to work. Be it through the provision of education and vocational training to students, the delivery of basic health services, relief, and social protection services, all the work that UNRWA does contributes to the long-term development of the Palestine refugee community.

Nevertheless, I want to highlight the all important element of education. With 700 UNRWA schools in the Middle East for 500,000 boys and girls, I have no doubt that education

remains the essential factor of hope and strength among Palestinian youth, who are so often deprived of opportunity and rights. Our education program has given refugee students the tools to lead lives of dignity. Our students are among the most highly educated in the region, with one of the highest literacy rates among refugees in the Middle East. Since the 1960s, girls have made up around half of UNRWA students.

The half million children in our 700 schools are pursuing an education that upholds UN values and is recognized for its high quality in a recent World Bank study entitled "Learning in the Face of Adversity: The UNRWA Education Program for Palestine Refugees." This is the system that produced Ms Hanan al Hroub, a refugee from Dheisheh who recently won the equivalent of the "Education Nobel" prize in 2016.

Achieving such results under normal conditions would be impressive. We have done so under military occupation, blockade, and conflict. In this sense, preserving their access to education remains an essential investment to keep open the prospect of a better future.

OQ: *How would you characterize the longstanding partnership between UNRWA and OFID?*

PK: UNRWA is a proud partner with OFID. The fact that our partnership goes back to 1979 says a lot about OFID's commitment and determination to support refugees, but also to support UNRWA in its activities. We are deeply grateful for the robust and unwavering support of OFID, which has continuously enabled UNRWA to help improve the living conditions of Palestine refugees for almost four decades.

OFID has worked hard, through the provision of grant assistance, to lay foundations for the empowerment of Palestinians in the West Bank and Gaza Strip, as well as for those in refugee camps in neighboring countries. It has touched on a wide range of issues from school construction, to scholarships for young Palestinian students and healthcare work.

In addition to its traditional support to education, vocational training, emergency relief and humanitarian aid programs, OFID expanded its collaboration with UNRWA through the establishment of the OPEC Fund Microenterprises for Palestine (PalFund) in 2004, which aims at extending small loans to productive entrepreneurs and artisans for income growth.

We wish OFID a very successful path in the future and ongoing engaging partnerships. We look very much forward to the next phase of our dynamic cooperation with OFID. ■

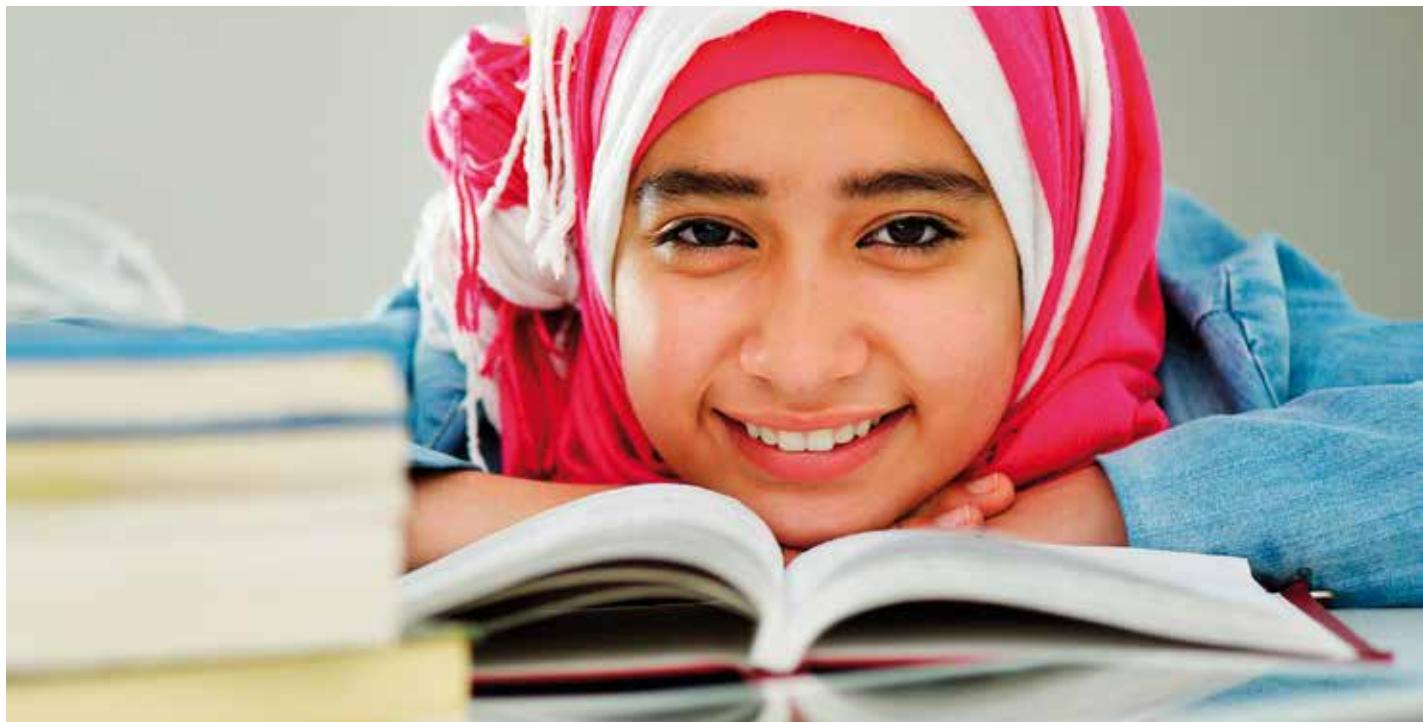


PHOTO: ZURIJETA/SHUTTERSTOCK.COM

UAE promises 8.2 million books for underserved children

An overwhelming response to its *Reading Nation* campaign, held during the month of Ramadan, will enable the UAE to deliver well over its target of five million books for underprivileged Arab youth and refugees in this, its national Year of Reading.

Launched by UAE Prime Minister Sheikh Mohammed bin Rashid Al Maktoum, the Reading Nation campaign raised some US\$22m in cash contributions from individuals and corporations.

More than 700 volunteers were recruited to organize book drives and donations at over 500 UAE schools, as well as shopping malls and other places of business.

"The books will open wide doors of

hope for millions of needy students and refugees," said Al Maktoum.

As part of the campaign, the Emirates Red Crescent has already distributed 500,000 books to Syrian and Iraqi refugees in Kurdistan, and another 500,000 books to Syrian refugees in the UAE-funded Mrajeeb Al Fhood refugee camp in Jordan.

The campaign has also set itself the goal of setting up or supplying some 3,500 school libraries around the world.

Reading Nation is one in a series of current UAE initiatives designed to instil a culture of reading in Arab youth and elevate their capacities through knowledge.

Earlier this year, UAE President Sheikh Khalifa bin Zayed Al Nahyan announced a national reading law as part of a ten-year plan to encourage reading among UAE citizens.

Marking the occasion, Al Nahyan said: "The UAE has moved during the past few decades from a country seeking to reduce illiteracy to a country seeking global competition in technical and scientific fields. Reading and knowledge are our path to excel and compete."

"All reading policies and strategies are policies for building the nation and establishing educated, conscious, empowered and tolerant people."

"Our goal is to prepare future generations to achieve developmental leaps, underpin our national leadership goals, strengthen our competitiveness and achieve our future vision for the UAE."

October has been designated an official month of reading in the UAE. ■

Unique partnership offers new opportunities in Iraq

Hundreds of Iraqis displaced by recent conflict will receive job training and placement services thanks to an agreement signed between the United Nations Development Fund (UNDP) and leading car company Toyota in Erbil, July 17.

Toyota Iraq's team will provide trainees with vocational instruction in vehicle mechanics and maintenance. Once trainees graduate, the UNDP's Iraq Crisis Response and Resilience Program (ICRRP) will facilitate job placement in local companies and businesses.

"Our wish is that all trainees will soon be able to return back to their homes, and by utilizing the learnt skills, be able to support rebuilding the local business environment," stated Toyota Iraq President Sardar Hasan in a recent press release.

"We are starting the training with an automotive technical course, but we foresee in the future to add more course content, and provide more opportunities for the trainees."

According to UNDP Resident Representative and UN Resident and Humanitarian Coordinator for Iraq, Lise Grande: "Millions of Iraqis have lost their homes, businesses and jobs. Providing top class training and placing trainees in jobs is one of the best ways to help. Doing this

tarian Coordinator for Iraq, Lise Grande: "Millions of Iraqis have lost their homes, businesses and jobs. Providing top class training and placing trainees in jobs is one of the best ways to help. Doing this



PHOTO: UNDP IRAQ

with a leading private sector company is truly pioneering."

UNDP's ICRRP currently provides fast track support to vulnerable families in eleven communities in the Diyala, Salah al Din and Ninewah Governorates, and expects to expand services to nearly 30 locations over the coming months.

Toyota Iraq currently has offices in Baghdad, Erbil and Basra. Its Japanese parent company, the Sumitomo corporation, has conducted business in Iraq since 1965 and to date delivered over 300,000 vehicles to the local market. ■

Kuwait commits additional funds to regional relief efforts

Kuwait pledged US\$176m in humanitarian assistance to Iraq at a July 20 donor conference held in Washington DC.

Co-hosted by Kuwait, Canada, Germany, the Netherlands, Japan and the United States, the *Pledging Conference in Support of Iraq* raised a total of US\$2.1bn from 26 international donors.

"Kuwait realizes the difficult economic circumstances in Iraq and will work with the international community to relieve this burden," stated Assistant Foreign Minister for Follow Up and Coordination Affairs, Nasser Al-Sabeh in making the announcement.

According to Al-Sabeh, the bulk of Kuwait's contribution will be directed

toward health and medical facilities.

Kuwaiti head of state Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah highlighted his country's support for global relief efforts at the first World Humanitarian Summit in Istanbul earlier this year.

Noting that Kuwait had committed over US\$2bn in the past five years (primarily to those suffering the effects of wars in Syria, Iraq, Palestine and Yemen) he added:

"According to international statistics, Kuwait's contributions were two times above the GDP rate agreed upon internationally." ■



Nigeria and Algeria to host first WIPO offices in Africa

Nigeria and Algeria won their bids to host regional offices of the World Intellectual Property Organization (WIPO) in an Intra-African election held at WIPO headquarters in Geneva, Switzerland, August 4.

Established in 1967, WIPO is a specialized United Nations agency tasked with developing and promoting intellectual property services, policy, information and cooperation on a global level.

It boasts 189 member states and currently maintains regional offices in Moscow (Europe); Tokyo, Beijing, Singapore (Asia) and Rio de Janeiro (South America).

"Given the important role of WIPO external offices, African countries have called, for many years, for the opening of external offices in Africa," stated an August 7 press release from the Algerian Ministry of Foreign Affairs.

Nigeria, with 33 votes, will host WIPO's external office for sub-Saharan Africa. Algeria, with 29 votes, will host the office for North Africa. Both offices are to be established within the 2016/17 biennium.

Afam Ezekude, Director-General of the Nigerian Copyright Commission, attributed Nigeria's successful bid to its rising profile and fast growing creative industry.

"Nigerian music, film, literature and art resonate across Africa and around the world, facilitating a cumulative annual output of approximately two billion dollars," said Ezekude in a recent statement.

According to Ezekude, the establishment of WIPO external offices in Africa will add clear value, efficiency and effectiveness to program delivery, and respond to specific needs and priorities of the region.

"It will also facilitate international cooperation on building respect for intellectual properties (IP) and strengthen the interface between IP in relation to global policy issues in the country," continued Ezekude. "The implementation of relevant development agenda recommendations of the United Nations system will also be facilitated in the region."

www.wipo.int

Algeria gains an opera house

The Opera of Algiers, a new 1,400-seat venue in the capital's Ouled Fayet suburb, opened its doors to a capacity crowd on July 20.

A€30m gift from the People's Republic of China, the opera house is only the third in the Arab world and sixth on the African continent.

Inaugural guests included the Algerian Prime Minister Abdelmalek Sellal and Chinese Ambassador Yang Guangyu, who were welcomed with a performance by Algeria's National Symphonic Orchestra.

Opera house director Noureddine Saoudi told the *Middle East Eye*: "The venue will offer an eclectic program of cultural events, including musicals, Algerian and world music concerts, and theater performances, until Algeria begins to produce its own opera music."

The plan to build an opera house was first announced during Algerian President Abdelaziz Bouteflika's State vis-

it to China in 2006. Construction commenced in 2012.

Bilateral trade between the two countries has increased significantly in recent years with China surpassing

France as Algeria's number one importer as of 2013.

According to China's Embassy in Algiers, some 40,000 Chinese workers currently reside in Algeria.



PHOTO: CEEDI



OPEC Conference decides to maintain status quo

PHOTOS: OPEC

OPEC Member Countries have reiterated their commitment to securing a stable and balanced oil market, with prices at levels that are suitable for both producers and consumers.

COURTESY OF THE OPEC BULLETIN

In a communiqué issued at the end of the 169th Meeting of the OPEC Conference, held in Vienna, Austria on June 2, Heads of Delegation from OPEC's 13 Member Countries emphasized the Organization's commitment to ensuring a long-term stable and balanced oil market for both producers and consumers.

And, importantly, they further stressed that, given the current market conditions, the OPEC Secretariat in Vienna should continue to closely monitor developments in the coming months and, if necessary, recommend to Member Countries to meet again and suggest further measures according to prevailing market conditions.

The Conference also called upon non-OPEC countries to join its endeavors, given the importance of cooperation among all major exporting countries to collectively balance the international oil markets.

Held under the Chairmanship of Conference President, Dr Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry of the State of Qatar, the Meeting also agreed to the appointment of a new Secretary General—Mohammed Sanusi Barkindo of Nigeria—and the return of Gabon to the Organization.

Gabon's return to the Organization takes effect from July 1, 2016. The West African nation first joined OPEC in 1975, but left in 1995.

It was observed that since OPEC's last meeting in December 2015, crude oil prices had risen by more than 80 percent, supply and demand was converging and oil and product stock levels in the OECD region had recently shown relative moderation.

"This is testament to the fact that the market is moving through the balancing process," noted the communique.

It said the latest numbers, however, still showed OECD and non-OECD inventories standing well above the five-year average and "these need to be drawn down to normal levels."

Upstream investment

The Conference also noted the very low investment level currently prevailing in the oil industry and emphasized the need to increase upstream investment, in order to achieve long-term balance in the oil markets.

"The Ministers were very happy to have had such an excellent meeting," Al-Sada told the customary press conference after the Meeting.

"We had an excellent understanding, not only on the issues we were tackling, but also in further convincing the international community that OPEC as an organization is a very valuable group with all its Members behind it," he said. "Our meeting looked at the details of the oil market situation and we looked at it in a very responsible manner."

His view of the Meeting was supported by Iran's Minister of Petroleum, Eng Bijan Namdar



Dr Mohammed Bin Saleh Al-Sada, President of the OPEC Conference and Minister of Energy & Industry, Qatar.

Zangeneh, who told the OPEC Webcast team: "We had a very good meeting. We had a serious discussion and a good conclusion. We have chosen a new Secretary General—this is good since it shows our unity."

Meanwhile, Fayadh Hassan Nima, Senior Deputy of Iraq's Minister of Oil and Head of his country's Delegation, was quoted as saying that Iraq was concerned that the current low crude oil price would not encourage investors to increase their production in Iraq.

"So we are working with our other OPEC Members to get prices back to a reasonable level in order to bridge the expected gap in the future between demand and supply," he affirmed.

Having reviewed the oil market outlook for 2016, the Conference observed that non-OPEC supply, in response to market dynamics, had peaked during 2015 and started declining, with supply expected to further fall by 740,000 barrels/day in 2016.

"Today, crude oil alone is lower by more than one million b/d from its peak at the beginning of 2015. Global demand is anticipated to expand by 1.2m b/d after growing at 1.5m b/d during 2015," revealed the communique. "This demand growth remains relatively healthy considering recent economic challenges and developments," it added.

The Conference re-emphasized the coordination between Member Countries and with non-OPEC producers to ensure stability in the global oil market; to obtain reasonable and sustainable revenue for oil-producing nations; and to provide a stable, reliable, efficient and economic supply to consuming countries and a fair return to investors in the oil industry.

The appointment of Mohammed Sanusi Barkindo as Secretary General of the Organization takes effect from August 1, 2016, for a period of three years.

"In doing so, the Conference expressed its appreciation to Abdalla Salem El-Badri for his leadership of the Secretariat and the Organization during his tenure as Secretary General," said the communique.

The Conference welcomed the Paris Agreement taken at the COP21 meeting in December last year. It stressed that the challenges related to the environment and climate change "are a concern for us all." ▶



Fayadh Hassan Nima,
Acting Minister of Oil, Iraq.

Barkindo appointed new OPEC Secretary-General



Mohammed Sanusi Barkindo (pictured) returned to the OPEC Secretariat in Vienna, Austria, this summer after being elected the Organization's new Secretary-General for an initial three-year term.

The former Group Managing Director of the Nigerian National Petroleum Corporation succeeds Abdalla Salem El-Badri, who held the Secretary-General position for over nine years.

Barkindo was unanimously elected to the position at the 169th Meeting of the OPEC Conference, which convened in Vienna on June 2.

A past long-serving member of OPEC's Economic Commission Board (ECB), as well as an OPEC Governor, Barkindo also acted for the OPEC Secretary-General in 2006 when his countryman, Dr Edmund Maduabebe Daukoru, then Nigeria's Petroleum Resources Minister, was Secretary-General and also OPEC Conference President.

◀ Said the communique: "Member Countries are committed to supporting sustainable development and recognize the importance of continually looking to advance the environmental credentials of oil, both in production and use."



Massa Elkony, Vice President of The Presidency Council of the Government of National Accord, Libya

Tribute to Naimi

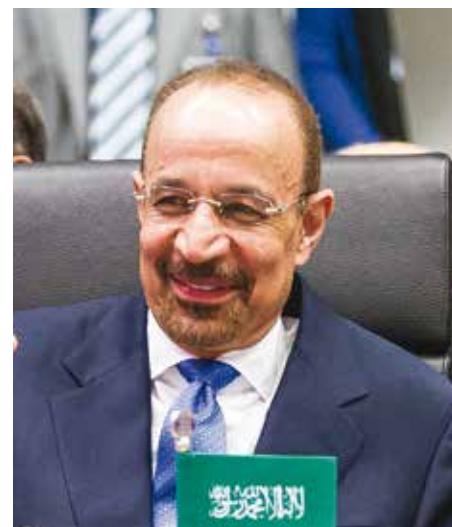
The Conference congratulated Khalid A Al-Falih on his appointment as Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia.

The Heads of Delegation paid a special tribute to Ali I Naimi, of the Kingdom of Saudi Arabia, for his outstanding contribution to OPEC.

"HE Naimi's dedication and commitment to the work of the Organization over the past two decades have left a lasting impression on OPEC's history," said the communique.

Furthermore, the Conference expressed its appreciation to Wilson Pástor-Morris, Ecuador's OPEC Governor and the country's Ambassador to Austria, who was representing his country as its Head of Delegation.

The Conference also extended its deepest condolences to the Government and people of the Republic of Ecuador for the tragic losses they suffered following



Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources, Saudi Arabia.



Wilson Pástor Morris, Head of Ecuador's Delegation; Governor for OPEC, and Ambassador of Ecuador to Austria

the devastating earthquake that struck the country on April 16.

It also welcomed Fayadh Hassan Nima, Senior Deputy of Iraq's Minister of Oil, who was representing his country as its Head of Delegation, and Mossa Elkony, Vice President of The Presidency Council of The Government of National Accord of Libya, who was present as his country's Head of Delegation.

The Conference decided that its next Ordinary Meeting will convene on Wednesday, November 30, 2016, in Vienna, Austria.

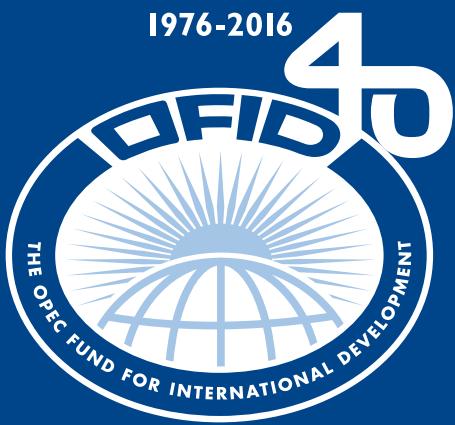
Our vision

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.

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