

JANUARY 2012

OFID

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

Quarterly



- Bridging the Digital Divide
- Strengthening Health and Education through eLearning
- OFID hosts 2nd IEF Symposium and technical SE4All meeting
- Global Social Business Summit holds in Vienna

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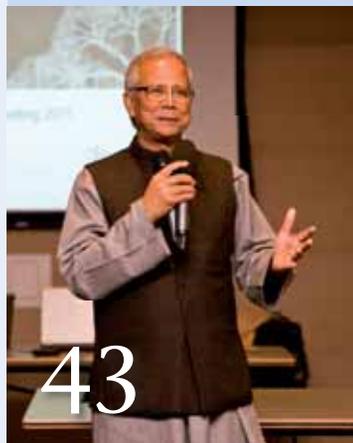
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The Digital Divide Challenge

Information and Communication Technologies (ICTs) are a determining factor for meeting the poverty reduction and related United Nations *Millennium Development Goals (MDGs)*. ICTs are changing the lives of people around the globe and contributing to formal and informal education. Everyday use of email has become the norm for governments and business around the world, and the internet has become a valuable source of information, communication, education, news and entertainment.

The importance of ICTs for meeting the MDGs is embodied in MDG8 (developing a global partnership for development), which emphasizes the role of ICTs in accelerating sustainable development in the South. With ICTs, solutions to development problems can increasingly transcend borders, cultures, and communities, and this could lead to a global society that is better informed, more socially responsible and humane.

However, much remains to be done for this to happen. Although ICTs continue to expand worldwide, access remains uneven and connectivity varies, both within and among nations. Since the ICT “revolution” predominantly takes place in the advanced economies, it has created a *digital and knowledge divide*, or a lack of information sharing between those with and those without access to ICTs. Many developing countries simply do not have the

financial resources to purchase new equipment and build the human and institutional capacity required to improve their communications infrastructure and enhance connectivity and accessibility, particularly in rural areas.

Certainly, developing countries have the potential to compete successfully in the global market, but unless they embrace the ICT revolution promptly, they will face new barriers and run the risk of being marginalized or even bypassed.

Conscious of the growing importance of ICTs as effective tools for inclusive growth and sustainable development, OFID is intensifying its contributions to building human and institutional capacity by also improving access to and use of ICTs. Many OFID education projects contain an ICT component. Support for ICT in education includes assistance for equipment and facilities; teacher training; educational content; distance learning, such as e-learning; digital literacy; policy development; monitoring and evaluation; and media outreach.

OFID also promotes the effective use of ICTs by stepping up its public and private sector financing for the expansion of competitive telecommunications markets in the South – including mobile network operations – in areas where commercial investments are insufficiently forthcoming.

OFID's support to improving the communications infrastructure in developing countries are part of its broader efforts to strengthen physical infrastructure, and build human and institutional capacity in the South in collaboration with national governments, sister institutions, regional and multilateral development financing agencies, and the private sector. As of September 30, 2011, two thirds of OFID's cumulative public sector lending was dedicated to building new and maintaining existing infrastructure, including transportation, telecom, energy, health, and water and sanitation.

Lack of electricity is an important barrier to ICT, particularly for the poor people in rural areas of sub-Saharan Africa and South-East Asia – home of the majority of the world's poorest countries, and the traditional focus of OFID. Without modern, safe and affordable sources of energy, access to most types of ICTs will remain restricted. OFID therefore devotes particular attention to fighting energy poverty under the *Energy for the Poor Initiative (EPI)*.

In promotion of global cooperation for energy poverty reduction, OFID hosted the *Second International Energy Forum (IEF)-OFID Symposium on Energy Poverty*, and the United Nations *Second High Level Group on Sustainable Energy for All* at its Headquarters in Vienna, November 15-16 and November 19-20, 2011 respectively.

Mobile communication encourages economic empowerment, knowledge sharing and

Mobile communication encourages economic empowerment, knowledge sharing and employment creation.

employment creation, contributing some 4 percent to the gross domestic product of developing countries. In low-income countries, the mobile communication sector is also among the most dynamic sources of ICT micro-enterprises.

Non-voice services have emerged from mobile connectivity, including text and picture messaging, internet access, and money transfer services. These services have become particularly useful to entrepreneurs operating in an environment with limited banking services. Mobile phones are increasingly used by subsistence farmers to obtain information about weather conditions, food price volatility and other risks and to coordinate activities with other participants in the food value chain; contributing to a more effective functioning of food markets.

Working with partner countries and other institutions, OFID looks forward to increasing efforts toward fulfilling the technological promise of ICT as a powerful tool for poverty reduction and sustainable development in the South. And by financing mobile telecommunications along with capacity building in developing countries ranging from Ghana, Kenya, Sudan, Maldives to Pakistan, and Tunisia, and by boosting connectivity, infrastructure, and modern energy supplies – particularly in rural areas – OFID is helping to empower people in under-served developing economies to take advantage of available opportunities and bridge the digital divide. ■

Toward a Global



Information Society

As the world moves together to share resources and learn, one nation from another, modern communication technologies have become indispensable. The issue remains how to draw increasing numbers of people into the global community of users and make more easily available the hardware and software required according. The latest statistics, however, appear to show that the international community is headed in the right direction and progress is clearly measurable. In this edition of the *OFID Quarterly*, the primary focus is on Information Communication Technologies (ICTs).

Bridging the Digital Divide

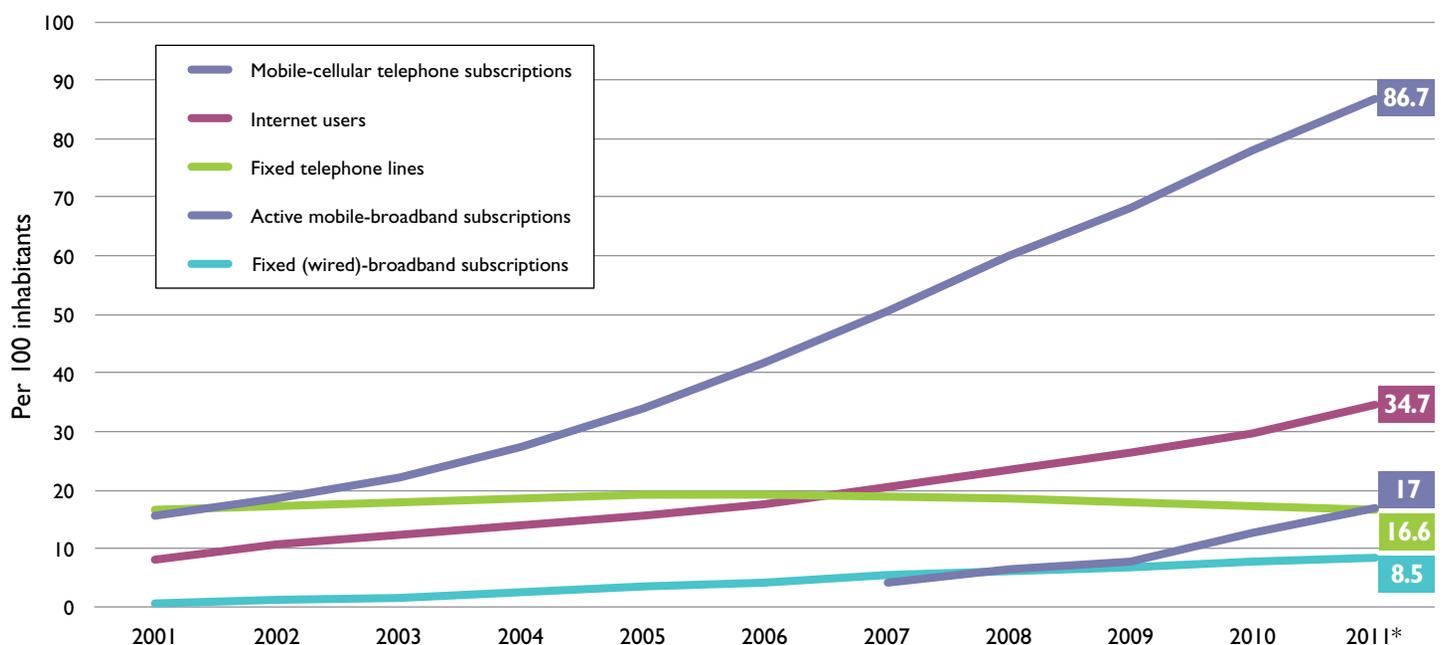
BY FATIMAH ZWANIKKEN

On August 6, 1991, roughly 20 years ago, Tim-Berner Lee launched the first web browser called the *World Wide Web* to provide a common space where information could be shared without borders. The two decades that followed have seen astonishingly rapid advancement in *Information and Communication Technologies (ICT)*. ICTs allow users to create, access, store, transmit and manipulate information by merging all types of audio-visual processing and transmission systems (radio, television), telecommunications (telephone lines and mobile phones) and computers, software and network-based storage, control and monitoring functions.

The ICT Revolution is widely considered the most important revolution mankind experienced since the Industrial Revolution and the development of moveable-type printing techniques. Since the ICT revolution affects virtually every facet of human life, it has profound social and economic consequences. By enabling fast and low-cost collection, processing and dissemination of information, ICTs have become a catalyst for business, employment creation, economic growth, and a critical determinant of national competitiveness. A new kind of economy – the *Information Economy* – is emerging, where trade and investment are global, and firms compete for networking

Global ICT developments, 2001-2011*

* Estimates
Source: ITU Statistics (<http://www.itu.int/ict/statistics>)



and agility on a global basis. Central to these trends is the vastly increased *knowledge content* of the production, distribution and consumption of goods and services.

ICT is one of the most potent forces in shaping the twenty-first century. However, many developing countries lack the basic infrastructure and the financial, human and institutional resources required to join the Information Age. Rather than creating a more equitable world, the ICT revolution appears to have created a divide between the 'technology-rich' and 'technology-poor', or ICT „haves“ and „have-nots“ that hinders development and growth, and exacerbates existing disparities between rich and poor. This broad gap both between and within nations in terms of access to ICTs is commonly referred to as the *international digital divide*.

I. The Digital Divide

Out of a total world population of seven billion people, close to 2.4 billion use the Internet, with a worldwide internet penetration of almost 35 percent. The number of people using the internet is highest in Asia Pacific (44 percent of world total users), followed by the Americas (22.1 percent), Europe (19.2 percent), the CIS (5.5 percent) and the Arab States and Africa with 4.4 percent each.

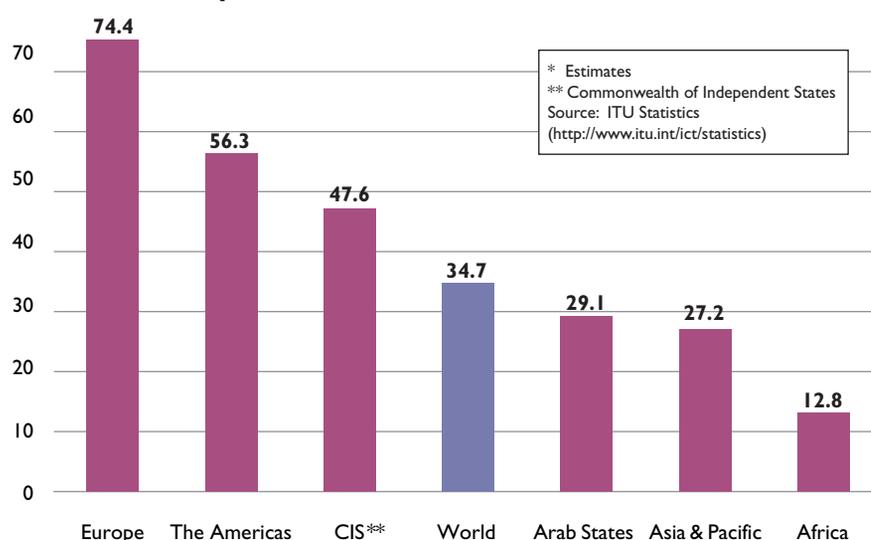
On the other hand, internet regional penetration is largest in Europe (74.4 percent) with Asia-Pacific (27.2 percent) and Africa (12.8 percent) still lagging in internet users per 100 inhabitants (see graph). Looking at the access to computers in developing countries, in 2006, some 16 households out of 100 inhabitants had a computer, whereas, in 2011, the number increased to 25. With regard to internet access, the increase was huge. In 2006, only 10 households out of 100 inhabitants had internet access, whereas in 2011, the number doubled to 20 households.

Hence, major current issue remains to help poor countries and people tap into the potential of the emerging information society.

2. Mobile Communications: A Key to Bridging the Digital Divide

The explosion of adoption of mobile communication over the last 15 years – both cellular and broadband based – have emerged as a key technology to bridge the digital divide. Mobile

Internet users per 100 Inhabitants, 2011*



broadband subscriptions have grown by 45 percent annually over the past four years, with mobile communications contributing some 4 percent to the gross domestic product (GDP) of developing countries. In 2006, 30 out of 100 inhabitants in the developing countries had a mobile cellular subscription. By 2011, the number of subscriptions had increased to close to 80 people. With more than 5.3 billion mobile cellular subscriptions worldwide, including one billion subscriptions to mobile broadband services, penetration of second generation (2G) mobile telecommunications has reached almost 90 percent of the total world's population and 79 percent in the developing world, and 80 percent of people in rural areas have mobile cellular coverage.

In the last two decades, most of Africa has leapfrogged from having no telephones to having widespread cellular networks. Africa is the region with the highest mobile cellular growth rate, with annual growth rates averaging some 65 percent over the past five years. Conscious of the importance of ICT for development, LDCs have made progress towards enhancing access to ICTs through network investment, and the establishment of an enabling regulatory environment that fosters competition. ICT uptake in LDCs has grown at double and even triple digit rates for services such as mobile cell phones and fixed internet ►

Out of a total world population of seven billion people, slightly more than two billion use the internet.



◀ subscriptions, and in 2010, about one third of the LDC population had a mobile cellular telephone subscription.

3. Harnessing the Potential of ICTs for Sustainable Development

The presence of ICT is increasingly pervasive in sectors ranging from commerce agriculture to health, and education. ICT has become the basic building block of the *Information Age*, taking a central stage with e-government, e-commerce, e-learning and other internet-enabled activities. ICTs contribute to economic performance and competitiveness by facilitating knowledge sharing, economic empowerment, by creating new sources of income and employment, and by improving health and education services. ICT also plays a catalytic role in the attainment of the eight United Nations (*UN Millennium Development Goals (MDGs)*). Thanks to ICTs, solutions to complex development problems can increasingly transcend borders, cultures and communities. ICT applications include the following:

E-government: There is a potentially large role for electronic(e) –services in government, especially in the delivery of public services, on-line procurement, outsourcing, and transparent and accountable governance. ICT can improve organisational efficiency by enhancing the ability to swiftly and cost-effectively collate and disseminate information that is vital for government decision making. Moreover, ICT applications in support of the administration of public activities can accelerate the diffusion of information throughout territories. This facilitates decentralization, and importantly influences the ability of people and communities in rural areas to access public services that respond to their needs and priorities.

E-Energy: Without modern, safe and affordable sources of energy, access to most types of ICTs will remain restricted. Approximately 1-2 percent of the world's energy consumption is used to build and maintain the internet's infrastructure, such as servers and routers, and to run the world's laptops and smartphones. ICTs, in turn, can yield the most efficient and cost-effective possible solutions by facilitating 'smart' energy management systems. ICTs such as tele-conferencing can reduce high-energy activities, including transportation, and lower business travel and expenditures.

E-Commerce: E-commerce allows business-to-business transactions to be performed faster and better, and is very widespread. E-commerce could have an enormous impact on developing countries, provided an enabling environment is established to encourage participation in local and global e-commerce networks. Particular attention should be paid to involving small-medium and micro-enterprises (SMEs) in order to enhance their efficiency and productivity, and increase product diversity and competition. Mechanisms should also be created to facilitate online payments for retail transactions by consumers who do not have access to financial services, which could realise substantial cost reductions through dis-intermediation.

E-Agriculture: E-Agriculture involves the delivery of agricultural information and knowledge services (i.e. market prices, extension services, etc.) using the Internet and related technologies, including mobile phones. E-Agriculture promotes the integration of technology with multimedia, knowledge, capacity building, standards and norms, extension services and culture, with the aim of enhancing food security by improving communication and learning processes between various actors in agriculture both locally, regionally and worldwide. More advanced applications of e-agriculture in farming exist in the use of sophisticated ICTs such as satellite systems, Global Positioning Systems (GPS), and advanced computers and electronic systems that can help improve the quantity and quality of agricultural production¹.

E-Health: The health sector was one of the earliest to adopt ICT applications. ICT has the potential to impact almost every aspect of public health, which heavily relies on adequate information management and communication processes. For example, electronic health records system that allow physicians to access relevant medical data are facilitated or limited by available ICT.

E-Education: Many benefits can be derived from the use of ICT in education as a tool for poverty reduction and sustainable, equitable development. Many countries now regard understanding and mastering the basic skills and concepts of ICT – especially internet – as part of the core of education, alongside reading, writing and numeracy. With globalization, ►

ICTs will play a major role in the attainment of the eight United Nations Millennium Development Goals (MDGs).

¹ World Summit on the Information Society, Geneva 2003 – Tunis 2005, Plan of Action, Paragraph 21.

The rise of digital media channels has placed much pressure on traditional media and entertainment in recent years.

◀ the information revolution, and increasing demands for a highly skilled work force, national education authorities would need to implement strategies to integrate ICTs in educational activities, and build capacity for their effectively utilization and synchronization with the labour market.

E-Social Media: Social media is becoming integrated with many service offerings such as e-commerce, unified messaging and online gaming. The launch of *Skype* in 2003, *Facebook* in 2004 and *Twitter* in 2006 provided a platform for multiple exchanges, particularly among youth. Twitter became the most popular platform for micro-blogging worldwide. At the end of 2010, Facebook counted 600 million users, representing more than one third of Internet users worldwide, with 40 percent of users accessing the platform through their mobile devices. Micro-blogging site Twitter now has over 200 million registered users issuing 65 million tweets a day, and 37 percent of Twitter users use their mobile device to tweet. In addition, two billion videos are watched every day on You(U)Tube, and five billion photos are hosted on Flickr².

E-employment: Social networks are increasingly important as a source of white collar employment, with Facebook leading as a tool to find new jobs. The rise of Facebook as a job source can be in part tied to the proliferation of tools that harness the social network's biographical data and massive user base, and several recruiters now distribute job openings through Facebook. In 2011, a significant number of employment seekers found their jobs on a social network, signaling human resource departments and recruiters of the importance of social networks for their success.

E-Entertainment: The rise of digital media channels has placed much pressure upon traditional media and entertainment in recent years. Online entertainment has become vastly popular, offering a broad range of services. Every day, internet users around the globe log in for purely entertainment purposes, from watching online videos to participating in games. Advertising is the key source of revenue for online entertainment providers, and online video such as You(U)Tube is used by many industries for advertising, marketing, entertainment, demonstration and communication purposes.

² International Communication Union, 2011

E-Travel and Tourism: Travel and Tourism (T&T), a rapidly growing industry of relevance and importance to developing countries is an information intensive sector. T&T has become the single largest category of services sold over the internet. Local and international tourism providers use the internet to market their services directly online, offering on-line booking and payment facilities.

E-Disaster Relief: ICT can play a critical role in predicating, detecting, and alerting of disasters (cyclones, floods, droughts, tsunamis, fire and earthquakes). ICT can help mitigate disasters – whether natural or man-made – particularly for those living in remote and isolated areas with no access to basic communication facilities required to provide vital alerting information. ICT are also vital in the immediate aftermath of disasters by ensuring timely flow of vital information for government and humanitarian agencies that are involved in rescue operations, and in providing medical and food aid and other types of emergency assistance.

4. Multi-Stakeholder Strategies

The disparities that prevail in access to, and use of, ICTs are not likely to be removed in the near future unless concerted action is taken at the national, regional and international levels. Multi-stakeholder partnerships and strategies will be required to leverage ICTs as a tool for poverty reduction, combining the efforts of national governments, the private sector, civil society and the international community.

National Governments

Broadband access is not a luxury, but a prerequisite for sustainable socio-economic growth, and attainment of the MDGs. Proactive national broadband planning needs be actively integrated into national development plans and policies in order to foster policy, regulatory and network readiness, and maximize the benefits of ICT.

The Private Sector

The private sector plays an increasingly important role in building universal inclusion by expanding networks to increase access for underserved populations, and by further developing broadband at affordable price rates. The growth in internet users will come from the South, and for the private sector, the low fixed, mobile and broadband penetration rates in the developing world represent a real opportunity.

Civil Society (Youth)

Civil Society, particularly youth, play a key role in promoting ICTs for development and bridging the digital divide. ICT can transform citizens' role in society by enhancing access to information and knowledge and by increasing their reach and impact. Youth are among the more innovative users of ICT, and in some countries, have made major contributions to economic development. If the digital divide is to be bridged, young people (age 15-24) must participate, and community access broadened. Young people, worldwide, account for 45 percent of the world's total on-line population, and tend to make greater use of the internet. In the South, 30 percent of those under age 25 use the internet, as compared to 77 percent in the developed world. Connecting the 70 percent of under 25-year old (1.9 billion people) in developing countries to the internet could accelerate sustainable growth and development by opening up opportunities for education and future employment prospects.

International Donor Community

The importance of ICTs for meeting the MDGs is embodied in MDG8 (developing a global partnership for development), which emphasizes the role of ICTs in accelerating sustainable development in the South. In an effort to bridge the digital divide, the UN organized a *World Summit on the Information Society (WSIS)* in two phases. The first phase was hosted by the Government of Switzerland, Geneva, December 10-23, 2003, and the second by the Government of Tunisia, Tunis, November 16-18, 2005. The Geneva Summit adopted a *Declaration of Principles* which lays down common values and foundations for an inclusive knowledge-based information society, including the development of software and hardware that allows all world languages to be present on the internet. Language barriers continue to be an important factor hampering internet usage and applications. Four-fifths of all web sites are in English, a language used by only 27 percent of total internet users worldwide, followed by Chinese (22.6 percent), Spanish (7.8 percent), Japanese (5.3 percent), Portuguese (4.3 per-

cent), German (4.0 percent), Arabic (3.3 percent), French (3.2 percent), Russian (2.5 percent), and Korean (2.1 percent). The WSIS Tunis 2003-Geneva 2005 also adopted a *Plan of Action* aimed at realizing the vision that by 2015, more than half the world's inhabitants will have access to ICTs.

5. Challenges and Opportunities

The ICT revolution is only just beginning. The development imperative of today is to deploy ICT to level the playing field for all by allowing its benefits to be shared by those that have so far been underserved. Rather than a panacea, ICT is an instrument that can help us manage and resolve the major issues of our time. It is up to people to realize the potential of ICT as an effective tool to reduce poverty and build an inclusive society for all.

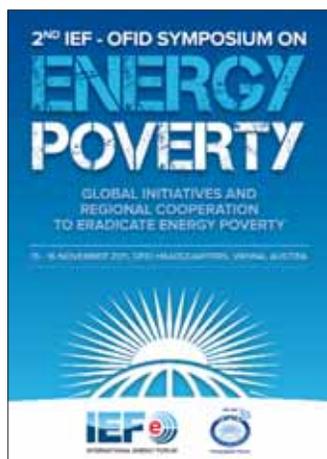
Thus, considering the profound influence of ICT on economic performance and its potential as a development enabler, effective regulation of ICT has become critical. As the role of ICTs becomes increasingly pervasive, regulators play a critical role in dealing with new challenges of the global information society by creating digital inclusiveness, by resolving disputes, and by controlling internet-related security issues and risks, including cybercrime (e.g. the distribution of viruses and malware; illegal online downloading services), and other repercussions of the information Age.

The dawning Information Age offers a unique opportunity to bring individual freedom and dignity to all by using ICT as a tool to create a global society that is more inclusive, better informed, more emphatic, and more humane. ICT have important spin-off effects. The more people use ICT worldwide, the greater its benefits. By using ICTs to facilitate access to information sources worldwide, to mobilize human and financial resources, to promote networking and partnerships, to resolve disputes, to foster empowerment, and to foster employment opportunities and economic growth, the global community as a whole ultimately stands to benefit from bridging the digital divide, and eventually eliminating it. ■

ICTs have important spin-off effects; the more people use the technology, worldwide, the greater the benefits.

Toward Universal Energy Access

BY FATIMAH ZWANIKKEN



The IEF gathering assembled representatives of governments, the private sector and multilateral, regional and bilateral institutions from developing and developed countries.

Out of a total world population of 7.0 billion people, some 2.7 billion do not have access to modern energy services and, thus, have to resort to traditional biomass to meet their basic energy needs. About 1.3 billion people lack access to electricity, while another one billion have only sporadic access. Unless rapid and decisive action is taken, energy poverty will deepen *in tandem* with rapid population growth, particularly in Sub-Sahara Africa and developing Asia, where the rate of population growth exceeds the pace of electrification.

Eradicating energy poverty is vital for achieving the eight poverty reduction and related United Nations (UN) *Millennium Development Goals (MDGs)* by 2015. Considering the importance of energy for sustainable development, the UN General Assembly designated the year 2012 as the *International Year of Sustainable Energy for All*.

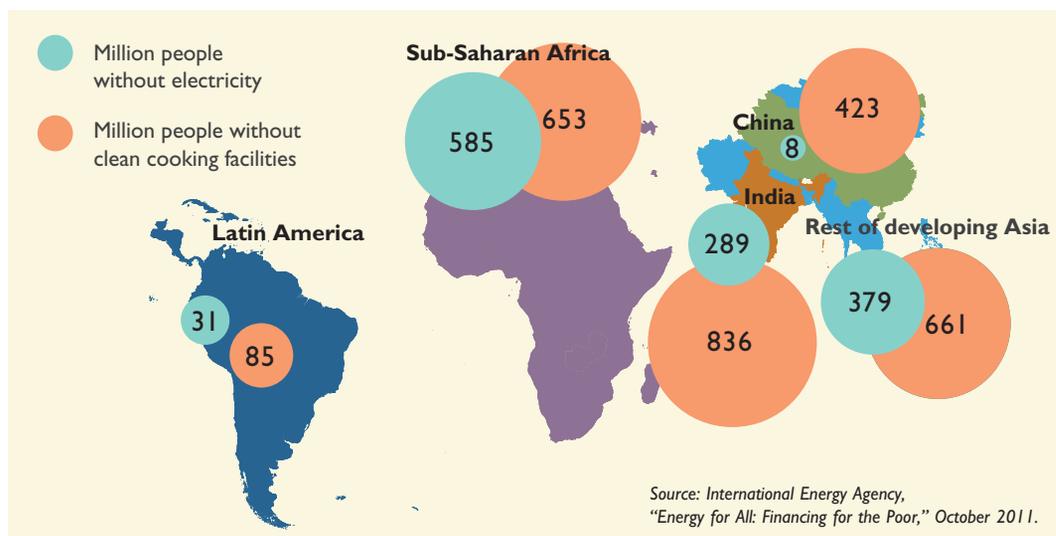
2nd International Energy Forum (IEF) Symposium on Energy Poverty

Conscious of the need for a concerted and unified approach in achieving universal energy access, OFID hosted the 2nd *International Energy Forum (IEF) Symposium on Energy Poverty* at its

Vienna premises, November 15-16. Based in Riyadh, Saudi Arabia, the IEF is an intergovernmental agency that serves as a neutral facilitator for an open and continuing dialogue on global energy security issues between energy producers and consumers worldwide. Since its establishment, the IEF membership has, to date, grown to 87 energy producing and consuming states which together account for some 90 percent of global oil and gas supply and demand, about one quarter of which are energy poor.

Organized under the theme *Global Initiatives and Regional Cooperation to Eradicate Energy Poverty*, the IEF gathering brought together representatives from governments, the private sector and multilateral, regional and bilateral institutions from both developing and developed countries.

In this Opening statement, OFID Director-General Mr. Suleiman J. Al-Herbish highlighted the high priority accorded by OFID to eradicating energy poverty as the missing ninth MDG. He argued that strong and sustained political commitment is the first and foremost requirement for tackling EP, backed by pro-energy national planning and implementation processes. Second, innovative financing for development will be



required to mobilize the US\$44-55 billion needed annually to meet the goal of universal energy access – or US\$1 trillion in the next twenty years – including through micro-credit schemes and other successful business models.

Mr. Al-Herbish explained that OFID's strong political commitment to fight energy poverty is backed by the November 2007 Third OPEC Summit, and the US\$1 billion replenishment endorsed by OFID's June 2011 Ministerial Council. He added that in fighting energy poverty, OFID embraces a wide range of instruments, from solar lamps and cooking-stoves to mega power plants, working within the international framework of the UN Sustainable Energy for All, and all Declarations on development effectiveness. "We have to bridge the gap between what we say and what we do," Mr. Al-Herbish concluded.

The Symposium allowed for an open and frank discussion among a varied group of participants on means to achieve universal energy access. Participants agreed that universal energy access is an achievable goal, as demonstrated by China, which electrified virtually its entire territory over a few decades.

In his concluding remarks, IEF Secretary General Mr. Noé van Hulst reiterated that in the run-up to 2012, "good intentions must be translated into concrete actions." He said given the complexity of energy poverty, „all energy sources and viable technical solutions must be applied to reach the goal of universal access by 2030.“ Mr. van Hulst ensured participants that the findings and recommendations of the Vienna Symposium will be transmitted to Energy Ministers and IEF Member States at the 13th IEF, Kuwait, March 12-14, 2012.



IEF Secretary General Mr. Noé van Hulst.



Meeting of the High-level Group (HLG) on Sustainable Energy for All.

Discussions continued at OFID on November 18-20 during the *Meeting of the Technical Group and Sherpas of the Secretary-General's High-level Group on Sustainable Energy for All*, also hosted by OFID. Launched by the United Nations Secretary-General, Mr. Ban Ki-moon, in September 2011, the HLG seeks to achieve the goal of Sustainable Energy for All by designing an *Action Agenda* for meeting the three interrelated global targets of universal access to modern energy services; doubling energy efficiency; and doubling the share of renewable energy in world energy supply by the 2030 target date.

At the three-day meeting held in Vienna, 33 high-level representatives from governments, the private sector, international organizations and civil society discussed a variety of energy poverty related topics, including means to kick-start a *green energy revolution* at the global, regional and national level, and to launch a *global media energy campaign*. The Action Agenda will be presented at the *June 2012 UN Conference on Sustainable Development, Rio de Janeiro, Brazil (Rio + 20 Summit)*, in an effort to mobilize political commitment and financial support for the UN goal of universal access to modern energy services by 2030 within a new and strengthened public-private partnership. ■

Dr. Kandeh K. Yumkella, Director-General, UNIDO, and Co-Chair of the High-Level Group on Sustainable Energy for All (left) and Mr. Al-Herbish (right).

THE SUSTAINABLE ENERGY FOR ALL INITIATIVE

Recognizing the importance and urgency of energy challenges, the United Nations General Assembly last year declared 2012 the International Year of Sustainable Energy for All. In so doing, the General Assembly noted “the efforts of the UN system to work toward ensuring energy access for all and to protect the environment through the sustainable use of traditional energy resources, cleaner technologies and newer energy sources.” Additionally, the General Assembly, in deciding to organize the UN Conference on Sustainable Development in 2012 (Rio+20), decided that one of the principal themes of the conference would be “a green economy in the context of sustainable development and poverty eradication” – for which sustainable energy must be a central element.

The Secretary-General's *Sustainable Energy for All* Initiative seeks to identify and mobilize action by all stakeholders in support of energy access, energy efficiency and increasing the share of renewable energy. To organize these efforts, I have formed a new High-Level Group on *Sustainable Energy for All*, led by Kandeh Yumkella, Chair of UN-Energy and Director-General of the UN Industrial Development Organization, and by Charles Holliday, Chairman of Bank of America and former CEO of DuPont.

The immediate task of the Group will be to recommend an Action Agenda on the basis of which all stakeholders can make concrete commitments to move the world toward sustainable energy for all by 2030. The Group will also design processes for shared learning and accountability – to enable participants to communicate about successes and failures and to ensure that commitments are kept and progress is tracked in an open and transparent way.

The *Sustainable Energy for All* initiative will also provide a global platform for existing and planned initiatives to reinforce one another. Ongoing initiatives include Energy for All (Asian Development Bank), the Clean Energy Ministerial, the Low-Emissions Development Strategies (LEDS) Global Partnership, Lighting Africa (World Bank Group), Energy+ (Norway), Energy for the Poor (OPEC Fund for International Development), the Paris-Nairobi Climate Initiative, the Africa-EU Energy Partnership, the Small Island Developing States Sustainable Energy Initiative, the Global Alliance for Clean Cookstoves, as well as the EU's decision to make access to sustainable energy a development priority through its “Agenda for Change.”

Countries such as China, India, Nepal, Brazil, and South Africa are also leading the way with national initiatives. At the same time, the UN Global Compact and United Nations country teams on the ground will seek to facilitate public-private partnerships to scale up investment and accelerate progress.

Commitments can take many forms. Direct financial support and assistance will be one of many commitments needed. Many emerging economies are undertaking major domestic programs to achieve sustainable energy for all. Countries can contribute by preparing a sustainable energy investment plan and committing to create a favorable environment for private investment, for example, by removing unproductive tariffs and inefficient subsidies.

The private sector too will be central in achieving the goal of sustainable energy for all. Leaders of business and industry can contribute by making their companies and practices and supply chains more efficient, and by joining in public-private partnerships to expand the deployment of sustainable energy products and services.

The work of achieving sustainable energy for all will not be completed in a single year, or even in the five-year term of a Secretary-General. But we must begin. As the U.S. President John F. Kennedy said 50 years ago, “We must think and act not only for the moment but for our time.”

SUSTAINABLE
ENERGY FOR ALL

Source: A Vision Statement by Ban Ki-moon, Secretary-General of the United Nations on Sustainable Energy for all.



World Petroleum Congress meets in Doha, Qatar

OFID offers to be a hub for cooperation with the oil and gas industry

Qatar hosted in December the 20th World Petroleum Congress (WPC) which had as its theme *Energy Solutions for All*. The Congress opened December 4, with more than 5,000 delegates in attendance. Also represented at ministerial and chief executive officer (CEO) levels were producing and consuming countries as well as national and global oil companies. There were statements and keynote addresses in a program that covered all aspects of the petroleum and gas industry, from technological advances in upstream and downstream operations to the role of natural gas, renewable and alternative energy, the management of the industry and its social, economic and environmental impact.

An OFID delegation, headed by Director-General Suleiman J. Al-Herbish, attended the Congress.

In his address, Mr. Al-Herbish declared that Energy Sustainability was the greatest challenge facing humanity. He said there was no quick fix and that this would be a task for the coming decades – a long term commitment.

Mr. Al-Herbish was speaking at a Special Session on Promoting Human Development through Innovative Social Responsibility Programs. OFID, Mr. Al-Herbish said, was determined, along with other OPEC aid institutions, to be part of the solution, and will, therefore, continue to expand its efforts via all means possible.

Mr. Al-Herbish highlighted OFID's own efforts at combating energy poverty. He took the opportunity to discuss the importance of social responsibility programs in promoting human development. He went on to inform the Session

that OFID could serve as a hub of industry efforts toward accomplishing energy solutions for all. "At this special session of the Congress," Mr. Al-Herbish declared, "we invite industries to join us in this noble cause. We have heard some encouraging remarks from different CEOs on this matter; and, therefore, OFID is offering to host a forum with industry representatives at its headquarters in Vienna, Austria, in 2012 with the objective of reviewing concrete ideas and proposals," the Director-General concluded.

OFID is already pursuing cooperation with private sector firms in the oil and gas industry. ■

The full Statement by the Director-General is available on www.ofid.org



PHOTOS: KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

APOC: Joint Action Forum holds 17th Session

OFID in attendance

BY SHIRIN HASHEMZADEH

Kuwait hosted, December 12-14, an annual meeting of the membership, sponsors and related supporters of the African Programme for *Onchocerciasis* Control (APOC), with the Kuwait Fund for Arab Economic Development as chief organizer. It was the 17th Session of the Joint Action Forum (JAF) of the African Programme. JAF is the governing body of APOC and comprises the Ministers of Health of the 20 participating countries, 20 donors, 15 Non-governmental Development Organizations (NGDOs) and from the private sector Merck & Co., Inc. In addition, local health workers and some 153,000 disease-affected communities play a pivotal role in APOC partnership.

In attendance in Kuwait were honorable ministers, government institutions, research body representatives and supporting international organizations, including the Saudi Fund for Development and the OPEC Fund for International Development (OFID). OFID's high-level delegation was headed by Director-General Suleiman J. Al-Herbish. OFID has, over the years, given high priority to the African Programme.



HE Sheikh Sabah Khaled Al-Hamad Al-Sabah.

Opening

Following an Opening Statement by HE Sheikh Sabah Khaled Al-Hamad Al-Sabah, Deputy Prime Minister and Minister of Foreign Affairs and Chairman of the Board of Directors of the Kuwait Fund, the Session heard interventions by the Chair of JAF16, HE Prof. Chukwu Onyebuchi, Minister of Health of Nigeria; and APOC Director, Dr. Paul Samson Lusamba Dikassa (see follow-up interview).

APOC's Committee of Sponsoring Agencies (CSA), the Technical Consultative Committee, the non-governmental development organization (NGDO) Coordination, Country ▶



Dr. Paul-Samson Lusamba-Dikassa (DRC) is the new Director of APOC. He was appointed April, 2011. He gave his first address to the Joint Action Forum in Kuwait (see main article). Dr. Lusamba-Dikassa was hitherto Director of Programme Management at the WHO Regional Office for Africa. He had joined WHO/AFRO as an epidemiologist and a public health specialist. Later, he became the WHO Regional Adviser for Communicable Disease Surveillance and Epidemic Response and served as Chairman of the WHO Regional Board of Appeal, 2001- 2003. He granted *OFID Quarterly's* Hala El Sayed the following interview:

What do you consider to be APOC's main challenge at the present time?

APOC is currently striving to support the countries where onchocerciasis is endemic in their efforts toward the elimination of the disease. To achieve elimination, countries need to treat at least 80 percent of eligible persons in all areas where onchocerciasis exists. Such treatment coverage has to be sustained long enough. For this, the necessary resources, drugs and logistics must be made available for trained dedicated Community-Directed Distributors to deliver treatment. All of this must be achieved in 31 countries.

What are APOC's expectations of the proposed future scenarios presented at this meeting?

APOC wishes to be supported to finish the job of elimination of onchocerciasis. For that, the Programme needs to be extended (beyond 2015) for a period of 10 more years. This is the extra mile that should be covered after the very important investments made by partners in the fight against the disease for more than 30 years. Covering this extra mile will help free more than 100 million people and, indeed, future generations from a disease that is not only disfiguring and blinding, but also constitutes a major cause of poverty.

Women played an important role in the success of the Oncho Programme; could you elaborate, pointing out how this contribution could be increased in future strategic planning?

Women have participated in onchocerciasis control programmes and interventions since the inception of APOC. Women were among the researchers who envisioned and

evaluated *Community Directed Treatment with Ivermectin*, the strategy that is used by APOC. Women are playing an important role in training *Community Directed Distributors (CDDs)*, who, in turn, are in charge of mass treatment of affected communities. Women are also among the CDDs who deliver treatment against onchocerciasis and other neglected tropical diseases.

APOC encourages countries to increase their number of female CDDs because traditionally women have always played a central role as caretakers in African societies. Increasing their participation is expected to help boost the numbers of people treated; and, thus, help move toward oncho elimination. This will be achieved through dialogue with communities regarding the selection of CDDs, followed by the training of increasingly large numbers of helpers.

In post-conflict countries, coordination structure and health services still need additional support. What are APOC's strategic plans to overcome obstacles and hindrances in that regard in order to achieve even better results?

Post-conflict countries generally have poor infrastructure and little human, financial and logistic resources for oncho control activities. The APOC partnership is strategically planning to enhance support to these countries in different ways: by posting experienced technical advisors in the countries; by ensuring that NGOs maintain their support to oncho control activities; by providing needed equipment, transport means (vehicles, motorcycles, bicycles); and by assisting in supervision, monitoring and evaluation of *Mectizan* distribution and epidemiological situation.

The Kuwait Meeting and advisory group recommended continued APOC support for needy countries through the year 2015.

◀ delegations and APOC Management reported on many aspects of activities undertaken in the last 12 months. The Meeting examined, in detail, such items as APOC's shift from control to elimination of onchocerciasis; community-directed intervention (CDI) to deliver multiple health interventions for Neglected Tropical Diseases; and co-implementation and contribution to strengthening national health systems. JAF meets annually to decide on strategies, objectives and policies; discuss and approve plans of action and budget; and review progress reports submitted by Management.

APOC and its operations

APOC's operations and activities are guided by (and based on) research and evidence. Primary research partners include the UNDP, the World Bank and the WHO Special Programme for Research & Training (TDR). APOC also works with universities and other research institutes.

In a Resolution in 2007, at the 57th session of the WHO Regional Committee for Africa, honorable ministers decided that APOC should move from a single disease to a multi-disease approach. In the same year, JAF agreed to extend the duration of the Africa Programme till 2015. JAF also reiterated its intent to pursue a multi-disease approach and requested the APOC partnership to encourage joint financing of Neglected Tropical Diseases (NTDs) and the carrying out of operational research to improve processes.

APOC and partners have made important progress toward eliminating onchocerciasis as a public health and socio-economic problem in the 20 countries under its mandate, despite operational difficulties in some of the countries. The success of the Programme in eliminating the disease and interrupting transmission has been based on the innovative approach to delivering treatment through "community-directed distributors." The strategy was developed through the programme's public-private partnership with public health workers in participating countries, NGOs, and the firm, Merck & Co., Inc. Also heavily involved have been funding agencies and other stakeholders, especially governments and communities in endemic countries.

JAF 17th was also told, *inter alia*, that:

- Most former-OCP countries (11 of them) are close to the elimination of onchocerciasis

and the main requirement they have is support for evaluations and decision-making on when and where to stop treatment;

- The social values embodied in community empowerment, equity and capacity building are all central to the philosophy of Primary Health Care; and
- Community-directed treatment with *ivermectin* has become a vehicle to deliver appropriate health interventions to remote communities, because of its proven long-term effectiveness.

Forum Recommendations

The Kuwait Meeting and advisory group recommended continued strong APOC support from sponsors for needy countries through 2015, and this should be covered under the current APOC budget. After 2015, continued APOC support is required to assist with the establishment of sustainable CDTI for the control of the disease as a public health problem and to prevent cross border transmission. There is a need to evaluate the long term impact of onchocerciasis infection and transmission in these countries. Successful co-implementation needs integration within the general health system to enable strong community involvement. Integration is also important for the long-term sustainability of interventions, particularly as programmes (such as APOC) which have promoted and supported them, are time-limited with their mandate coming to an end sometime.

Conclusions

JAF 17 reviewed the report and the recommendations of the CSA on the future of APOC and agreed that APOC should not shut down in 2015 as that would be untimely given that none of the 31 endemic countries would have achieved elimination by that date. The Forum therefore requested the CSA and APOC Management to submit (for consideration by JAF 18) a detailed plan with costs on the future of APOC reflecting this new strategic direction for the Programme.

The 13-donor community representatives at the conference confirmed "willingness" to continue their financial support to the full elimination program in the 30 African countries. The donors include the Government of Nigeria; the Kuwait Fund; the Saudi Fund; the World Bank; OFID; USAID; the AfDB; BADEA; MITOSATH; CIDA; and Merck and Co. Inc. ■

OFID Scholarship recipient Robert Pwazaga graduates from LSE

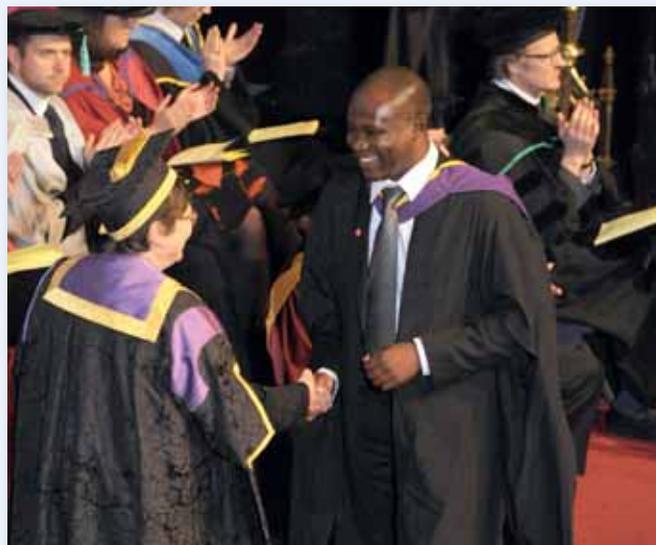
BY SILVIA MATEYKA

Robert Pwazaga, 2010 OFID Scholarship recipient, successfully graduated (with merit) from the London School of Economics and Political Science (LSE) with a Master's degree in International Development. Robert (Ghanaian, 26) went to LSE with a Bachelor's degree in Geography and Rural Development from the Kwame Nkrumah University of Science and Technology in Kumasi. He took the opportunity of the OFID Scholarship Program to pursue advanced academic study and prepare for leadership roles in his country.

Robert comes from a farming background and his interest in development issues stems from the "bitter realities" he has experienced in life. Based on his experience and interest, he wrote his master's thesis on "The contribution of District Assemblies to rural development in Ghana under the decentralized system of governance: a comparative study of the Kassena-Nankana and Builsa District Assembly." Robert says he is grateful for "having been given the chance to study at such a fantastic school like the LSE," which has greatly transformed the way he now understands and debates development issues. "LSE has equipped me with analytical skills which am very confident would make a difference when I return home to work toward the development of Ghana," he adds.

"Development, as I have always argued, has been placed in the hands of leaders," explains Robert. In his opinion "most of the challenges facing development exist because of a lack of commitment with some leaders in the developing world. The international community and the development organizations have played an important role in helping to fight these challenges. It is left to the leaders of the developing world to end this process, which calls for attitudinal change and great commitment. Without a change of mindset, resources will continue to be wrongly used."

Robert says that during his studies, he learned a lot: about himself, the world, about people and, of course, about key development issues. The first most significant fact, he asserts, is that institutions are of key importance in the process of development and their work will very much depend on the circumstances surrounding each region. "Copying institutions



Robert Pwazaga at the graduation ceremony.

PHOTO: SUCCESS PHOTOGRAPHY

from one region to another without considering the particular context may not yield the desired results," he says. Secondly, he sees agriculture as one of the core elements of development. "Policies which aim at improving farming techniques by providing infrastructure, machinery, energy and many more will help improve agricultural yield and lift many people out of poverty." As a third point, he cites the important role that the state and the private sector play in the development process. "The state and private sector should complement each other rather than fight for dominance." Finally, inter-generational fairness and sustainable development should take centre stage in this age of climate change and other environmental problems.

Upon his return to Ghana, Robert proposes to gain four years of working experience in the field of teaching, tree planting and rural sensitization, after which he will return to university for a PhD in development studies.

Robert Pwazaga was the 4th winner of the OFID Scholarship Award, which is currently in its 5th year. The scholarship goes to students from across the world seeking to attend top academic institutions for higher education in development related fields.

OCTOBER 5

136th Session of the Governing Board

Public sector project loans approved

Cameroon. US\$6 million. Water Supply. To carry out activities in seven localities in the south, eastern and central regions to provide some 30,000 people with a sustainable access to safe drinking water.

Central African Republic. US\$4 million. Rehabilitation and Extension of Bambari and Bozoum Water Supply and Sewerage Systems. To help address drinking water shortages and improve sanitation services for around 74,000 people.

Ghana. US\$10.5 million. Integrated Rural Development. To co-fund a series of sub-projects that will construct basic infrastructure, provide micro-credit, training and technical assistance to farmers and farmer-based associations; benefitting some 25,000 low-income households.

Guinea. US\$10 million. National Program to Support Agriculture Value Chains. To help decrease agricultural losses and improving yields for around 50,000 farmers. Works will include rehabilitating farmland, building and renovating storage facilities for crops, seeds and inputs, as well as repairing roads.

Lesotho. US\$9 million. Five Towns Water Supply. To provide safe and reliable drinking water sources through the construction of water treatments plants, distribution systems and other related infrastructure in Butha Buthe and Hlotse in the North and Mohale's Hoek, Mafeteng, and Qacha's Nek in the south, populated by around 120,000 people.

Malawi. US\$5 million. Zomba-Jali-Chitakale Road. (Supplementary Loan). This loan will help complete the upgrading of a 102 km-long road that will provide the population with swifter, year-round access to markets, social services and neighboring countries for exports/imports.

Vietnam. US\$21.5 million. Coastal Infrastructure Development. To support a series of small-scale projects in the Thanh Hoa and Ha Tinh provinces. Works will include expanding and improving infrastructure and carrying out capacity building; benefiting, in all, at least 830,000 inhabitants.

Technical assistance grants approved

Foundation for the Social Promotion of Culture. US\$400,000. To help fund the construction, equipping and furnishing of an Etimoè Primary School for girls in the district of Cocidy, Abidjan, Côte d'Ivoire. The school will create over 180 places for children from low-income and internally displaced families.

World Health Organization. US\$800,000. To help finance a project that aims at increasing the capacity of district-level health facilities in emergency, trauma, surgical, anaesthesia, obstetric care and disaster management in Ghana, Sierra Leone and The Gambia.

Grant approved under the HIV/AIDS Special Account

International Association of Physicians in AIDS Care. US\$300,000. To support a Multi-disciplinary Care Team approach to the provision of HIV/AIDS - related healthcare services in sub-Saharan Africa (Ethiopia, Malawi, Mozambique, Uganda and Rwanda). At least 315,000 HIV-positive children and adults, as well as 14,000 healthcare workers, are expected to benefit from the project.

Grant approved under the Special Account for Palestine

Land Reclamation & Development in the West Bank, Palestine. US\$1.5 million. To co-finance a program that aims at increasing areas allocated for agricultural development by around 220 hectares in 30 villages located in the northern middle and south governorates of the West Bank.

Assistance to Civil Society Organizations in Palestine – Phase IV. US\$2 million.

To support a program that is providing assistance to 20 Palestinian civil society organizations that are carrying out activities in the areas of education, health, agriculture and community development.

Research grants approved

Islamic Academy of Sciences (IAS). US\$50,000. This grant supported the 18th IAS Conference *The Islamic World and the West: Bridging the Divides through Science and Technology*, which was held October 22 – 24, 2011 in Doha, Qatar.

Missionaries of St. Francis De Sales. US\$60,000. To help finance the final construction works of a secondary school in Mlolongu, Kenya.

OCTOBER 21

Public sector loan agreement signed

Cameroon. US\$10 million. Bikoula – Djoum Road. To construct a 38 km road to open up rural areas, especially the South Region, and help improve the living conditions of more than 650,000 through the facilitated access to basic social services and marketplaces.

OCTOBER 27

Emergency assistance grant approved

El Salvador, Nicaragua and Turkey. US\$500,000. This grant was channeled through the International Federation of Red Cross and Red Crescent Societies and helped victims of a spate of natural disasters.

NOVEMBER 9

OFID hosts workshop

OFID hosted a “Young Challengers Meeting” at its headquarters. The workshop was organized by the Grameen Creative Lab in connection with the 2011 Global Social Business Summit that took place in Vienna.

NOVEMBER 9

OFID signs risk-sharing agreement

OFID Director-General, Mr. Suleiman J. Al-Herbish, signed a risk sharing agreement with JP Morgan Chase (JPM) for a US\$200 million risk participation arrangement in London, UK. The agreement was countersigned by Mr. Dani Cotti, Managing Director and Global Trade Executive of JPM, and will help increase the availability of trade finance in developing countries and emerging markets.

NOVEMBER 15-16

OFID hosts energy workshop

OFID hosted the 2nd International Energy Forum (IEF) Symposium at its Vienna headquarters. See story page xx.

NOVEMBER 18-20

OFID hosts high-level meeting

OFID hosted the 2nd Meeting of the Technical Group and Sherpas of the UN Secretary-General's High-level Group on Sustainable Energy for All (SE4ALL) at its headquarters in Vienna. See story page xx.

NOVEMBER 21

Line of credit agreement signed

OFID Director-General, Mr. Suleiman J. Al-Herbish, signed a US\$10 million line of credit agreement with *Banco Financiera Comercial Hondureña SA (Ficohsa)*, Honduras. Through the proposed facility, OFID aims to support the growth of Banco Ficohsa's SME (small and medium-sized enterprises) portfolio and ensure continuous access to financing to new and existing enterprises in Honduras.

DECEMBER 1

Public sector loan agreement signed

Honduras. US\$25 million. Rehabilitation of the Agricultural Corridor Road. To support renovation of two sections of a major road that links important agricultural production areas, benefiting, in all, some 1.2 million people.

DECEMBER 19

Public sector loan agreement signed

Guatemala. US\$15 million. Sustainable Rural Development Program for the Northern Region. To carry out a wide-range of rural development works in 19 municipalities in the northern region, benefiting around 186,000 individuals.

DECEMBER 21

137th Session of the Governing Board

Public sector project loans approved

Bangladesh. US\$30 million. Sikalbaha 225 MW Combined Cycle Power Plant. To improve the access, reliability and quality of electrical power to households in the greater Chittagong area.

Ethiopia. US\$15 million. Gode – Kebridhar 132 kV Power Transmission. To expand the country's national grid and provide electricity connection to 34 towns and villages.

Honduras. US\$10 million. Southern Region Sustainable Rural Development. To support a rural poverty reduction program that will benefit some 40,000 families.

Nepal. US\$20 million. Rural Connectivity and Community Development. To improve transport infrastructure that will boost connectivity and access to social services and jobs, benefiting around 1.5 million people.

Nicaragua. US\$12 million. National Program for Sustainable and Renewable Energy. To provide some two million Nicaraguans with connections to the country's electricity distribution network.

Niger. US\$10 million. Arlit – Assamake Road. To construct a 223 km-long road to help reduce isolation of remote, rural communities and boost access to marketplaces and social services.

Papua New Guinea. US\$9 million. Rural Primary Health Services Delivery. To construct, renovate and equip two community health posts and eight health facilities in each of 16 districts participating in the project.

Rwanda. US\$10 million. Rubengera – Gasiza Road. To construct a 23.6 km-long road in the Western Province, thus enhancing access to social services, marketplaces and agricultural production zones for some 1.8 million people.

The Sudan. US\$30 million. Upper Albara Dam Complex. To help improve agricultural productivity and power generation, as well as reduce pollution in Kasal State. Enhanced water supplies will benefit some 160,000 farmers who rely on irrigated agriculture.

Togo. US\$10 million. Adagali – Arakpame Road Rehabilitation. To boost economic growth through rehabilitation of an 80 km-long road that passes through important agricultural areas in the Plateaux Region, populated by around 1.3 million inhabitants.

Technical assistance grants approved

Hilfswerk Austria International. US\$420,000. To strengthen food security of 600 rural families residing in 50 villages in Senegal.

International Fund for Agricultural Development. US\$760,000. To set up small-scale solar energy plants in São Tomé and Príncipe and Ghana.

Solar Electric Light Fund. US\$400,000. To provide electricity to some 104,000 residents in 44 villages in northeast Benin.

Renewable Energy and Energy Efficiency Partnership. US\$488,768. To provide sustainable and affordable energy sources in Cambodia, Tanzania, and Ethiopia.

Grant approved under the HIV/AIDS Grant Account

UNESCO (United Nations Educational Scientific and Cultural Organization)/OFID Comprehensive Education Sector Response to HIV/AIDS in West and Central Africa. US\$1.2 million

Grant approved under the Special Account for Palestine

United Nations Relief and Works Agency. To reconstruct the Samakh School for Girls in Nahr el-Bared Camp in Lebanon. US\$1.25 million.

Meetings attended by OFID

OCTOBER 10-11

OSLO, NORWAY
Oslo Conference on “Energy for All: Financing access for the poor”

OCTOBER 17-18

PARIS, FRANCE
2nd Annual Conference of the Sovereign Wealth Funds and Other Long-Term Investors

OCTOBER 18

VIENNA, AUSTRIA
20th General Assembly of the Austro-Arab Chamber of Commerce

OCTOBER 19

VIENNA, AUSTRIA
5th Arab-Austrian Economic Forum and Exhibition

OCTOBER 27-28

BEIRUT, LEBANON
4th Annual Conference of the Arab Forum for Environment and Development under the theme “Green Economy: Sustainable Transition in a Changing Arab World”

NOVEMBER 1

KHARTOUM, SUDAN
Board of Directors' meeting of *Byblos Bank Africa*

NOVEMBER 10-11

MILAN, ITALY
Crisis Communication Conference

NOVEMBER 10-12

VIENNA, AUSTRIA
3rd Global Social Business Summit

NOVEMBER 12

OXFORD, UNITED KINGDOM
Meeting of the Oxford Energy Policy Club

NOVEMBER 13-15

MIAMI, USA
Annual Assembly of the Latin American Federation of Banks

NOVEMBER 15-16

VIENNA, AUSTRIA
2nd International Energy Forum – OFID Symposium on Energy Poverty entitled “Global Initiatives and Regional Cooperation to Eradicate Energy Poverty”

NOVEMBER 17

ROME, ITALY
Annual Meeting of the Assembly of Parties of the International Development Law Organization

NOVEMBER 18-20

VIENNA, AUSTRIA
2nd Meeting of the Technical Group and Sherpas of the UN Secretary-General's High-level Group on Sustainable Energy for All (SE4ALL)

NOVEMBER 21-24

KUALA LUMPUR, MALAYSIA
2nd International Water Association Development Congress and Exhibition

NOVEMBER 23-24

TEHERAN, IRAN
Iran Investment Summit

NOVEMBER 29

VIENNA, AUSTRIA
Regional Debate of the European Association of Communication Directors under the theme “Giving a Voice to the Voiceless using Social Media”

NOV. 29 – DEC. 1

BUSAN, KOREA
4th High Level Forum (HLF-4) on Aid Effectiveness

DECEMBER 4-8

DOHA, QATAR
20th World Petroleum Congress under the theme “Energy Solutions for All – Promoting Cooperation, Innovation and Investment”

DECEMBER 12-14

KUWAIT CITY, KUWAIT
Joint Action Forum of the African Program for Onchocerciasis



137th Session of the Governing Board

The Governing Board of OFID held its 137th Session, December 21. The Board approved more than US\$160 million in new loans and grants to pursue development in partner countries. Since its inception, OFID has committed over US\$13.5 billion in much-needed concessional development financing to 130 developing countries around the world, with priority given to the poorest amongst them.



Mr. El Boueshi M. Ellafi,
Governor of Lybia to OFID.

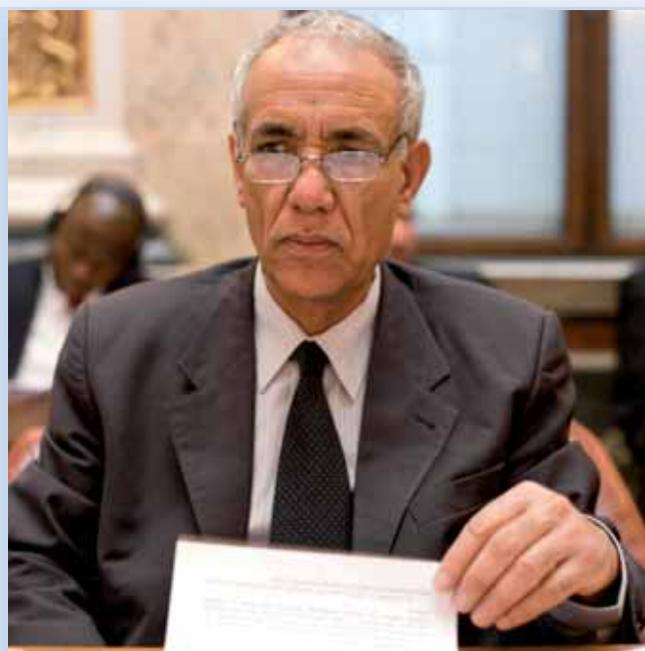


Ms. Aisha S. Omar, Chief Administrative Officer,
Ministry of Finance, Nigeria.

HE Dr. Behrouz Alishiri,
Governor of Iran to OFID.



Mr. Askolani,
Alternate Governor of Indonesia to OFID.



Mr. Abdelmalek Zoubeidi,
Alternate Governor of Algeria to OFID.

LOAN SIGNATURE
photo
gallery

October 21

HE Mr. Louis Paul Motaze,
Minister of Economy, Planning and
Regional Development, Cameroon,
signing agreement for the
Bikoula-Djourn Road Project
(US\$10 million).



November 21

HE Mr. Javier Atala,
Executive Vicepresident and
General Manager, *Banco Financiera
Comercial Hondureña* with OFID's
Director-General, Mr. Al-Herbish,
following signature of a line of
credit agreement (US\$10 million).

December 1

HE Mr. Efrain Diaz Arrivillaga, Ambassador of Honduras in Germany, signing agreement for a US\$25 million loan to pursue *Rehabilitation of the Agricultural Corridor Project* in Honduras.



December 19

HE Ms. Carla Maria Rodriguez Mancia, Ambassador and Permanent Representative of Guatemala to the IAEA, with Mr. Al-Herbish. She signed an agreement for a *Sustainable Rural Development Program* for the Northern Region of Guatemala (US\$15 million).

The full list of loan signatures can be found on pages 20-21.

VISITOR highlights

November 8

HE Mr. Aliyar Lebbe Abdul Azeez, Ambassador of the Democratic Socialist Republic of Sri Lanka, visited OFID's Director-General.



November 17

HE Mr. Lassine Bouare, Minister of Economy and Finance of the Republic of Mali, visited OFID to meet with the Director-General.



November 23

HE Mr. Arman Kirakossian, Ambassador of the Republic of Armenia to Austria paid a courtesy call on Mr. Al-Herbish.

November 29

HE Mr. Arthur Kafando, Minister of Industry, Trade and Handicrafts of Burkina Faso, visited OFID to pay a courtesy call on OFID's Director-General.



December 1

HE Dr. Richard Konteh, Minister of Trade and Industry of Sierra Leone, visited OFID and met with the Director-General.



November 28

OFID's Director-General Mr. Al-Herbish (*left*) with Palestinian President HE Mr. Mahmoud Abbas at a meeting in Vienna, Austria.

PHOTO: EMBASSY OF PALESTINE IN VIENNA



OFID

A photograph of two young African children, a boy and a girl, looking intently at a screen. The boy is in the foreground, wearing a purple shirt, and the girl is behind him, wearing a pink shirt. The background is slightly blurred, suggesting an indoor setting like a classroom or a computer lab.

OFID continues to expand its operations and outreach to developing communities and societies across the world, particularly in Africa, Asia, Latin America, the Middle East and parts of Europe.

In the past few years, some ICT projects to help bridge the digital divide, have seen successful completion, realizing the envisaged aims and objectives. In the following pages, two projects are presented.

in the Field

Strengthening Health and Education through eLearning

The World Health Organization has developed a series of educational programs relying on technology to promote healthy lifestyles in developing countries. A grant from OFID supports the progress of eLearning in Ghana and the Gambia.

BY DAMELYS DELGADO

Three of the *Millennium Development Goals (MDGs)* are associated with enhanced health: reducing child mortality (MDG 4), improving maternal health (MDG 5) and combatting HIV, Aids, malaria and other diseases (MDG 6), thus reflecting the global importance of these issues. When the goals are combined with education, the impact on society is increased and the benefits greatly enhanced. Aligning the two concepts, the World Health Organization (WHO), in 2003 launched, and currently supports, *The Health Academy* to strengthen both education and health using the eLearning technology to incorporate healthy practices among school-age children in developing countries.

Defined as learning through any electronic technology or media, eLearning is an excellent tool for spreading information on disease prevention and for promoting health, since technology is progressing very rapidly and populations in relatively remote areas can be easily reached.

WHO has developed a growing battery of courses to promote healthy behavior, and to transform the learning experience on health, addressing HIV/AIDS and blood safety, tobacco use, road safety, physical activity, food safety, substance use, malaria, tuberculosis, influenza, oral health, among other matters. The content is delivered in a form suitable for eLearning, in national and local languages, and is validated by WHO education and community health specialists.

Fostering best practices on Health

Providing more than just distance education, the Health Academy design uses graphics, animation and interactive features to engage a wide range of people, always in consideration of cultural sensitivities and traditions.

Established eLearning courses include the following:

- **All the Way to the Blood Bank.** Describing the various components and functions of blood, the course explains the importance of donating blood, lists the most common diseases that can be transmitted by blood, in particular HIV, and explains who is eligible to donate blood.
- **Fighting for Our Lives.** As Tobacco is rapidly becoming one of the single biggest causes of death in the world, it is expected to kill about one billion people in the 21st century; the goal of this course is to prevent and control tobacco use, particularly personal use.
- **Healthy Mind, Healthy Body.** This course is designed to develop skills to enable young people to avoid the dangers inherent in substance use, to promote positive and responsible attitudes, and provide motivational support.
- **Safely on Our Way.** This course empowers learners to promote safe behavior on the roads for all users, drivers as well as pedestrians.



In Ghana, a class at the ICT center.

PHOTOS: WHO

- **Avoiding Tuberculosis.** Information on Tuberculosis and its prevention is of critical importance and should be sought in order to curb the occurrence of this disease.
- **Safer Food for Better Health.** Food is a major source of exposure to disease-causing, or pathogenic, micro-organisms and chemicals. In the developing world, each year over two million deaths in children under five years of age are estimated to have been caused by micro-biologically contaminated food.
- **Staying Fit.** In this course, learners are encouraged to think about their need for physical activity.
- **Water for Life.** The users learn how to carry out action-oriented projects to protect and improve critical water resources in their schools, homes, community and in the larger environment.
- **Protecting our Bones.** The goal of this course is to enable people to prevent and control *osteoporosis*. This topic is divided into three eLearning courses, targeting women, men and children separately.
- **Oral Health.** Oral health means much more than good teeth because the mouth includes not only the teeth and the *gingivae*, but also their supporting connective tissues, ligaments and bones. The course provides the learner with the skills to take action to improve their oral health and prevent diseases.
- **Don't Be a Victim of Heart Attacks and Strokes.** The goal of this course is to identify the risk factors and to practice preventive measures.
- **Mind the Bite.** Malaria is a serious and life-threatening illness which can be transmitted to people of all ages. It is possible, however, to both prevent and cure it.
- **Playing it Safe.** The *H1N1 virus* is a new Influenza virus that has spread rapidly around the world. To avoid it is a part of the goal to be reached among those addressed in this course.



In the Gambia, eLearning on a public health project.

Partners of the Health Academy in Africa

OFID is proud to be part of this dissemination of knowledge, participating with WHO in an eLearning project in the Gambia and Ghana through a grant that allows students from eight to 25 years to meet the goal of preventing exposure to health risks.

Gambia has poor health indicators. Rapid population increase has put considerable pressure on the national health budget and the shortage of health personnel has compounded the impact on public health service delivery. The indicators are alarming: life expectancy at birth is 58 years for men and 61 years for women; and the probability of dying under the age of five, is 103 per 1000 live births. The same indicators in a developed country like Austria, for example, show the gap where life expectancy at birth is 78 years for men and 83 years for women, and the probability of dying before the age of five, per 1000 live births, is five. The indicators in Ghana are equally not promising as in the Gambia, with life expectancy (in Ghana) at birth at 57 years for men and 64 years for women, while the probability of

dying under the age of five is 69 per 1000 live births.

In Ghana and the Gambia, access to basic health services is below expectations, and a long way to more positive indexes. Since the project offers a unique opportunity to strengthen ICT-Health Education in schools, computer laboratories are vital for the success of the courses. In Ghana, just 25 percent of schools have ICT facilities, while 38 percent in the Gambia have computer laboratories. The percentage of facilities means that around 100,000 people in both countries have access to health information, and most of this information can be spread within the community.

OFID's grant assistance helps in promoting healthy behavior and, subsequently, reducing mortality and morbidity. For societies to prosper, it is imperative to have a healthy population, and since its inception, OFID has supported many healthcare projects worldwide together with other institutions. Ghana and the Gambia are examples of effective cooperation between WHO and OFID. ■



Cellular services bridge Digital Divide in Pakistan

A private sector success story

Walking through the bustling streets of Pakistan, it is a rare sight to spot someone who is not carrying a mobile phone. Cellular devices permeate all strata of Pakistani society today, from a young school girl sending text messages to her classmates to a shopkeeper talking to his supplier and an elderly father having a casual conversation with his son living abroad.

BY TAMANNA BHATIA

Pakistan is among the Asian countries that have seen a tremendous boom in the use of mobile phone over the last few years. By September 2011, the total number of mobile phone subscribers in Pakistan had surpassed 100 million, with mobile penetration in Pakistan at over 65 percent in the year 2010-2011 as compared to 61 percent in the previous year. Pakistan is one of the fastest growing telecommunications markets, with total tele-density at 69 percent in 2010-2011. The provider *Mobilink* leads from the front in terms of providing Pakistan's consumers with a reliable cellular service. From 11 million customers at the start of 2006, Mobilink's customer base has increased to 33 million by 2011; i.e. an increase of 22 million customers in just five years.

Mobilink's contribution to the social and economic development of Pakistan is not limited to communications solutions and infrastructure development. The company has also taken the lead in terms of giving back to the community. In 2007, Mobilink established the *Mobilink Foundation*, a non-profit organization that focuses on the areas of education, basic health, the environment and humanitarian assistance. The Foundation has contributed financial and human resources towards economic growth and social development in the aftermath of natural disasters that have plagued Pakistan. Mobilink Foundation has also provided relief and rehabilitation in the aftermath of the IDP crisis of 2009 as well as the floods of 2010 and 2011.

Providing a boost to social economic growth

For people living in Pakistan, a mobile phone is no longer a status symbol but an integral part of life and, in many ways, instrumental in transforming life. With over 70 per cent of Pakistan's population residing in rural areas, the penetration of mobile services in villages has become a great leveler for bridging the digital divide.

Sheraz Ahmad Rana, Acting Manager Treasury – Corporate Finance at Mobilink,

discloses that “Mobilink, co-financed by OFID in 2004, has been successful in delivering a variety of services and content to the common man. Through Mobile Value-Added Services, it has contributed significantly to digital empowerment and inclusive growth by benefiting communities in the remotest villages.”

Some of the noteworthy services that Mobilink has provided rural consumers include helping farmers access information on climate, soil, agricultural practices and price; providing women necessary information regarding the status of their loan applications from the comfort of their homes; helping pregnant women access better antenatal and postnatal care through alerts on mobile phones; and providing undernourished children access to better health check-ups and nutrition advice.

Dr. Ramina Samii, Private Sector Operations Officer at OFID, adds: “OFID believes that the private sector is the engine for growth in any economy. The private sector is the main contributor to job creation, economic growth, innovation, government budget (through taxes), competitively priced products, etc. OFID decided to support Mobilink because the company, which commenced operations in 1994, contributed to increase competition in the country and was the first company to set up a digital cellular network.”

Mobilink leads innovation

For young and tech-savvy Pakistanis, Mobilink has developed the market for on-the-go email and internet solutions starting with postpaid services, and then evolving into the prepaid consumer market as well.

With 60 percent of Pakistan's population under the age of 24, Mobilink launched a youth specific product in 2010. The service, aptly titled Jazba (meaning ‘Passion’), is targeted at the youth segment and offers tailor made products to meet their needs. The youth of Pakistan aspire for the same freedoms as those available to young people across the world, and Jazba caters to this need by providing a means of communication

tailored to their lifestyle. Some of Jazba's most innovative offerings include ‘Juke-Box’ for music lovers, SMS Bundles for the text savvy, unlimited daily GPRS Bundles for web surfers, Job Alerts for job seekers, Sports Alerts for gaming enthusiasts, News Alerts for the politically aware and a whole range of Friends and Family offers.

Mobilink has also led the front on subscriber engagement in Pakistan's cellular service industry. The Jazba brand initiated on-ground activations, providing subscribers from remote and rural areas the chance to visit the beautiful northern areas of Pakistan. Jazba also brought revolutionary gaming technology XBOX Kinect to over 170 schools and universities across Pakistan to encourage game-based learning. The brand also conducted a major Talent Hunt in over 100 schools and universities across Pakistan to provide young people a platform to showcase their talents.

A bright future ahead

With the support of OFID and other financing institutions, Mobilink remains committed to improving services; lowering consumer costs; and, as a result, expanding the market size, especially in the lower income populations. Mobilink aims at enhancing competition, increasing the level of market penetration/tele-density, creating jobs in the telecom sector, facilitating access to high quality telecom services that support the business community; and reducing pressure on the government in developing fixed line systems.

There is no doubt that mobile technology is playing a significant role in bridging the digital divide in Pakistan, as in several other countries around the world. Affordable mobile services have succeeded in lessening the information gap and have provided the people of Pakistan new platforms to engage and participate in issues related to healthcare, education, farming and entertainment. The popularity of mobile services in Pakistan has been considerable and is certain to expand in the years to come. ■



부산세계개발원조총회 4th High Level Forum on Aid Effectiveness

Building a New Global Partnership
for Effective Development Cooperation



South Korea hosts Fourth High Level Forum on Aid Effectiveness

Arab Funds and OFID urge commitment to values of solidarity and global partnership

The Republic of Korea (South Korea) hosted, in November/December, a *Fourth High Level Forum on Aid Effectiveness* attended by a record number of participants including government leaders, policy-makers, heads of international development finance institutions and, for the first time in such gatherings, private sector representatives. The meeting took place in Busan, South Korea's second-largest city, located at the southernmost tip of the Korean peninsula. The Forum followed from previous summits in Paris and Accra which set out broad principles on aid effectiveness – ownership of aid programs by recipient countries, trans-

parency, predictability and mutual accountability. Busan examined development cooperation against the background of the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action*.

According to the British *Guardian* news network, Busan (attended by over 2,500 delegates) was a stocktaking exercise and an attempt to build on principles and also bring in new players into a common framework. The event helped showcase the success of South Korea as a former development aid recipient, going back to the country's emergence from civil war in the 1950s.

Busan and South Korea reportedly took pride in hosting the conference, and the South Korean government asserts that others can learn from its development experience. After the Korean War, South Korea was one of the world's poorest countries with an annual per capita income of only US\$64. Today, South Korea belongs to the G20.

Arab Funds

Visibly present in Busan were also Arab aid institutions and OFID. The Arab Funds, individually and collectively under the umbrella of their *Coordination Group*, advised building on values of solidarity and global partnerships. The Funds earlier issued a Statement on their resolve to renew their commitment to “harmonious international cooperation in which official development assistance (ODA) and other forms of development financing played an effective role in promoting development and social justice.”

Under the aegis of the Coordination Group, the Arab Funds pledged to continue to pursue coordination and collaboration among themselves (and with the wider global development agencies) to assist poorer countries to reach their economic and social development objectives.

The Arab Funds commenced their development work with partner countries 50 years ago. Cumulatively, thus far, they have committed over US\$100 billion to major investments all over the developing world. While the larger share of the resources of the Funds has been provided by Arab countries *per se*, there is a “significant presence of non-Arab partner countries in the capital and in the management of the multilateral institutions of the Group.” The Funds speak of “having learned from an uninterrupted exposure to development issues, globally and locally, in countries at various stages of development and thus would wish to share this experience.” They continue to be devoted to the principles of ownership, alignment, harmonization, mutual accountability and “managing for results” and would like to see developing countries and their representatives given “greater space and better capacity” to voice their concerns.

Accordingly, the Funds, in their Statement, called on advanced economies to meet the commitments the advanced countries have made on various occasions to increase aid volumes and further improve the quality of aid. The Arab Funds were of the opinion that the Busan Forum should result in a strengthened partnership

“where development effectiveness is the ultimate objective and where aid and aid effectiveness are enabling factors.” The Funds have pledged to play an active role in the post-Busan development agenda, committing themselves “to building a broad paradigm based on the new development landscape and involving all resources and all actors” in line with Goal Eight of the *Millennium Development Goals (MDGs)* and in continuation of the *Monterrey Consensus*.

OFID

OFID, as a multilateral institution, was effectively part of the Forum. An OFID delegation comprising Fuad Albassam, Acting Assistant Director-General; Said Aissi, Advisor to the Director-General; Imhemed Bukader, Director, Asia Region; Anajulia Taylhardat, Director, Latin America, Caribbean and Europe Region; and Mohammad Al-Sheha, Corporate Development Officer, attended the sessions. OFID had been entrusted by the Arab Group with the coordination of activities preparatory to the Forum and leading to the Arab Group Statement of Resolve.

Declaration

The Busan Forum concluded with a Declaration which establishes an agreed framework for development cooperation that would embrace traditional donors, South-South co-operators, the BRICs, CSOs and private funders. The Forum said this marked a turning point for international development cooperation.

An important feature of the Busan Declaration was the establishment of short term goals (2012 and 2013) to monitor progress of agreed commitments. Together, said the Declaration among other aims, “we will increase our focus on development results... we will partner to implement a global Action Plan to enhance capacity for statistics to monitor progress, evaluate impact, ensure sound, results-focused public sector management, and highlight strategic issues for policy decisions.”

The Declaration continues inter-alia: Participants will build on their respective commitments set out in the Paris Declaration and Accra Agenda for Action, and they will accelerate their efforts to achieve gender equality and the empowerment of women through development programs grounded in country priorities, recognising gender equality. They also will work to make development co-operation more predictable in its nature. ■

Busan: Focusing on development results and partnering to implement an Action Plan to enhance capacity and highlight issues for policy decisions.

IWA Congress & Exhibition hold in Kuala Lumpur

OFID in attendance

Government representatives, international institutions, civil society and non-governmental organizations as well as environment experts gathered November 21-24 in Kuala Lumpur, Malaysia, for the 2nd biennial *International Water Association (IWA) Development Congress & Exhibition*. The Congress provided a platform for key development organizations and committed professionals from lower and middle income countries to work in partnership and devise solutions for the challenges ahead.

BY SHIRIN HASHEMZADEH

Conference theme

The theme of the Kuala Lumpur Congress was *Pioneering water solutions in Urbanising Areas*. The aim was to increase commitment on the part of all stakeholders. Major partners of the Congress included the Water and Sanitation Program, the European Investment Bank, the International Union for Conservation of Nature, USAID, UNESCO, UNICEF, UN-Habitat, WHO and the World Bank. The event built on the success of the first Congress which took place in Mexico City, November 2009.

Kuala Lumpur provided networking opportunities for on-the-ground solutions to urban water and sanitation difficulties in target countries. Participants sought to share experiences and insight. OFID had extended, in June 2011, a grant in the amount of US\$150,000 to support the participation of 40 water and sanitation sector professionals from 35 developing countries. OFID itself was prominent at the Congress. There was an OFID exhibition stand which attracted an impressive number of visitors.

The Conference featured plenaries and workshops, poster presentations and various theme-related sessions. Keynote speakers “moved the dialogue forward,” putting in sharp focus what still needed to be done to

assist in particular people most in need in the poorer countries of the world – OFID’s target group. Discussions essentially focused on topics ranging from appropriate technology solutions to broader enabling mechanisms such as governance, finance systems, capacity development and stakeholder mobilisation.

The Conference was informed, *inter-alia*, that

- locating clean water in drought-stricken environments is an arduous task with the typical water sources (springs, rivers, streams, rain water-water harvesting and wells) often unable to cope;
- discovering sustainable water sources has thus far involved joint exploration with local water resource bureaus, provincial poverty relief agencies and relevant organizations. Related problems cannot be permanently solved with hand-outs;
- we face a future world in the next 40 years with approximately 800,000 new urban residents being added every week to existing and new cities. The majority of this urban population growth will not occur in the megacities as many might think, but rather in smaller cities and towns; and
- of the 3.5 billion people living in urban circumstances around the world, less than 50 percent have access to adequate water and sanitation services. At the same time, poorly targeted programs, under-investment, lack of awareness of existing alternatives and insufficient innovation in conventional water and sanitation have resulted in a world where:
 - 15 percent** of people have no access to an improved water source (0.9 billion)
 - 50 percent** of people have no potable in-house tap water (3.0 billion)
 - 70 percent** of people have no sewerage (4.5 billion)
 - 80 percent** of people have no waste water treatment (5.5 billion)

The Congress learned that lack of sanitation will require a combination of experience-based knowledge and action for safe, efficient and affordable solutions related to urban water technologies and service provision. This will affect interactions with the complex social and institutional fabric that makes up the urban area and its sphere of influence. Business as usual will not be a viable option in the light of the future the world faces.

Conference recommendations

The Conference thus concluded with a number of recommendations; among them:

- The establishment and internal funding of mechanisms for continuous capacity building to sustain gains while also providing necessary tools and equipment;
- Compliance with and enforcement of appropriate legislation governing water and sanitation through establishing and improving existing facilities like dump sites, toilets etc.; and
- the necessity to combine engineering expertise with sensible economics for building floating water treatment plants in order to produce affordable drinking water, as well as designing floating toilets to market to populations currently living without access to affordable potable water and proper sanitation.

Leaders of the field were advised to cooperate to explore connections between the water and energy sectors and their impact on the environment.

IWA is a global network of 10,000 individual and 500 corporate members in 130 countries. It serves as the reference point and network for water professionals, spanning research and practice and covering all facets of the water profession. It covers the entire water cycle. Through its members (experts in research, practice, regulation, industry, consulting and manufacturing) IWA is positioned to lead and support the creation of innovative, pragmatic and sustainable solutions for global water challenges. ■

A combination of experience-based knowledge and action related to urban-based technologies will help battle the lack of sanitation.



PHOTO: IWA

OFID Statement at the IWA Congress



OFID was represented at the Kuala Lumpur Congress by a delegation that included Dr. Walid Mehalaine, Operations Officer, OFID's Africa Region. On behalf of Mr. Suleiman J. Al-Herbish, Director-General, OFID, Mehalaine addressed a Session of the Congress.
Excerpts:

OFID: an introduction

Our organization (OFID) was established in 1976 by OPEC member countries as a multilateral development institution, with the aim of fostering social and economic progress in the developing world through the provision of concessional and soft financing to developing countries, and the promotion of South-South partnerships in every way available to it.

OFID provides financing in a number of ways, with the distribution between the different types of aid changing over time as conditions in recipient countries evolve and needs alter. Our methods of funding include public sector loans for development projects and programs; balance of payments support and debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative; trade financing; support to private enterprises; Grants for technical assistance, food aid, research and humanitarian relief work; and cooperation with other development organizations whose activities benefit developing countries.

By the end of September 2011, the level of cumulative development assistance extended by OFID stood at US\$13,406 million, of which 1,093 were public sector project and program loans, in a total amount of US\$8,371 million.

Water and Sanitation

OFID's assistance to developing countries in the water and sanitation sector and related sectors has, to date, served mainly for the rehabilitation and extension of urban and rural water supply and sewerage systems, and development of small scale irrigation schemes, in pursuit of one general goal, poverty reduction, and five immediate objectives:

- Increase the proportion of people with sustainable access to safe drinking water and improved sanitation facilities;
- Reduce the incidence of water borne diseases;
- Improve urban and rural water and waste management systems;
- Improve food security through the development of sustainable agriculture irrigation schemes and/or the restoration of agricultural land;
- Enhance access of the poor to affordable, reliable and sustainable energy services. In the context of water, this matters as we need energy for water production and distribution.

These objectives are consistent with OFID's mission to foster social and economic progress in the developing world.

In addition to *concessional loans*, OFID has financed several projects in the water and sanitation sector through *technical assistance grants*.

Capacity-building, research and studies

We also do promote South-South and North-South cooperation and capacity-building, in this and other sectors through our research grants. A heavy emphasis is placed on research topics and studies of particular relevance to poorer countries and on the advancement of science and technology. Human capital is also enhanced through the sponsorship of seminars, training courses and workshops.



The OFID booth at the IWA Congress & Exhibition.

PHOTO: LILIAN EL-RABADI AL-BAZAZ/OFID

This is a reason we decided to sponsor this 2nd IWA Development Congress. In particular, we recognize the benefits of such events in terms of knowledge sharing and partnerships building. Yet another reason for sponsoring the 2nd IWA Development Congress is our commitment to supporting developing countries in meeting their Millennium Development Goals (MDG) targets. In this regard, OFID recognizes the progress made toward the attainment of the MDG targets on water and sanitation, halving the proportion of the population without sustainable access to improved drinking water and basic sanitation.

However, we are concerned about the fact that according to the latest estimates on progress toward the MDGs (a Global MDG report was published in 2011), some 884 million people in the world still lacked access to improved drinking water, and almost all of them live in developing countries. OFID is also aware of the uneven progress made toward the attainment of this MDG target among and within developing countries.

OFID is even more concerned about the fact that some 2.6 billion people globally, almost half the population of developing countries (almost two thirds of the population of Southern Asia) are not using an improved form of sanitation, and that, at the current rate of progress, the world would miss the MDG target on sanitation.

OFID is all the more concerned because lack of progress on water and sanitation would affect efforts toward attaining other MDG targets. In particular, it may prevent efforts to reduce child (Goal Four; Target 4A) and maternal mortality (Goal Five, Target 5A).

According to WHO, 24,000 children die in developing countries every day from preventable causes like diarrhoea contracted from unclean water. The latter is the second largest cause of death among children under five, killing 1.5 million children every year. Lack of access to potable water kills more children than AIDS, malaria and smallpox combined.

OFID is aware of the specific challenges posed by growing urbanization in most developing countries, as this has resulted in a sharp increase in the number of slum dwellers. These populations are more vulnerable to water borne diseases. We all also know that in developing countries poor people often pay much more – between ten and a hundred times more – for water and sanitation services than their wealthy neighbours and, than farmers and industrialists.

Finally, we are concerned about the fact that most population growth will occur in developing countries and mainly in regions that are already in water stress, in areas with limited access to safe drinking water and adequate sanitation facilities. This concern is shared by most of our Member Countries as they are facing themselves the problem of water scarcity.

For all of these reasons, OFID calls on all participants in this conference to renew their efforts to finding new and practical solutions to address the needs of the millions of human beings living in developing countries who still lack sustainable access to safe drinking water and basic sanitation. In this respect, we believe that solutions have to be found at both the global (e.g. climate change financing mechanisms), regional and national levels.



Global Social Business Summit holds in Vienna, Austria

The *Third Global Social Business Summit (GSBS)* was held in Vienna, Austria, November 10-12. It brought together young (average age 30) business pioneers, investors and representatives of governments, the private sector, academia and civil society and served as a platform for networking and the sharing of knowledge and experience on means to foster *Social Businesses (SBs)* worldwide.

by Fatimah Zwanikken

SBs can be defined as non-dividend companies that pursue social goals in a financially sustainable way. SBs are spreading around the globe, covering all sectors of the economy. The trend has intensified as a result of the ongoing global economic and financial crisis, which has brought about increased levels of unemployment, poverty, anxiety and social instability, worldwide.

Whereas previous discussions evolved around the concept of Corporate Social Responsibility (responsible activity on the part of business with the aim of using their available leeway to foster sustainable development), awareness is gradually emerging about the need to build a stronger global community where governments, corporations and civil society organizations are all fully committed to tackling the most pressing challenges of our time, and building social capital and cohesion.

Social Business is directly linked to poverty reduction and financial inclusion, and represents the missing link to meeting the United Nations (UN) Millennium Development Goals (MDGs) by the target date of 2015. Conscious of the importance of SB for meeting the MDGs, OFID hosted a pre-GSBS *Young Challengers Meeting* at its premises, November 9. The meeting brought together some 40 young people from more than 30 countries (see separate article). The event was organized by the Grameen Creative Lab (GCL) in preparation for the GSBS and aimed at encouraging youth to accelerate sustainable development and poverty reduction through SB.

After a welcoming address by the OFID Director-General, participants were given an opportunity to discuss the concept of SB through hands-on experience, and to elaborate on SB-related ideas with Professor Muhammad Yunus (Bangladesh).

Professor Yunus is founder of the GSBS and Managing Director of the Grameen Bank, a micro-finance and community development bank providing access to financial services to more than 81,000 villages in Bangladesh. In his Opening Address to the third GSBS, Prof. Yunus highlighted the potential of SB to resolve employment, particularly among the youth, through a bottom-up approach. "When the crisis is deepest, opportunities are greatest," he said. He urged youth to energize itself and explore its unique and unlimited power and potential to innovate and create SBs in order to resolve the problems of our time.

Also addressing the Opening Session was UN Secretary-General Ban Ki-moon. In his virtual address, Mr. Ban stressed the importance of SB for meeting the MDGs. "The private sector has an important role to play. As a primary driver of innovation, investment and job creation, business is well placed to help accelerate progress toward the MDGs by the agreed deadline of 2015," Mr. Ban declared. "It is in our collective interest to harness the power of the private sector for the benefit of people and the planet that sustains us. I encourage you to use this Global Social Business Summit to explore what more you can do to create a more sustainable and equitable future for all," the Secretary-General concluded.

At SB-Panels that followed, participants had an opportunity to interact on topics ranging from globalization to political frameworks with representatives from government and ►



PHOTOS: THE GRAMEEN CREATIVE LAB

The private sector has an important role to play. As a driver of innovation, investment and job creation, business is well-placed to help accelerate progress toward the MDGs.

UN Secretary-General Ban Ki-moon





PHOTO: IFAD/ANWAR HOSSAIN

The Grameen Bank was set up to help the poor, particularly women, in income generating activities by providing collateral-free loans. With an eye on empowerment, women practically “own” the Grameen Bank. Although largely illiterate, they have shown that they can deal with an institution of the size and complexity of the Grameen Bank.

OFID makes available untied and concessional financing for development and extends micro-finance to a variety of sectors through its private sector facility.

◀ business. In addition, public speeches were delivered by Prof. Yunus and NASA Astronaut Ron Garan to make the point that if man can go to the moon, he can go into social business and eradicate poverty. In a *Pioneering for Results* session on November 11, entrepreneurs and social businesses had the opportunity to exchange experiences and results with other members of the Grameen Family, including Grameen Intel, Grameen Veolia, BASF Grameen and the Grameen Creative Lab.

November 12 brought a cultural program with a talk about what art can do for social business. This was organized together with a screening of *Bonsai People*, a movie about SB. That evening, TEDx – a local, self-organized event – brought together live speakers and video talks by SB pioneers from industry, business and the arts on how SB can generate socio-economic change.

Two main topics were emphasized at the GSBS: the legal and regulatory framework for SB, and the vital topic of financing social businesses. Weak financial institutions and inadequate capital mobilization in the local markets of many developing countries constrain access to financing and the growth of the private sector, including SB, hindering inclusive and equitable growth and development.

The Summit allowed for fruitful exchanges, networking and discussions on a new economic way of thinking among the participants. Having their vision in mind, participants shared their energy, knowledge and creativity, reflecting on and discussing means to generate employment, income and socio-economic change through SB. In concluding, Prof. Yunus encouraged participants to further the goals of the SB community by taking SB initiatives, stressing that, although there are many challenges to SB, they can be overcome.

Encouraging institutions like the Grameen Bank, OFID makes available a constant stream of inclusive, untied and concessional financing for development, contributing to the expansion and sophistication of domestic capital markets, and extending micro-finance to a variety of sectors through its separate Private Sector Facility (PSF). Working together with the GCL and other strategic partners, OFID proposes to step up its support to SBs in the South in pursuit of the OFID vision of a world where sustainable development, centered on human capacity-building, is a reality for all. ■



Young Challengers gather at OFID

A day ahead of the Global Social Business Summit, a Young Challengers Meeting took place at OFID's premises (see lead article). The meeting was marked by inter-activity, dynamism and inspiration.

BY REEM ALJARBOU

Prior to the Business Summit, OFID hosted, November 9, "Young Challengers" who examined the issue of harnessing the potential of top young talents and academic expertise to foster the concept of social business.

Young talents of leadership caliber came together to paint an agenda and draft questions for the summit. Their voices were very present during the Summit which followed, as a result of intensive sessions which spurred dynamism and challenging ideas. Their goal was not only to network amongst each other for future solutions, but to further discuss the concept of social business among young leaders.

The Young Challengers also attended the Summit and were directly asking questions about the role of social business in their countries and societies. They challenged political leaders from around the world.

One of the highlights of the day-long meeting was the young challengers discussions with Prof. Muhammad Yunus regarding their specific vision for the future.

Another significant milestone of this event was a heartfelt presentation by NASA Astronaut Ron Garan. Aside from being fighter pilot and a Colonel at the USAF, Garan is a founder of the *Fragile Oasis*, a project which aims at presenting a unique orbital perspective to inspire people to improve life on our planet. He stated that "I always hope that sharing these experiences and perspective will inspire student to achieve better academic excellence, and young people to impact positive change."



NASA Astronaut Ron Garan.

Having spent a total of 178 days in space, Garan brought an incredible perspective of the Earth from 250 miles above surface through video footage with his personal experience. He said that "as we all looked down at the beauty of our planet, we began to feel the stark contrast between its beauty and the inequality that exists." Garan talked to the young challengers about the social injustices, poverty and conflicts which shape our world today and the realities of their responsibilities.

Law, Justice and Development Week

OFID presents views



PHOTO: SALWA MOHAMED SALEH / WORLD BANK

The World Bank Legal Vice-Presidency hosted, November 14-17, its 2nd *Law, Justice and Development Week*, at the World Bank's headquarters in Washington DC. The Conference explored the broad theme of how legal innovation and empowerment contribute to development. There were more than 700 participants in attendance; among them, senior officials from International Financial Institutions, international development practitioners, government officials, lawyers and judges, scholars and academics, representatives of civil society and World Bank Group staff.

BY VIOLET ONYEMENAM

Opening Session

In his Keynote address at the Opening Session, Judge Sang Hyun Song, President of the International Criminal Court, spoke of the importance of synergies between general justice reforms and more specific development efforts to address atrocity crimes. He said “where impunity is allowed to reign, it leaves a desire for vengeance among populations who have been victims of massive crimes and provides fertile grounds for the recurrence of conflicts”. Judge Song – quoting *the World Development Report, 2011* – noted that the average cost of civil war is reported to be equivalent to more than 30 years of gross domestic product (GDP) for a medium-sized developing economy. In his view, the achievement of lasting peace and prosperity in post-conflict societies hinge on a coordinated approach to handling development challenges and justice enforcement.

The Conference combined both plenary and parallel sessions and addressed global issues, such as challenges relating to international financial regulation, the use of intellectual property rights in development settings, legal challenges/solutions in fragile and conflict states, public-private partnerships, asset recovery, and others; regional challenges, which included the role of law in supporting economic and social stability in the Middle East and North Africa (MENA) region, and legal harmonization as a tool for regional integration; and country cases, which looked at examples of how legal innovation and empowerment have contributed to a rise in global economic power (China) and helped manage emergencies and catastrophic risks (Haiti).

Public Private Partnerships

OFID was part of the Session on Public Private Partnerships (PPP). The session examined the public-private interface in terms of regulatory frameworks and financial structures as well as the contractual, political, market and credit risks that may arise in PPP Projects. Participants also heard about various successful PPP approaches and the importance of building credible structures to ensure that projects are environmentally responsive, socially sensitive, economically viable and politically feasible.

After a lively discussion, the session concluded by identifying the need for governments to introduce clear regulatory frameworks that are critical for structuring and implementing PPP projects in developing countries. It also highlighted the need for a strong private sector commitment in exploring innovative long term financing options, including the utilization of domestic capital markets. The support of development finance institutions (DFI) was also emphasized both at the regulatory development stage and as co-lenders through project specific DFI financing tranches.

General Discussion

Other presentations and follow up discussions raised critical questions on whether rule of law and judicial reform efforts could be promising entry points that would encourage the evaluation of institutions of governance in the MENA region. Discussions also revolved around the role of the judiciary in advancing such reforms, and what support should be provided by the international community. Reference was also made to the World Bank's *World Development Report 2011: Conflict, Security and Development* (WDR 2011) which called for a paradigm shift in the development community's work on fragile, conflict-affected and violent settings (FCS). According to the Report, violence and other challenges plaguing FCS cannot be resolved by short-term or partial solutions in the absence of institutions that provide people with security, justice, and jobs. With regard to justice, the WDR argues that perceptions of injustice, exclusion and inequality are often common threads in a range of stresses that drive conflict. However, recognizing that institutional transformation is a long term endeavor that must be measured in generations, the Report called for a dual focus on building citizen confidence and the process of promot-

ing 'best-fit' solutions – mechanisms or 'interim institutions' that are adapted to the needs and realities of the local context.

The standout event for the Conference was the *General Counsels' Roundtable* where a broad array of views and challenging themes for future collaboration were considered. With 18 general counsels and heads of legal departments of IFIs present, discussions centered on recent global events and the legal challenges they present to development organizations. The session also addressed various operational, legal, reputational and ethical challenges faced by the legal departments of these institutions. The general consensus at the end of the session was the need for continuous legal innovation and greater collaboration amongst the Legal Departments of development finance institutions, if law is to play its essential role in fostering development and reducing poverty.

The Global Forum on Law, Justice and Development

Given the importance of collaboration amongst the Legal Departments of international institutions in the attainment of sustainable development, the World Bank Legal Vice-Presidency launched its *Global Forum on Law Justice and Development (the Global Forum)* during the Conference.

The Global Forum, a permanent global knowledge exchange forum, seeks to connect experts and stakeholders from around the world and to facilitate the sharing and dissemination of relevant knowledge/solutions, through technology. This technology Forum will enable development experts in the legal sphere access and assess international research, policies, practices and precedents. Participants will also be able to exchange information on development outcomes and best practices globally.

The key objectives of the Global Forum are to (1) promote a better understanding of the role of law and justice and (2) strengthen and better integrate legal and judicial institutions in the development process, through selected capacity building initiatives and an open repository of knowledge.

The Conference concluded on a positive note, with a call for greater collaboration amongst the Legal Departments of international institutions to ensure that law continues to play its key role in the development framework. ■



The World Bank's World Development Report 2011: Conflict, Security and Development.



Qatar observes National Day

The Government and people of the State of Qatar celebrated their *National Day*, 18th of December. Global reports spoke of an occasion in which nationals demonstrated their pride, and expatriates joined-in to express gratitude to the host country. With Qatari flags and other insignia of national colors, thousands thronged to the cornice, in spite of early morning chill, and watched a national day parade. News agency coverage described enthusiastic gratitude to the leaders of the country. There were also cultural events organized by diverse Qatari organizations, some to promote interest and awareness especially among children and the youth, with the aim of keeping them abreast of their history and culture.

Media coverage

Various Qatari papers hailed the anniversary. The Qatar News Agency (QNA), along with several Arabic dailies expressed editorial pride and delight at the celebration with their pages devoted to the meanings of the festivity. The paper *Al Watan* saw the anniversary as a

“mammoth celebration” and commented that for the first time in Qatar’s history, the nation witnessed a huge military parade also watched by HH the Emir Sheikh Hamad Bin Khalifa Al Thani and HH the Heir Apparent Sheikh Tamim Bin Hamad Al Thani.



Qatari leader HH Sheikh Hamad bin Khalifa al-Thani (right) welcoming a guest at Qatar’s National Day celebrations in Doha.

Also part of the event were ethnic sword dancing (*Ardha*) and sports festivities in recognition of early Qatari pioneers who built a modern state. The National Day commemorates the historic day in 1878 when the founder of the State of Qatar, HE Sheikh Jassim bin Mohamed al Thani, succeeded to the throne and set a course toward development and prosperity.

The daily *Arrayah* said Qatari people had the right to feel proud of their accomplishments. It said the occasion was an honor to the founder of the modern state. His work had proven to be a firm base on which successive generations have managed to build to realize admirable results in all fields. Commenting likewise, the daily *Al Sharq* declared that the national day anniversary reflected numerous meanings and lessons which will remain intact in the minds of the people of Qatar as an incentive for loyalty and allegiance to the homeland. The paper underscored that the celebration had refreshed the memory of the generations and the elderly on the march of the homeland since the outset of the course of Sheikh Jassem.

Economic growth and prosperity

Qatar has seen solid growth in gross domestic product (GDP) over the years. The growth has brought prosperity and progress in all walks of life, with the State witnessing what has been described as huge urban and development renaissance. *Arrayah* ascribes this to the cohesion and unity of the people of Qatar and to its leadership. The growth and prosperity have come, says *Arrayah*, while the country is witnessing enormous changes in all fields including the diplomatic, political, economic, social, information, cultural and even sport spheres.

OFID Member State

OFID Member State Qatar is a peninsula running north into the Arabian Gulf. To the south are the United Arab Emirates and the sole land border is with the Kingdom of Saudi Arabia. Doha is the capital city and main port. Other major towns

PHOTOS: AFP, PHOTOKARIM JAAFAR

include Dukhan, Umm Said, Ruwais, Wakra and Al-khour. Qatar holds membership of various international organizations including the United Nations, the League of Arab States, the World Trade Organization and the Gulf Cooperation Council. The average standard of living across the State is comparable to standards in Western Europe and North America. Education is accorded high priority. In 2004, Qatar established a *Qatar Science & Technology Park* to attract and serve technology-based companies and

entrepreneurs from across the world and an *Education City* houses colleges and institutes drawn from some of the world's best institutions of higher learning.

A State of *Qatar National Vision and Development Goals 2030* (QNV) is currently being vigorously pursued by the Government and People of the country. In a recent presentation in Vienna, Austria, HE Mr. Ali Khalfan Al-Mansouri, Representative of the State to Austria and Permanent Representative to the International Organizations in Vienna described how the State

had made immense economic, political and social advances while never losing its Arab and Islamic identity. Al-Mansouri spoke about how Qatar has protected public and personal freedoms, promoted moral and religious values and traditions and guaranteed security, stability and equal opportunity to all. These remain the guiding principles of the *Permanent Constitution* and the main driving force behind the *National Vision 2030* (QNV). The Vision, he said, will serve to bolster justice, benevolence, equality and unity. ■



From left to right: Prince Saud Al-Faisal, Dr. Michael Spindelegger and Trinidad Jimenez.

Saudi Arabia to build Interfaith Centre in Vienna, Austria

Tripartite agreement is signed

Building on two significant events in 2008 – the Declaration of the Madrid World Conference on Interfaith Dialogue and the UN Resolution on the Promotion of Inter-religious and Intercultural Dialogue, Understanding and Cooperation, a permanent International Center for Inter-religious and Intercultural Dialogue embodying these principles is to be built in Vienna under the auspices of the Kingdom of Saudi Arabia.

With strong emphasis on the principles and values of human life and dignity, human rights and fundamental freedoms without distinctions, Austria, Saudi Arabia, and Spain signed an agreement October 13, in Vienna, for the establishment of a King Abdullah bin Abdulaziz International Center for Inter-religious and Intercultural Dialogue in Vienna.

Signing the agreement were Saudi Foreign Minister Prince Saud Al-Faisal,

Austria's Vice-Chancellor and Foreign Minister Michael Spindelegger and his Spanish counterpart Trinidad Jimenez. The Board of the Center will comprise representatives of the world's five major religions: Judaism, Christianity, Islam, Buddhism and Hinduism with decisions taken jointly and with strong cooperation with non-governmental organizations and leading international experts.

The initiative which was initiated by Saudi King Abdullah bin Abdulaziz, the Custodian of the Two Holy Mosques, aims at enhancing dialogue and fostering mutual understanding and promotion of a responsible way of living the religious and spiritual dimensions of individuals and society. To achieve this, the Center will serve as a forum for representatives of the major world religions, faith-based and cultural institutions and experts to enhance communication and information exchange.

Spindelgger said that “with this new Center, dialogue is given a first permanent and stable international platform. Austria feels that the Center will play an important role in preventing and mastering conflicts and in consolidating peace.” Another central objective of the Center is to address the contemporary challenges to society and to promote justice, peace and reconciliation. Spindelegger asserted that “the fact that the organization is located in Vienna reflects the appreciation of our longstanding dialogue tradition.” ■



PHOTO: AFP PHOTO/KARIM SAHIB

UAE: Spirit of the Union and 40th National Day

BY SILVIA MATEYKA

Under the theme “Spirit of the Union,” the United Arab Emirates (UAE) celebrated its 40th *National Day* December 2. The celebrations marked a most important event in the history of the country: the unification of the seven emirates of Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Fujairah, Umm Al Quwain as one country on December 2, 1971.

At the official opening ceremony, His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, said it was Sheikh Zayed, founder of the UAE, and other previous rulers, who helped create this day. “We are on the threshold of a new phase to achieve more developments in all fields that will place the UAE among the prominent countries of the globe,” he said.

The 40th Anniversary festivities began on the 1st of November and continued through December 2, showcasing the history, culture, spirit and achievements of the UAE federation and its founding fathers from the past to the present. “It is a celebration of the achievements of this great Nation but also an opportunity for the whole community to truly

unite and reflect on what it means to be Emirati or to call the UAE our home,” said His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai on the occasion of the national anniversary. “Through these celebrations, we hope to recognize achievements of the past and present, commend the people who have influenced the nation, reignite the ties that bind us and reconnect with the communities in which we live,” he added.

In 30 days of celebration, a number of activities, shows and performances took place across the whole nation. The festivities began in Abu Dhabi *corniche* with a spectacular display of fireworks. A number of public and family festivities, including traditional performances and cuisine, live music and sporting and fun activities spread joy across the UAE capital and the doors of the most important monuments were opened to the public. In addition, key landmarks in Abu Dhabi, including the Sheikh Zayed Grand Mosque and the Al Jahili Fort in Al Ain, were illuminated *via* a montage of light, colour and 3D projections.

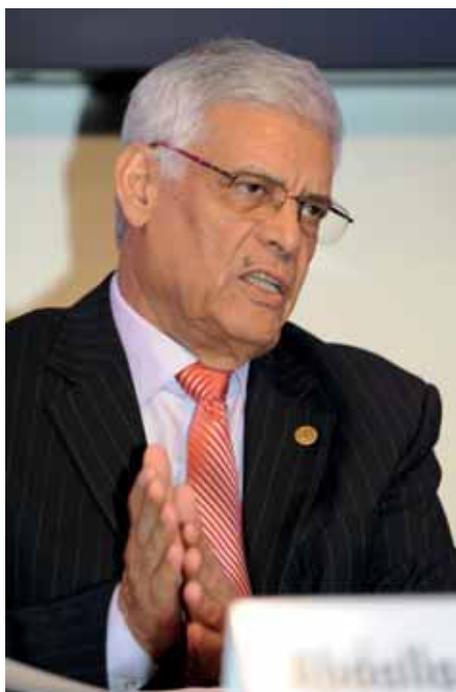
The events concluded with an official ceremony in the Zayed Sports City in Abu Dhabi, attended by the rulers of all the seven emirates and over 40,000 people. The stadium performances illustrated the rich heritage and culture of the country, the vision and spirit of the Emirati people and the nation’s history and accomplishments over the past 40 years through a choreographed show. ■



UAE facts and figures

Capital: Abu Dhabi
 Land Area: 84,000 km²
 Population: 4.74 million
 Population density (inhabitants per km²): 56
 GDP per capita (US\$): 56,812
 Head of State:
 HH Sheikh Khalifa Bin Zayed Al Nahyan,
 President of the United Arab Emirates

Source: OPEC Annual Statistical Bulletin 2010/2011



OPEC Secretary General,
HE Mr. Abdalla Salem El-Badri.

A commitment to market stability

Alvino-Mario Fantini and James Griffin report for the OPEC Bulletin on the November 8 press conference marking the release of OPEC's Annual Statistical Bulletin (ASB) 2010/11 and the World Oil Outlook (WOO) 2011.

Given the increasing scope and intricacies of the global energy system, it is essential to continually evolve data gathering, research and analysis into the industry's past, present and future.

From OPEC's perspective, this can be viewed in two of its annual publications, the Annual Statistical Bulletin (ASB) and the World Oil Outlook (WOO).

The former ties in the past and the present, bringing together time-series data for a wide variety of oil market and energy indicators, and the latter links the present and the future, with state-of-the-art economic modeling and forecasting used to present information, projections and concepts for the medium- and long-term outlooks.

The Organization's efforts are visible in comments expressed by OPEC Secretary General, Abdalla Salem El-Badri, in the foreword to both publications.

In the ASB, El-Badri says the aim of the publication "is to provide accurate, reliable and timely historical annual data on the oil and gas industry." He notes that the Organization's data-gathering, ongoing since OPEC was formed in 1960, "has played an increasingly important

role in the stabilization of the world oil market by ensuring greater transparency."

As for the WOO, he stresses that the 2011 edition "illustrates OPEC's constantly evolving analysis of the global oil market, over all timeframes, and further reinforces its commitment to market stability." He adds that it is an important reference tool, "offering insights into trends and possible developments in the years ahead."

This year, the release of the two publications took place at a press conference on November 8. The event was presided over by El-Badri.

Rising proven reserves

Presenting the key messages of the ASB 2010/11, Fuad Al-Zayer, Head of the Data Services Department, indicated that proven crude oil reserves in OPEC Member Countries had risen by 129 billion barrels – or about 12 percent – by the end of 2010, compared with 2009, to stand at 1,193bn b. This was nearly 82 percent of the global total, representing a 0.4 percent increase from the previous year. This increase in proven reserves was

realized, despite the fact that Member Countries had produced around 11bn b throughout 2010.

Additionally, Al-Zayer noted that about 77 percent of reserves are now located in the Middle East and Latin America. The total reserve increase in OPEC Member Countries was due in part to 2010 reserve increases in the Islamic Republic of Iran, Iraq and Venezuela – and continues to highlight the importance of the Organization's activities for meeting global energy needs in the future.

Proven natural gas reserves also rose, Al-Zayer noted. At the end of 2010, Member Countries had 94 trillion standard cubic meters, or 49 percent, of total world gas reserves. This marked an increase of four percent from 2009. Non-OPEC reserves, on the other hand, were 98tr cu m, or 51 percent.

The increase in total gas reserves in OPEC Member Countries was driven by increases in IR Iran, Saudi Arabia and Venezuela, he said. Of the global total, 81 percent of natural gas reserves are located in the Middle East, Eastern Europe and the Asia-Pacific region. ▶



Pictured (l-r), OPEC officials: Mohamed Hamel, Senior Adviser; Fuad Al-Zayer, Head of the Data Services Department; Dr. Hasan M Qabazard, Director, Research Division; Abdalla Salem El-Badri, Secretary General; Oswaldo Tapia, Head of the Energy Studies Department; Garry Brennand, Senior Research Analyst; Dr. Jan Ban, Senior Research Analyst; and Angela Agoawike, Head, Public Relations and Information Department.

Drilling, consumption and production

◀ The data from the 2010/11 ASB show that despite ongoing economic uncertainties, the number of active rigs and drilling activities in OPEC Member Countries rebounded during 2010. At the end of 2010, the number of active rigs was 526, which is 63 rigs – or 13.6 percent – more than those at the end of 2009. Also, active rigs worldwide increased significantly, in line with growing exploration and production activities.



Fuad Al-Zayer,
Head of the Data Services Department.

Al-Zayer noted that most increases were found in North America and the Asia-Pacific region, especially China, as well as in the Middle East and Latin America.

Turning to crude oil production, he disclosed that in order to support increasing world oil demand, OPEC Member Countries in 2010 had increased their crude oil production by 300,000 b/d, or 0.9 percent, compared with 500,000 b/d, or 1.1 percent, in non-OPEC producers.

Overall, Al-Zayer said, OPEC Member Countries exported a total of 26.82m b/d of crude oil and oil products in 2010, 600,000 b/d, or 2.2 percent, more than in 2009.

Who gets what from imported oil?

Al-Zayer concluded his presentation with a summary of the latest data in OPEC's *Who gets what from imported oil?* pamphlet, which graphically illustrates the tax burden imposed on imported oil in G7 and OECD countries.

The brochure provides a breakdown of the average price per liter of imported crude oil, indicating how much goes to the industry margin – that is, the costs of refining, transportation, distribution and exchange rate fluctuations – and how much goes to taxes.

Al-Zayer explained that the price that end-users pay per liter of oil is not only made up of the actual crude price and the industry margin, but also the

taxes imposed by the national governments of oil-consuming countries.

According to the data, the portion of the cost of a liter of oil that goes to taxes is often higher than the actual price of a liter of crude.

The tax numbers used in the brochure are based on revenues from excise taxes reported by the OECD, combined with a VAT estimate based on total consumption in the OECD that does not consider tax deductions, credits or exemptions, he explained.

In aggregate, for the five-year period 2006–10, the total amount of oil taxes received by OECD countries was US\$4,393bn, of which the G7 nations absorbed US\$3,005bn, compared with the US\$3,668bn in revenues received by OPEC Member Countries.

As an annual average over that five-year period, OECD countries received US\$878bn, of which the G7 represents a share of 68 percent, or US\$600bn. OPEC Member Countries, on the other hand, which are developing countries, received US\$734bn.

Al-Zayer pointed out that the amount of taxes collected by OECD countries is around US\$144bn per year more than OPEC sales revenue and it is thus clear that the real burden on the consumer is taxation in consuming countries, not from the prices charged by oil-producing countries.



Oswaldo Tapia,
Head of the Energy Studies Department.

Setting the scene

The WOO, now in its fifth year of publication, is widely recognized as one of the industry's premier publications; one that receives widespread media coverage and one drawn upon by a wide variety of industry stakeholders.

And given the issues underscored by El-Badri in the first paragraph of the WOO's foreword – deepened global macroeconomic uncertainties, heightened risks surrounding the international financial system, the sovereign debt crisis in the Euro-zone, social unrest in many parts of the world, the natural disasters and ensuing nuclear catastrophe in Japan earlier this year, excessive oil price volatility, and increased speculator activity on the main commodity exchanges – there was much for the publication to analyze and comment on.

This was clearly evident in the first part of the WOO presentation delivered by Mr. Oswaldo Tapia, Head of the Energy Studies Department. He briefly examined the context of this year's publication, initially from the point of view of costs and prices.

He said upstream and downstream costs were once more on the rise in 2010, after a short period of decline, and at the same time, the market has observed rather different price behaviour to that preceding the 2010 edition. He said that "price volatility has been observable over the past year, and prices have tended to

move in a higher range than previously observed."

It was also important to note, added Tapia, that the role of excessive speculation has continued to be a major price driver in 2011, with speculator activity on the Nymex surging to record highs in the first quarter of 2011. In this regard, he said: "In OPEC, we are concerned about the impacts of such speculative behaviour, and we follow closely the push towards new financial regulatory frameworks."

With the behaviour of prices over the past year and a slight reassessment of how upstream costs might evolve in mind, the OPEC Reference Basket (ORB) price assumption in the WOO's Reference Case increased from last year. It is assumed that, in nominal terms, prices stay in the range of US\$85–95/b for this decade, compared with US\$75–85/b in last year's WOO, reaching US\$133/b by 2035.

"It should be emphasized, however," said Tapia, "that these figures are only an assumption. They do not reflect, in any way, a projection of likely or desirable prices." The Head of OPEC's Energy Studies Department elaborated on the health of the global economy. Whilst this year's WOO underscores a more robust recovery from the Great Recession than expected a year ago – average global growth over the period 2010–15 is 3.9 percent per annum – he said there remained significant downside risks, as can be viewed presently. He emphasized the continuing sovereign debt crisis in the Euro-zone, the fragmented recovery in the United States economy after the government-led stimulus measures ended, as well as the possibilities of emerging economies overheating.

The energy outlook

Garry Brennand, Senior Research Analyst, spoke of the 2010–35 commercial primary energy demand in the Reference Case. He said this increased by 51 percent and that "fossil fuels, currently accounting for 87 percent of primary commercial energy supply, will still make up 82 percent of the global total by 2035. And for most of the projection period, oil will remain the energy type with the largest share, although the share falls from 34 percent to 28 percent."

Gas use in the Reference Case will rise at faster rates than other fossil fuels, in percentage terms and volumes, with its overall share rising from 23 percent to 25 percent, and Brennand also highlighted the possible implications of shale gas developments in the US, and potentially elsewhere.

With regard to non-fossil fuels, he said, renewable energy will grow fast, but from a low base, while both hydropower and nuclear power witness some expansion, although the prospects have clearly been affected in some regions by the events in Fukushima, Japan.

Brennand asserted that "transportation in non-OECD countries is central to future global demand growth, account-



Garry Brennand, Senior Research Analyst.

ing for close to 90 percent of the increase over the period to 2035."

From the supply perspective, total non-OPEC supply increases steadily over the medium-term, rising by 3m b/d over the period 2010–15. The key growth drivers, said Brennand, are the Caspian region, Brazil and Canada, as well as bio-fuels, mainly in Europe and the US.

An increase in OPEC natural gas liquids (NGLs) is also expected over the medium-term, rising from 4.8m b/d in 2010 to more than 6m b/d in 2015.

Over the long-term, Brennand said, increases in crude oil supply from the Caspian, Brazil and OPEC Member Countries, as well as steady increases in ►



Dr. Jan Ban, Senior Research Analyst.

◀ non-conventional oil, mainly from biofuels, oil sands and shale oil, will more than compensate for expected decreases in mature regions.

Total non-OPEC non-conventional oil supply rises by more than 11m b/d over the years 2010–35. On top of this, total NGLs supply, from OPEC and non-OPEC, increases by 6m b/d over the same period – from 10.5m b/d in 2010 to almost 17m b/d by 2035.

Uncertainties

Brennand emphasized that it was important to explore developments that could feasibly emerge under realistic alternative assumptions to the drivers of supply and demand.

He stressed that these could be driven by such influences as “technologies, particularly in transportation, policies, the environment and what evolves to combat the threat of climate change, and perceived concerns over energy security.”

The WOO 2011 explores two alternative scenarios. The first is the Accelerated Transportation Technology and Policy (ATTP) scenario, which assumes higher efficiency improvements to internal combustion engines; an accelerated shift to hybrids, and in some parts of the world, electric vehicles; and more aggressive support for alternative fuels.

The second scenario examines the global economy, documenting how uncertainties over economic growth, in the

short, medium and long term, have important implications for the evolution of oil demand.

Scenarios were developed with both higher and lower economic growth rates of 0.5 percent per annum. In the lower growth scenario, oil demand by 2035 reaches slightly over 100m b/d, while in the higher economic growth scenario, it is over 112m b/d by 2030, and almost 119m b/d by 2035.

Brennand added: “This further demonstrates the uncertainty over future oil demand due to economic growth, from both the upside and downside. Economic growth uncertainties are therefore probably at least as big a concern with regards to security of demand as the development of policies and technologies, especially over the short to medium term.”

Downstream

From the viewpoint of the downstream, the picture was elaborated on by Dr. Jan Ban, Senior Research Analyst, who underscored a number of key points. The first was that the industry is suffering from the demand collapse of the past few years, which, combined with capacity additions, is anticipated to increase the refining surplus. He said that “new projects coming on-stream over the next five years are expected to see the overall refining surplus approach 10m b/d by 2015, unless some capacity is closed.”

Thus, he added, the medium-term outlook is for an extended period of lower utilization rates in most regions, as well as depressed profitability, indicating sustained pressure for capacity rationalization, especially in the OECD region. For the long-term, Ban stated: “The expected expansion of the refining system is driven by several key factors, such as regional demand increase, growth of non-crude liquids, stricter product quality specifications and last, but certainly not least, expected changes in the demand slate.”

What is clearly apparent, added Ban, is that future “demand growth is for middle distillates and light products, with the heavy part of the refined barrel slowly declining.”

In terms of regions, he said that the vast majority of distillation capacity expansions to 2035 are projected for the Asia-Pacific region, dominated by China and India, and the Middle East, which has clear implications for key oil trade flows. These projections, said Ban, highlight the future role of the Middle East as the major crude oil exporter, as well as the ever-increasing share of Asian imports from this region.

Other industry-related challenges

This year’s WOO also emphasizes a number of other challenges for the industry going forward. Brennand highlighted the challenge of climate change and the important technology of carbon capture and storage. He also elaborated on the extremely important areas relating to the need to alleviate energy poverty and the crucial importance of human resources and qualified technical talent for the industry.

Improving mutual understanding

OPEC believes that in a world of growing interdependence, it is ever more important that dialogue and cooperation continue to evolve and flourish. The Organization feels that it is essential that a mutual understanding among the industry’s stakeholders on common challenges is advanced to help deliver a sustainable energy future for all.

In this respect, both the ASB and the WOO are valuable resources that detail how the oil industry got to where it is today, where it may possibly head to in the future, and what challenges remain.

OPEC views them as important elements in the furthering of pragmatic dialogue and cooperation among all stakeholders. And, as El-Badri touched upon in the forewords to both publications, they are a means of reaffirming the Organization’s longstanding commitment to supporting market stability.



Both publications are available for free download at: www.opec.org

Our vision

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

Our mission

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



Uniting against Poverty



Uniting against Poverty

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