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Africa rising

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Uniting against Poverty

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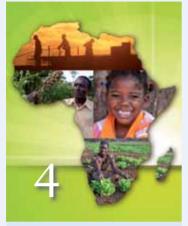
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Nurturing Africa's renaissance

fter decades of being trapped in a vicious cycle of low growth, low productivity and low investment, things are finally looking up for Africa. The land once dubbed "The Dark Continent" is on the cusp of a renaissance that could transform its future.

For almost two decades now, economic conditions across Africa have improved steadily, driven by an ongoing resource boom, improvements in productivity and the business climate, a pick-up in tourism, trade and investor confidence, and stronger domestic demand.

Average growth has been among the fastest in the world, reaching 4.5 percent in 2012. Sub-Saharan Africa (SSA), home to 34 of the world's 49 Least Developed Countries has witnessed stronger, more broad-based, and more export-oriented growth of over five percent in recent years.

Several countries are leading the way, with Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria among the world's ten fastest-growing economies in 2001-2010. South Africa joined the ranks of the BRICS in April 2011.

Thanks largely to the economic boom, social indicators have also improved dramatically. Indeed, the UN 2012 report on the Millennium Development Goals (MDGs) makes encouraging reading, especially for SSA, where according to estimates, the poverty rate fell by close to five percentage points, to under 48 percent, between 2005 and 2008. This is the largest decrease since records began.

More heartening still is the fact that in the same period the absolute number of people in SSA living in extreme poverty fell from 395 million to 386 million, a drop that reversed a trend of almost 30 years standing.

The MDG report also highlights significant progress in sectors, such as health and education, which when weak act as incubators for poverty.

SSA, for example, saw a leap of 18 percent between 1999 and 2010 in primary school enrolment rates, despite the number of school-age children growing by 31 million over the period. In Northern Africa, 96 percent of primary-age children were in school in 2010.

Two of the continent's biggest killers – HIV and malaria – are beating a retreat. In 2010, new HIV infections in SSA, the worst-affected region, were 15 percent lower than in 2001, while 10 countries (the majority in SSA) have achieved or will achieve by 2015 a 75 percent reduction in the incidence of malaria, as a direct result of increased prevention and control measures.

While many of these achievements are but small steps towards the total eradication of poverty, they nevertheless inspire hope, a word long absent from the vocabulary of most Africans.

It has to be acknowledged, however, that certain areas are still cause for concern. SSA is far from achieving the MDGs relating to child and maternal mortality, for example, although momentum is growing. It is a similar scenario for water supply and sanitation. The region is home, moreover, to 240 million hungry and 590 million without access to electricity. Yet another serious problem is that of unemployment, particularly among the youth. The overriding challenge for the continent, therefore, as it rides the cusp of this budding renaissance, is to try and ensure that the weakest nations do not get left behind. While the burden of this responsibility lies with Africa itself, the support of the international community will be vital.

OFID, for its part, is doing all it can to support Africa's rebirth. Our partnership with the continent dates back to 1976. Since then, we have spread our outreach to 49 African countries, making available a cumulative US\$7.4bn in untied and concessional financing for development, a sum that represents almost one half of our total approvals.

In delivering our assistance to Africa, we take a basic needs approach. The bulk of our portfolio for the region has thus concentrated on alleviating extreme poverty and leading the continent to a food-secure future by helping partner countries meet the challenges emanating from the energy-food-water nexus and financing the required infrastructure, particularly transportation. In recent years, in particular, we have stepped up our support to the energy sector as part of our Energy for the Poor Initiative. In 2012 alone, approvals to the African energy sector amounted to US\$225m.

We have also worked to promote the private sector with the aim of boosting productivity and employment. And, since the 2008 financial crisis, through our trade finance facility we have helped to plug the gap left by the commercial banks and provide funding for our partners' import and export needs.

Given the long history of this friendship, it should come as no surprise that OFID's bond with Africa and its people is very special. In Africa, we see a continent rich in resources and potential, and we believe in its right to a prosperous future. If what we are witnessing is indeed a nascent renaissance, we are there, as we always have been, to help the new Africa grow.

I dream of the realization of the unity of Africa, whereby its leaders combine in their efforts to solve the problems of this continent. I dream of our vast deserts, of our forests, of all our great wildernesses.

INTE

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Nelson Mandela

Africa rising: Unleashing the energy within

The future is looking bright for Africa. Economic growth is strong and sustained, the number of extremely poor has fallen for the first time in 30 years, and foreign investment is flooding in. The question is: Can the continent capitalize on this budding renaissance and turn it into a true and lasting transformation?

ith a landmass extending over 30.2 million square km, Africa is a continent of startling contrasts, from the desert landscapes of the Sahara to the lush rainforests of the Congo River basin, and from the towering peaks of the Atlas Mountains to the Great Lakes of the Rift Valley.

It is a continent, moreover, with an abundance of natural resources, including fossil fuels and minerals. It also boasts large swaths of fertile land that support the production of valuable commodities such as coffee, cocoa and sugar.

Despite this great natural wealth, Africa has long been considered a continent of stagnation, caught in a poverty trap of low productivity and growth, high debt, low savings and investment, and widespread poverty, hunger and disease. Times, however, may be changing.

An economic revival

Since the mid-1990s, the continent has been undergoing a gradual but definite transformation, as growth has become stronger, broader and less volatile, thanks largely to enhanced macroeconomic and political stability. At the same time, the business climate has improved in many countries, as have commodity prices and demand for African exports. Add into the mix an upturn in tourism and investor confidence, a vibrant services sector and growing consumer base, and the result is an economy that is clearly going places.

Region-wide, average growth has been among the fastest in the world, reaching 4.5 percent in 2012. More significant still is what has been happening in sub-Saharan Africa (SSA), home to 34 of the world's 49 Least Developed Countries (LDCs). Here, average growth hit 5.3 percent in 2012, SSA's strongest economic performance since the 1980s.

Leading the way in this economic revival are Ethiopia, Mozambique, Angola, Chad, Nigeria and Rwanda which were among the world's ten fastest-growing economies in the period 2001 to 2010. At this rate, it is possible that Africa's growth may outpace that of Asia in the next five years, according to data published by The Economist in January 2011.

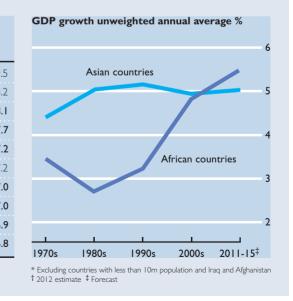
Social progress

Thanks largely to the economic boom, social indicators have also improved markedly, with the latest Millennium Development Goals (MDGs) Report highlighting some important milestones.

In SSA, for example, the poverty rate declined to under 48 percent – a fall of close to five percentage points - between 2005 and 2008, the largest decrease since records began. In the same period, the absolute number of people living in extreme poverty fell from 395 million to 386 million, a drop that reversed a trend of almost 30 years standing.

The Africa region as a whole is on track to achieve several MDGs, including universal primary education (MDG2); gender parity in education and increased proportion of seats held by women in national parliament (MDG₃); and lower HIV/AIDS prevalence and increased proportion of the population with access to antiretroviral drugs (MDG6). Furthermore, the boom in information and communication technology, particularly mobile connectivity, has encouraged knowledge-sharing and created a wide range of economic opportunities (MDG8).

2001-2010 [†]		2011-2015‡	
Angola	11.1	China	9
China	10.5	India	8
Myanmar	10.3	Ethiopia	8
Nigeria	8.9	Mozambique	7
Ethiopia	8.4	Tanzania	7
Kazakhstan	8.2	Vietnam	7
Chad	7.9	Congo	7
Mozambique	7.9	Ghana	7
Cambodia	7.7	Zambia	6
Rwanda	7.6	Nigeria	6



Sources: The Economist; IMF

Case study: Rwanda

Strong political leadership and robust implementation of Vision 2020 in Rwanda has yielded sustained rapid economic growth, driven by increased activity in agro-business and services and marked reductions in poverty and inequality. Vision 2020 aims at combating poverty by transforming the economy from its 90 percent dependence on subsistence agriculture into a "productive, high value, market-oriented sector, with forward linkages to other sectors," welcoming investors and creating employment. Successfully implemented programs included crop intensification, terracing, and *Girinka* ("may you own a cow") initiatives, together with improvements in physical infrastructure and mobile connectivity. As a result, Rwanda has made rapid progress on many social indicators. One million Rwandans were lifted out of poverty between 2006 and 2011, with the poverty rate falling from 56.7 percent to 44.9 percent. Marked progress was also made in curbing infant and child mortality and achieving universal primary education.

Mountains still to climb

To ensure that all of these gains translate permanently into inclusive and sustainable growth and development, it is important for Africa to build on this new momentum. This may be easier said than done, as the continent continues to face some of the most formidable development challenges in the world.

Continent-wide, more than one in four Africans – close to 240 million people – is undernourished, a statistic underlined in the 2012 report "The State of Food Insecurity in the World." Issued jointly by the International Fund for Agricultural Development, the Food and Agriculture Organization of the UN and the World Food Program, the report warns that "economic growth is necessary but not sufficient to accelerate reduction of hunger and malnutrition."

About half of Africa's population lacks access to water supply and sanitation, a situation that hampers food security and causes waterborne diseases, particularly among children. And while some progress has been made with regard to reducing child and maternal mortality, it will not be enough to meet the related MDG targets by 2015.

Meanwhile, beyond the eight MDGs, 585 million people in SSA – almost 70 percent of the population – lacks access to electricity, and some 653 million Africans do not have clean cooking facilities. The implications of this deficit for social and economic growth are severe.

Unlocking human resources

To maximize its growth potential, Africa needs to create more and better jobs. Africa's working-age population (15-64 years) was 550 million strong in 2008, and should reach the one billion mark by 2040, making it the largest in the world. However, unemployment rates remain unacceptably high, particularly among the youth (ages 15-24), a group that is expected to double in number to 400 million by 2045.

Currently, about 70 percent of job growth is in the informal sector in "vulnerable employment," a term that refers to the self-employed, unpaid family workers, or the underemployed with low productivity, low income and poor working conditions.

In SSA, 87 percent of the working youth is employed in the informal sector; the rest have no job at all. In some middle-income countries of North Africa, high youth unemployment – at 25 percent the highest in the world – has caused problems of alienation and social unrest.

It is clear that the public sector will not be able to absorb all seven to ten million new entrants into the African labor market every year. A vibrant private sector will thus be critical to create new job opportunities, and with them greater productivity, incomes and growth.

Case study: Mozambique

In Mozambique, sound economic management and investment in public service provision, together with the rehabilitation of agricultural markets, marketing infrastructure and rural services have allowed for impressive improvements in economic and social indicators over the past 15 years. Growth has averaged 7.5 percent – one of the highest in the world – driven by increased agricultural productivity and employment and higher domestic demand for non-farm goods and services. Sustained, broad-based growth and rising incomes helped to reduce poverty rates to under 55 percent in 2008, from 69 percent in 1996. Other social indicators also improved noticeably, with net primary school enrollment rates increasing by 76 percent and infant and under-five mortality falling by 40 percent.



Private sector investment

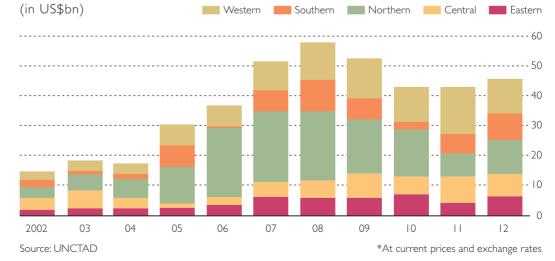
► In order to generate more jobs in the private sector, Africa needs foreign direct investment (FDI) in more varied sectors. Although FDI is becoming more diversified into manufacturing and infrastructure, almost 60 percent of FDI flows to Africa still goes towards the primary sector – particularly the extractive industries – with limited linkages to the economy and job creation.

While total FDI to Africa declined in 2011, the fall was primarily the result of a drop-off in flows to North Africa. In contrast, inflows to SSA that year leapt by 25 percent to an estimated US\$36bn, as the business climate continued to improve, attracting increased investment in the telecommunications, real estate and retail sectors. Such developments bode well for boosting private sector growth and generating employment.

Tapping into agricultural potential

Another challenge facing Africa is its burgeoning population, which is forecast to double to two billion shortly after 2050. It is anticipated that agricultural output will have to increase by 50 to 70 percent to feed this large number of people. In addition, structural changes will have to be made in the way food is produced, processed, distributed and consumed across the entire food chain.

Together, agriculture and agri-business account for about 50 percent of Africa's economic activity and could be important drivers of food security and job creation. However, the sector has suffered long-term neglect, with a vicious cycle of low investment and low productivity. It has also been severely impacted by the effects of climate change, desertification and deforestation.



Foreign direct investment flows into Africa*



Actual crop yield as percentage of potential yield

Although SSA has the potential to become an agriculture powerhouse, crop yields are the lowest in the world. To turn this situation around, African farmers need access to fertile land, finance, energy, water, modern technologies and markets, with strong leadership and commitment from both the public and private sectors.

Diversification for trade boost

For those African countries that lack the land and natural resources to expand agricultural productivity, one way of generating employment and raising living standards is to diversify their economies away from primary commodities into manufactures and services, and to boost trade and productive capacities in new, higher valueadded products.

It is encouraging that intra-regional trade and financing links, including intra-African FDI, have expanded significantly in recent years, as have South-South trade and investment flows. Nonetheless, many African states currently do not gain from international trade because of weak productive capacities.

To strengthen the capacity of producers, governments need to transform education systems to match the requirements of the job market. They also need to step up efforts to bridge the large infrastructure gap and remove barriers to trade, which continue to hinder growth and job creation by obstructing the free flow of capital, goods and human resources across borders.

Similarly, there remains a need for greater access by African countries to industrialized markets, particularly in agriculture and services, under the stalled trade negotiations of the World Trade Organization's Doha Development Round.

A transformational agenda

It is clear that now is a time of great opportunity for Africa to unleash its vast economic and human resource potential. However, converting this opportunity into sustained and inclusive growth and poverty reduction will require the implementation of a transformational agenda that creates larger markets with greater critical mass and encourages private sector-led growth and job creation. This, in turn, will raise productivity, trade and competitiveness, promote sustainable production and consumption, and further integrate African economies into the global economy.

It is hoped that bold African leadership – with assistance from a socially responsible private sector – will trigger the continent's take-off and build a brighter future for the African people.



Case study: Malawi

Strong political will and a more favorable economic environment have enabled big strides towards universal primary education in SSA, with the proportion of children completing primary school in the sub-region rising from 51 percent in 1991 to 64 percent in 2008. In Malawi, primary school completion rates more than doubled and infant mortality rates were halved between 1990 and 2009. The latter is the outcome of a government policy to improve education, health, nutrition and overall growth by boosting agricultural productivity and by allocating more resources to universal primary education, education for mothers and healthcare.

Africa as a global growth pole: Fact not fantasy

If credentials are anything to go by, few people are better qualified to expound on Africa's development prospects than **Donald Kaberuka**, President of the African Development Bank. Since assuming office in 2005, Mr Kaberuka has established the AfDB as the continent's premier financial institution. Before that, as Rwandan minister of finance, he was the driving

force behind his country's widely acclaimed economic reconstruction and revival. Here, he speaks to the *Quarterly* about Africa's untapped potential and the real possibility of it becoming a global growth pole in the not-too-distant future.



Donald Kaberuka, African Development Bank President

INTERVIEW BY AUDREY HAYLINS

OQ: What do you consider to be the main challenges as Africa seeks to maintain its current growth momentum?

DK: Africa has changed, moving from economic stagnation in the 1990s to an average annual growth of more than five percent since the early 2000s. The continent is now home to some of the fastest growing economies in the world. This growth has helped create a burgeoning middle class, which in turn has created new markets for goods and services. Investors entering Africa are likely to find it easier to operate there than ever before, due to improved business environments. A number of African countries have also discovered additional natural resources. If managed properly, these resources could help spur further economic growth and development for the region and improve the lives of millions. The optimistic outlook for the continent means that policymakers must be ahead of the challenges and opportunities for decision-making and leadership. The key challenges Africa must address to maintain and accelerate its current growth momentum include:

- *Youth employment.* This about the lack of jobs and about the access of youth to good quality jobs. Africa needs to create enough decent jobs to absorb the increasing labor force.
- *Infrastructure gap.* For African countries to use their abundant natural resources productively, they must develop infrastructure as the foundation for all wealth-creating activities. Unlocking Africa's agricultural potential and tackling food insecurity will also require sustained multi-sectoral interventions, using an integrated value-chain approach.
- *Agricultural productivity.* Africa needs an agricultural revolution. Agriculture, Africa's backbone, holds great promise for future growth and job creation. Adaptation to climate change will require that African farmers have access to new varieties of crops that are better adapted to the changing agro-climatic conditions.
- *Conflict and insecurity.* Caused by "discordant development", this often reflects high growth coexisting with deepening poverty. Instability and political volatility in a few regions can compromise economic and social progress across the continent.

- Development of the private sector and African entrepreneurship. This would help Africa create jobs and promote inclusive growth by diversifying and integrating into value chains.
- *Institutions and regulatory environment.* While Africa's regulatory institutions are moving from strength to strength, more needs to be done. The lack of effectiveness and accountability of government and its related institutions is a key barrier to inclusive growth and structural transformation. In turn, poor governance performance compromises Africa's ability to accelerate growth further and lift its population out of poverty.

OQ: How significant is the private sector going to be in facilitating Africa's transformation?

DK: The future of African economic growth is closely tied to the private sector, which already generates two-thirds of Africa's investment, three-quarters of its economic output, and nine-tenths of its formal and informal employment. It is African businesses which will create African jobs, by training and using African talent and maximizing the potential of services and industries, as well as Africa's huge wealth of natural resources. African business holds both a potential blessing and a potential curse, in that 15 million new job seekers come onto the African market every year. Given the chance, these people will shine in employment; cast aside into unemployment, they will become a threat to themselves and to society.

OQ: Do you see signs of financial flows to Africa picking up as the developed economies start to recover from the financial crisis?

DK: In 2011, official development assistance to developing countries declined by three percent, which broke the trend of annual increases. More broadly, in the aftermath of the global financial crisis, with a number of advanced economies facing sovereign debt challenges, decreased aid flows are expected to limit official capital flows to Africa in the years ahead. Given the continent's substantial investment needs, the importance of attracting increased private capital flows, and especially foreign direct investment (FDI), cannot be emphasized enough.

Africa's prospects for increased FDI inflows are good, notwithstanding the decline in 2011, driven by falls in flows to North Africa (Libya and Egypt). Preliminary estimates suggest that the overall decline in FDI to the continent was reversed already in 2012. Moreover, FDI flows to SSA rose by more than 20 percent, from US\$29bn in 2010 to US\$37bn in 2011. Besides the traditional extractive industries, tertiary sectors such as banking and telecommunications received increased attention from investors. Longer term projections show a steady rise of FDI to the continent and increasingly so to sectors other than extractives. This reflects Africa being one of the fastest growing regions, the increased purchasing power of its population, improved business climates and changed investors' perceptions about the continent's prospects.

Of course, FDI plays a different role in different countries but, overall, African countries need to seek investment that would create jobs, transfer (clean) technology, stimulate innovation, and contribute to inclusive and green growth.

OQ: Which sectors would you identify as investment priorities?

DK: Africa's economic growth and rising middle class create new investment opportunities, not only for the growing domestic entrepreneurial class and global companies, but also for the AfDB. African consumption is projected to grow from US\$860bn in 2008 to US\$1.4 trillion in 2020, while the rising middle class (more than 300 million people) will make a huge difference in the education, health, ICT (information and communication technology), oil, and energy sectors. Investors should not miss the opportunity stemming from the growing demand of Africa's households. The continent's growing consumer markets are very attractive to established global companies and emerging firms seeking to expand and diversify their portfolios.

African governments have made significant progress in keeping their political and macroeconomic stability on track and creating enabling business environments. And the AfDB has worked closely with recipient governments to make Africa a more attractive market for investors. However, realizing the full potential of key industries will require significant investment from development partners and innovative measures to attract private capital flows. I would identify the following sectors as priorities:

- Infrastructure. The continent's infrastructure needs, amounting to US\$80bn a year, are an investment opportunity in transport, rural electrification, mobile telephony and ICT. Such investment will help promote regional integration, build economies of scale and reduce poverty and inequality.
- Mining and Energy. We have yet to translate our abundant natural resources into reliable energy supply. For the mining and energy sector to be the engine of economic development in Africa, we must better manage the revenues >

"The optimistic outlook for the continent means that policymakers must be ahead of the challenges and opportunities for decision-making and leadership." "... let me also reiterate the importance of improving governance, ensuring a conducive business environment and promoting regional integration." ◄ from natural resources and downstream industrial development. This sector is also key for the gradual transition to green economies.

- *Agriculture.* With more than half of the world's uncultivated, arable land, Africa is increasingly becoming an attractive market for global agricultural production. Increasing investment in food production, processing and preservation techniques, among others, would help Africa address the challenges it faces in food security and job creation.
- *Manufacturing*. Africa's growing middle class and China's move towards producing more sophisticated technologies are major opportunities for Africa's manufacturers and retailers of consumer goods (food, beverages, home care, personal care products, etc.).
- **Tourism.** The continent's diversified landscape and its cultural heritage make it attractive to tourists. Yet, this sector has not really tapped into its potential. For Africa's poor, this is a missed opportunity – if managed effectively, more investment in the sector could help reduce poverty by raising income, foreign exchange revenues and especially employment.
- *Education.* More access to, and better quality, education, while bridging the digital gap between rural and urban areas, will help prepare the population (and youth) for the labor market of the 21st century.
- *ICT.* The AfDB could be more actively involved in the future and thus help put Africa on a path of higher productivity with more decent jobs, including for youth.

While these sectors are the most critical to invest in for Africa's continued growth, let me also reiterate the importance of improving governance, ensuring a conducive business environment and promoting regional integration. The AfDB has been investing in and helps African countries to develop their infrastructure and human resources, increase their access to innovative financing, and promote development experience sharing and institutional improvements.

OQ: How satisfied are you with Africa's performance towards achievement of the Millennium Development Goals?

DK: In some areas progress toward the human development MDGs in Africa is encouraging. For example, Africa boosted net enrolment rates in primary education (MDG2) from 58 percent to 76 percent between 1999 and 2009, the fastest annual rate of improvement ever observed. From 1990 to 2000, child mortality in Africa declined on average by 1.2 percent a year. For the period

2000 to 2010, that figure doubled to an annual decrease of 2.4 percent while AIDS rates are also decreasing in many sub-Saharan countries.

In countries such as Ethiopia, Kenya, Mali, Nigeria and Tanzania economic growth drives these decreases. Yet Senegal, despite rather low growth, is one of the best performers, while other countries that have enjoyed steady growth, such as Liberia, have seen child mortality increase. What makes the difference are not only sound public policies, but also girls' education, new technologies such as insecticide-treated bed nets and investments in health programs that provide value for money and reach the rural poor.

The 2011 Africa MDG report sees daunting disparities in progress on all indicators, with improvements skewed toward higher income groups and urban populations. To accelerate progress towards the MDGs from 2013 to 2015 the global community should focus on equity and reaching those who are least accessible. In particular, we ought to:

- Step up infrastructure investments in water and sanitation (MDG 4 and 7) but also in ICT and energy to improve social services delivery in health and education (MDG I, 2, 3, 4, 5, 6).
- Focus on the quality of education to raise the rate at which children complete primary school (MDG 2 and 3).
- Invest wisely in low-cost interventions whose impact is high, such as insecticide-treated bed nets, family planning and more. This will accelerate reduction in maternal, neonatal and child death (MDG 4 and 5).

OQ: From an African perspective, what would you like to see included in the post-2015 Sustainable Development Goals?

DK: The post-2015 agenda must be based on *sustainable and inclusive growth*. The determinants of economic growth are primarily domestic. Aid flows are declining as a share of per capita GDP. Rather than dependence on aid and global partnerships, Africa must focus on attracting investments and raising domestic revenue.

At the heart of Africa's priorities should be *equity in human capital development,* with emphasis on the eradication of poverty, equality, improving food security, gender parity, social protection, and health for all. Quality education should focus on mathematics, science and technology, research and development; promoting market-relevant curricula; and effective technology transfer. We call for the post-2015 agenda to focus on the poorest and often excluded, reducing disparities to build inclusive and stable societies.

Growth must create jobs. In 2050, the 1.5 billion youth ready for the job market will be a unique opportunity or risk for Africa. Quality of service delivery should be measured, particularly quality of education and its contribution to building innovation and core skills which are relevant to the labor market.

Infrastructure should be inclusive. Basic infrastructure is a critical element to leapfrog development and green growth. Africa must seize the technological innovations in mobile technology, cloud computing, biotechnology, e-governance etc. to expand opportunities. Access to energy and connectivity (ICT) should be measured as critical to Africa's economic and social transformation.

Accountable government and strong leadership are essential. This will be needed to transform the continent's natural resources into human capital. Development enablers should serve as a guide for policy coherence, e.g. coherent macro-economic policies supportive of inclusive and green growth; and good governance practices based on the rule of law. Governments should encourage political pluralism and see civil society as a long-term developmental asset.

OQ: You have often mentioned the case of China and the dramatic transformation it has undergone in just three decades. How optimistic are you that Africa, as a continent, can replicate this achievement?

DK: First, let me emphasize that I am fully confident about Africa's continued take-off and about the continent becoming a global growth pole in the not-too-distant future. And in that process, there are several lessons that Africa can draw from China's experience, including the importance of (i) the active role of the state in development, (ii) strong institutions, (iii) investment in human capital, (iv) SME and rural-industry linkages, and (v) productivity growth of smallholder agriculture, based on the equitable allocation of land and rural economic reforms.

Having said that, we must keep in mind that Africa today operates in a different global landscape than China did decades ago when its rapid growth started. The most fundamental difference is the more competitive global environment. When China started its impressive transformation, there was no "emerging global economic power" as China is today. African countries need to take this into account in their development strategies and look for niche and sources of sustained competitive advantage. Clearly, the ongoing sophistication of China's production and rising labor cost create opportunities for Africa in the manufacturing sector. Furthermore, Africa



Kaberuka believes that the private sector will have a crucial role to play in providing employment and leading the continent's economic growth.

can utilize its linkages with China as a way to integrate into global value chains, thus raising the competitiveness of its economies.

There are still more differences between Africa today and China in 1980s. These include the much lower population density of Africa compared to China (or its land abundance, looking on the positive side); high inequality; weaker state institutions; and higher working-age mortality (due to HIV and AIDS). While high inequality should be addressed through inclusive growth, weaker state institutions underscore the critical role of governance in the reform agenda of most African countries.

Perhaps the key difference is that in contrast to China, Africa consists of more than 50 countries. Besides high economic costs, the continent's fragmentation implies relatively low social cohesion and a greater propensity to conflict. This last point also points to the critical role of regional integration, one of the key pillars of our medium-term strategy.

Social media in Africa: Empowering change

Across the African continent, there is growing evidence that social media is being used for more than just entertainment. It is also emerging as the common man's platform for effecting political, social and economic change.

S ocial media has taken the world by storm, permeating all aspects of society and invading our everyday vernacular, with words like 'tweet', 'Facebook' and 'friending' commonly used as verbs.

Though many of the more popular social media platforms first gained popularity in Europe and North America, the new location for social media innovation is the developing world, in particular Africa, where there has been a paradigm shift in media policies and use patterns.

There are numerous examples, moreover, of these online platforms impacting not only the political and social structures of the continent but also international engagement with the region, prompting the question: Can social media change the way Africa works?

Africa's mobile web

The average African's access to social media is still extremely restricted due to limited infrastructure coupled with the high cost of Internet connectivity. Indeed, compared to the global Internet user average of 38 percent, Africa, with only 16 percent of its population online, is trailing a considerable distance behind.

These numbers, however, are quickly changing, due primarily to the mobile phone, a product growing in popularity, because it is so much more affordable and easy to transport. In fact, the mobile phone has filtered the benefits of Internetbased communication down to much of the African populace, who lack access to a traditional Internet connection.



PHOTO: STRINGER/REUTERS

African usage of social media is quite unique compared to other developing regions, for the primary reason that it is largely mobile driven, with mobile phones outnumbering personal computers 16 to 1 across the continent.

To understand the significance of affordable mobile connectivity, you only need to look at the growing numbers of Africans online. YouTube and Twitter are among the most visited websites, with user rates growing exponentially every quarter. When it comes to Facebook, the growth rates are explosive, with the number of users doubling in the past six months alone.

If current trends in the spread of mobile technology continue, vast swaths of the African population will have unprecedented access to 'the global conversation' and, with it, the ability to use their voices for truly momentous change.

The new online voter

The Arab Spring of 2010 was the first indication of how these new technologies could influence democratic processes, when social media was used as a means of rallying crowds and as a platform for the general populace to voice their demands for political change.

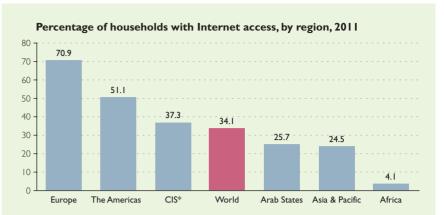
For Africa, a region made up of endlessly diverse countries, each with a unique culture and political context, social media can be a solution for bridging the gap between policy-makers and citizenry and allowing underrepresented populations to have their voices heard.

In Ghana this past December, social media played a pivotal role in the presidential and parliamentary elections, when candidates turned to the Internet to spread their political messages via online advertising and by posting personal commentary on Facebook and Twitter.

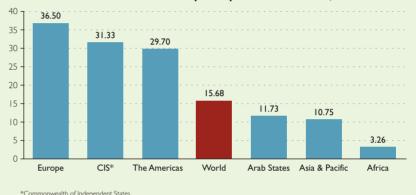
And it wasn't only the politicians who took advantage of social media. A local blogging network, Blogging Ghana, launched the project 'Ghana Decides' on Facebook, Twitter and YouTube to encourage citizens to vote and to share information about the election process.

#GhanaDecides became the most tweeted event in Ghana's political history, allowing voters to tweet anything from problems with voting, including long lines and insufficient voting materials, to information for first-time voters on how to fill out complicated ballots. This project is widely credited with ensuring an unprecedented level of participation and transparency throughout the voting process.

Even more recently, during this March's presidential elections in Kenya, social media took on a new function as a vehicle for disseminating words of peace. As in several other African countries, many high-level Kenyan politicians have an







Regions are based on the ITU BDT Regions, see: http://www.itu.int/ITU-D/ict/definitions/regions/index.html Source: ITU World Telecommunication /ICT Indicators database

official presence on Twitter and Facebook, which they use as a way of communicating with the electorate, who are able to pose direct questions and engage candidates in two-way conversations.

In contrast to the violence that surrounded the elections in 2008, this year's elections saw only a few isolated incidents, an improvement that many attributed to the widespread use of social media which provided an outlet for those who felt that their voices had been silenced and who, previously, had resorted to aggression to make their opinions heard.

This year, after the ballots had been cast, many social media users, including presidential candidates, took to Facebook and Twitter to encourage patience and non-violence among their supporters. A popular online platform created to help voters find polling stations ran a continuous message that appeared to resonate with Kenyans: 'Thank you for keeping the peace.'

Though social media may not provide all the answers when it comes to changing political processes, it certainly has been used, in numerous different ways, to change the method and quality of political discourse throughout much of the continent.



"The most important way to look at development and social media is that we [Africans] can now set the tone, the messaging, the agenda and topic."

TMS "Teddy" Ruge

Changing perspectives: media, dialogue and development

◄ Perhaps the most profound change stemming from social media is the evolution of an African perspective on information and ideas communicated from the continent.

Until recently, African knowledge generated from an African perspective had largely been ignored in favor of external 'expert' input, especially when it came to development initiatives. New African media is challenging this type of outsider perspective by embracing its own internal expertise to present a more complete picture from an African point of view.

The rise of social media has bolstered these efforts, generating a new dialogue in which Africans who know what is happening in their part the world have a forum to express their views.

Charles Obbo, Executive Editor at Nation Media Group, a conglomerate of daily and weekly newspapers and television and radio stations in East and Central Africa, explains: "We recognized that significant political, social and economic changes were happening in Africa. And with that, the prevalence of diverse African stories was growing."

Understanding that Africans are no longer silent recipients, external audiences have begun to question the clichéd notion of 'impoverished Africa', in exchange for a more nuanced understanding of Africa as a truly diverse and dynamic region.

One of the loudest voices challenging traditional perspectives is TMS "Teddy" Ruge, a social entrepreneur and co-founder of Project Diaspora who speaks extensively on Africa's technology driven renaissance.

Speaking to the *Quarterly*, Ruge stated: "The most important way to look at development and social media is that we [Africans] can now set the tone, the messaging, the agenda and topic. We don't just read about ourselves, we can now write, speak about and defend ourselves."

Simply put, what was once a single story told by an outsider about Africa, is slowly becoming the stories of Africa, by Africa, for Africa.

When looking at the broader framework of development, social media generated from this continent has resulted in a variety of changes and innovative initiatives. The very notion of aid and its traditional application are slowly taking the backseat to alternative ideas that take into account Africa's real needs as well as effective solutions, as articulated by Africans themselves.

Ruge agrees: "As the continent's citizens contribute to what I call global human intelli-

gence, hopefully the best home grown solutions will begin to filter to the top."

Countless initiatives have grown from conversations and cooperation beginning on various social media platforms. Bring Zack Home is one of many successful crowd-funding projects or online fundraising platforms that allow charities or individuals to raise small amounts of money from large numbers of people in their social networks. This specific platform, started by a local organization, raised enough money to build a spinal injury treatment center in Nairobi, Kenya.

The Red Cross uses its Twitter account to encourage blood donation, and to inform followers about car accidents and safety updates.

Villages in Action, a one-day conference held in a tiny village in Uganda was shared with thousands of users on Facebook and Twitter, bringing global attention to the needs of rural Ugandans.

These are only a few of the hundreds of different projects brought about and rendered a success by social media. The key is that social media provides visibility for those people, problems and ideas that might otherwise remain unseen.

"Being visible matters for local agency." Ruge explains, "It shows that our ideas, our identity, our passions resonate with other human around the world. And that's incredibly empowering in my opinion."

The road ahead

It is clear that social media offers an unprecedented opportunity to empower change through collaboration, but what about the millions of people who still lack access to social media and new technology?

It is imperative that the traditional paradigm of wealthy nations helping Africa not simply be replaced by one in which the voices of those Africans with access to a social media platforms speak for all Africans. Additionally, the diverse needs of the people of Africa cannot all be addressed with one approach.

Social media cannot and should not become the 'silver bullet' when it comes to development solutions for the continent. That said, the strength and beauty of social media is that it is inherently adaptable and can be used in a variety of ways to reflect the needs and culture of the society for which it provides a voice.

The possibilities are limited only to the number of ideas that find their way into this online dialogue. With major communication cables being laid off the coast of the continent and affordable broadband Internet access expected to improve vastly, it seems we are witnessing the beginning of something truly transformational.

OFID and Africa: Hand in hand in the fight against poverty

Since OFID signed its first ever loan agreement with Sudan back in December 1976, its ties with Africa have strengthened with each passing year. Today, it counts 49 African countries among its partners, from Egypt and Tunisia in the north to Lesotho and Swaziland in the south. In the following interview, **Belkacem Ouzrourou**, head of OFID public sector operations on the continent, explains how OFID is working to respond to the diverse needs and priorities of its many partners. INTERVIEW BY AUDREY HAYLINS

OQ: As a region, Africa has attracted by far the largest share of OFID development assistance. Is this by design or chance?

BO: With a population of over a billion people, Africa is the second most populated continent. Nearly half of its population still lives on less than US\$1.25 a day, despite some progress observed during the last two decades. What's more, based on the World Bank definition (GNI per capita of US\$1,025 or less), three-quarters of the world's low-income countries are located in sub-Saharan Africa. Therefore, it is definitely neither by chance nor by design that OFID's assistance has historically been directed more towards Africa. Rather, the driving force behind this fact is quite simply our mandate, which charges us with alleviating poverty, particularly in the most deprived countries, in a spirit of South-South cooperation.

OQ: *How has OFID's relationship with its African partners evolved over the years?*

BO: OFID's relations with its African partners have always evolved in line with the shifting priorities of its beneficiary countries, as all operations are derived from national development plans and priorities. In this regard, we may say that for a long time OFID has been applying the principles of the new concept of development effectiveness referred to by the Busan Declaration of 2011.

OQ: How do you decide on the amount of assistance to each country?

BO: Lending in support of public sector operations is formulated within the broader framework of a so-called Lending Program. Each Program gives an orientation for a given period, traditionally three years, on how we can best plan ►



Belkacem Ouzrourou, Acting Director, Africa Region, OFID

"OFID is more than a financial institution; it is indeed a development partner. The assistance we provide extends beyond financial resources and encompasses a more holistic view of the peculiar development challenges facing our partners." ◀ our interventions in order to maximize our developmental impact in a given country, while ensuring a fair, efficient and equitable access by partner countries to OFID's concessional resources.

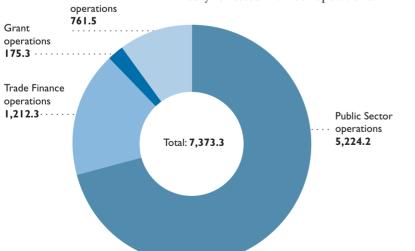
OFID is more than a financial institution; it is indeed a development partner. The assistance we provide extends beyond financial resources and encompasses a more holistic view of the peculiar development challenges facing our partners. Over the years and spearheaded by the efforts of our Director-General, we have established solid and productive relationships with our beneficiaries based on trust and mutual accountability.

OQ: How do you select and prioritize projects?

BO: As I have already indicated, our priorities reflect countries' needs and developmental objectives. This is translated into a country strategy in which priority sectors are spelt out. Within this framework, projects are prioritized, based *inter alia* on their socio-economic development impacts, their readiness for implementation and the availability of funds from the concerned government and other development partners. In this regard, OFID strongly supports co-financing arrangements as an effective way of leveraging more resources while sharing expertise and also risks.

OQ: What has OFID done over the past 12 years to help its African partners progress towards the MDGs?

BO: The MDGs have been conceived and agreed upon by the international community as a whole as overarching poverty alleviation and development goals. OFID, as an active player in the development arena, has naturally subscribed to this historic blueprint. As a matter of fact, the *modus operandi* of OFID, which places partner countries in the driving seat, warrants in itself that the priorities of the countries are duly reflected in all our operations.



Further, OFID's financial assistance, whether through loans or outright grants, has helped countries leverage more resources from other donors in support of projects in sectors at the core of the MDGs, such as agriculture, health and education.

Through our adherence to the Highly Indebted Poor Countries Initiative (HIPC), OFID has also helped several sub-Saharan countries to gain some fiscal space and thus to invest fresh resources into the financing of their poverty reduction programs and the attainment of the MDGs.

OQ: How has OFID's Energy for the Poor Initiative affected its strategic focus in Africa?

BO: Energy has always featured strongly in OFID's operational portfolio, as the sector has remained a constant priority of the low- and middle-income countries we support. Since the launch of this initiative and thanks to the relentless efforts of Management, OFID is now recognized as one of the leading international institutions in this area. As a result, OFID has been in a position to respond more effectively to the increasing needs of partner countries to ensure access by their populations to modern energy services. This is clearly reflected in the significant increase in approvals for the energy sector in Africa in the past two years.

OQ: From experience, what would you say are the particular challenges for a development institution working in Africa? Are loan defaults a problem, for example?

BO: From a public sector point of view, defaults on sovereign loan are not the most salient challenge. I would say that the main challenge faced by most development institutions operating in Africa relate to the countries' often rather weak institutional capacities. This is really one of the key issues impacting development effectiveness in Africa.

Some projects are impacted negatively by inadequate capacity from conception to implementation. Because of the resulting higher costs compared to the international average, and long delays in the execution, countries and beneficiary populations are often not reaping all the benefits of these interventions. Inefficient management further jeopardizes the operational phase of the projects and risks undermining the expected longer-term benefits associated with them.

Leading institutions like the World Bank and the African Development Bank are investing in specific capacity building and institutional support programs for the benefit of these countries. OFID and the other institutions of the Coordination Group [of Arab development insti-

Cumulative assistance to Africa by mechanism (in US\$m)

Private Sector

tutions] also contribute to these collective efforts by including capacity building components in the projects they often jointly finance.

OQ: *Has OFID taken any special steps to help its African partners in the wake of the global financial crisis?*

BO: Actually, Africa at a continental level is withstanding the global financial crisis somewhat better than other parts of the world, it seems. In some cases, however, OFID was requested and actually demonstrated some flexibility, in order to respond to peculiar needs inflicted by the crisis.

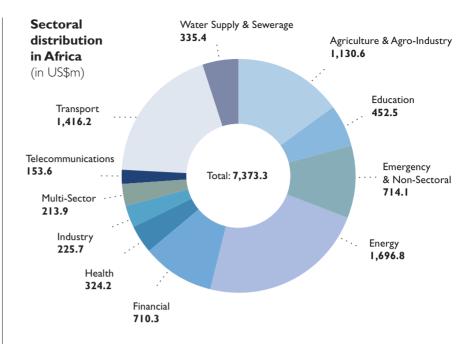
It is interesting to note that there is now a growing consensus among African leaders that an improved, integrated infrastructure, would boost intra-continental trade and thereby help the region become even more resilient to costly fluctuations in the global economy. OFID is indeed helping on both fronts: by investing substantially in key infrastructure projects throughout the continent; and by fostering trade through its Trade Finance Facility.

OQ: What is OFID doing to support development of the private sector in Africa?

BO: OFID supports private sector development directly under its Private Sector Facility, with lines of credit to local banks, credit guarantees, direct loans, equity and other financing instruments. In addition, it is worth mentioning that infrastructure projects (particularly in the transport and energy sectors) financed through OFID's public sector window benefit the country at large, including the private sector, and have a direct impact on its competitiveness and attractiveness for foreign investment.

OQ: Africa is home to some of the poorest and most vulnerable people on Earth. Does OFID operate any programs that reach out directly to such groups?

BO: Definitely, yes. Most of our public sector projects are aimed at reducing poverty in partner countries, especially in rural areas, through agriculture development, water supply and sanitation, construction of health facilities and schools, rural electrification and construction of roads. Most of these programs are well integrated and are designed in a participatory manner to ensure ownership by the beneficiaries, including the poorest and most vulnerable people. Typical projects would be rather small, and be designed, partly implemented and managed upon completion by the communities they serve. In addition and complementary to our public sector program are the numerous grassroots initiatives carried out through our grants window, which has a particularly strong focus on Africa.



OQ: With its HQ in Austria and no field offices, how does OFID ensure the effectiveness and sustainability of its projects?

BO: It is clear that the dimensions of effectiveness and sustainability are at the core of our operational activity, and indeed our daily concern. In reality, this quality assurance – because this is what it is about – is embedded in the way we conduct our business. It is largely defined by the competence, expertise and experience of the human capital we employ, the way we conduct our "due diligence," and the professionalism with which we manage the entire project cycle.

We also rely in this process on our partnerships with other donors with a field presence, such as the African Development Bank and the International Fund for Agricultural Development, among others, and through coordination with all our partners. In this regard, I should emphasize that OFID, as an active member of the Coordination Group, cooperates very closely with sister institutions within the Group, in particular those with a strong presence in Africa, including the Islamic Development Bank, the Arab Bank for Economic Development in Africa, the Saudi Fund and the Kuwait Fund.

Ultimately, projects are country-led and country-owned and, while bearing the responsibility of ensuring that the resources of a given country are invested in an efficient and sustainable manner through jointly financed operations, it is I believe fair to say that it is up to the countries and their peoples to safeguard the fruit of their efforts and investments.

"OFID's financial assistance, whether through loans or outright grants, has helped countries leverage more resources from other donors in support of projects in sectors at the core of the MDGs, such as agriculture, health and education."



PHOTO: MAJECZKA/SHUTTERSTOCK.COM

OFID doubles support to energy sector in 2012

As momentum builds in implementation of OFID's Energy for the Poor Initiative (EPI), energy projects attracted 30 percent of total commitments in 2012, pushing cumulative approvals to the sector to US\$2.9bn.

BY AUDREY HAYLINS

rue to its pledge to intensify efforts to combat energy poverty, OFID more than doubled its commitments to the energy sector in 2012, the UN Year of Sustainable Energy for All. With resources worth US\$382.6m supporting a total of 27 projects, the sector secured close to 30 percent of aggregate approvals for the year.

The surge came in a year that saw the release of a seminal *Ministerial Declaration* on *Energy Poverty* by OFID's Ministerial Council. The Declaration reaffirmed the commitment of OFID to the eradication of energy poverty and announced the provision of a minimum US\$1D to finance the institution's EPI, an amount that may be scaled up "if demand warrants."

The Declaration is the first such pronouncement made by the Ministerial Council – OFID's highest authority – in the institution's 37-year history. It is a significant milestone, and one that may be seen as a reflection of the priority conferred on the issue by OFID and Member Countries alike. "When it comes to fighting energy poverty, it has become clear that business-as-usual policies are not sufficient," OFID Director-General Suleiman J. Al-Herbish told delegates at the recent 9th International Energy Conference in Teheran. "We need to spark effective change. Not least, because energy is the key to wider social and economic development and, for millions, the path out of poverty."

All means and technologies appropriate

A total of 36 developing countries benefited from the new resources committed by OFID in 2012, the majority of them African nations. All financial mechanisms were mobilized in order to allow as much scope as possible with regard to the type and size of the projects as well as to the fuel source.

Since launching its EPI in 2008, OFID has adhered to a "technology-neutral" approach. "Our objective is to provide people with energy through whatever means appropriate," explained Al-Herbish. "We do not prioritize fossil fuels over renewables or vice versa. The aim is to meet people's needs and to do so sooner rather than later."

Of the 27 operations approved in 2012, eight were based on renewable energy sources, including wind parks in Yemen and Kenya, and several small-scale solar and hydro-power schemes designed to deliver energy to off-grid rural communities. The latter are being financed under OFID's Energy Poverty Grant Program.

Public sector loans accounted for 57 percent of commitments and will be used primarily to expand electricity generation and distribution in nine countries – six in Africa and three in Asia. Private sector investments included loans to Côte d'Ivoire and Ghana for power plant upgrading and to Kenya for the wind farm project. Trade financing, meanwhile, supported the import of petroleum products to Lebanon, Mauritania, Pakistan and Turkey.

Cooperating for better results

As a means of generating synergies and leveraging additional funds, OFID has pledged within the context of its EPI to work with a wide network of partners, including other development finance institutions, NGOs, governments and the petroleum industry itself.

To this end, cooperation agreements targeting the energy sector (among other priorities) have been entered into with a number of partners, among them the World Bank, the Asian Development Bank and the Andean Development Corporation. Cooperation in 2012 included these organizations and others, most notably sister institutions such as the Arab Bank for Economic Development in Africa, the Arab Fund, the Islamic Development Bank and the Saudi Fund.

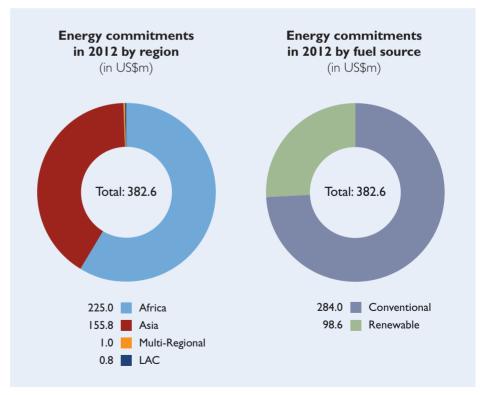
Promoting the agenda

OFID has also taken on a high-profile advocacy role, using its influence wherever possible to spread the message and mobilize support for the battle against energy poverty.

Working both independently and in collaboration with other lead actors, OFID maintained its advocacy efforts throughout 2012. As part of the UN Secretary-General's High-Level Group on Sustainable Energy for All, the institution helped to develop the Action Agenda that was submitted to the Rio+20 Global Summit in June, where OFID was an active participant in its own right as well as part of the Group.

Other high-level events utilized as an advocacy platform in 2012 included the World Future Energy Summit, the 13th International Energy Forum, the 5th OPEC Forum and the 5th Global South-South Development Expo.

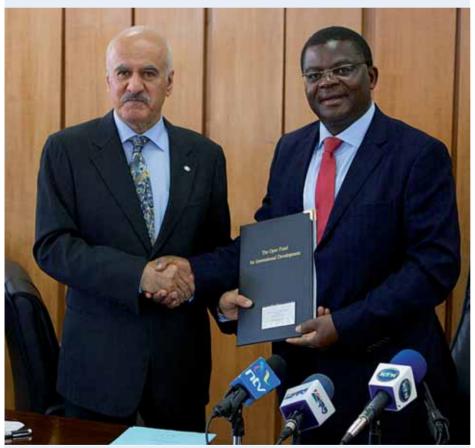
OFID's strong support to the energy sector is by no means a recent development. On a cumulative basis, resources amounting to US\$2.9bn have been distributed among a total of 85 countries for a diverse range of operations, from infrastructure and equipment provision to research and capacity building. This equates to 20 percent of all approvals, placing energy marginally behind transportation (21 percent) as the sector with the second-largest share of total commitments. Given recent trends, however, and the building momentum in the execution of the EPI, it is a share that is certain to grow rapidly and significantly.



OFID and Kenya join forces to combat energy poverty

With one of the lowest rates of electricity production and consumption in the world, Kenya is pinning its hopes on the success of an ambitious geothermal energy project to boost economic growth and deliver a reliable source of power to its people.

by Jennifer Adams



OFID Director-General, Suleiman J.Al-Herbish, and Kenyan Minister of Finance HE Robinson Njeru Githae, signed the US\$15m agreement for the Kenya Electricity Expansion Project.

n early February this year and as part of OFID's Energy for the Poor Initiative, Director-General, Suleiman J. Al-Herbish and Kenyan Minister of Finance, Robinson Njeru Githae signed a US\$15m loan agreement for a project that will provide more than 200,000 households with affordable electricity. The loan signature was the highlight of a three-day visit to Kenya by a high-level OFID delegation.

Since 1977, OFID has provided over US\$147m to support Kenya's social and economic development. The long-standing partnership has resulted in significant improvements to the quality of life of much of Kenya's population. This most recent loan, which will finance the Kenya Electricity Expansion Project (KEEP), will continue to bolster development in the country.

Kenya's low rate of energy production and consumption is due to lack of investment and high related implementation costs. Average annual per capita consumption was a meagre 130 kWh in 2010 compared with 578 kWh in other African countries.

Most of the currently available electricity is generated by hydropower plants, which are weather dependent and, given the extremely dry seasons in the country, often unreliable. Additionally, much of Kenya's population, especially in rural areas, has either no grid access or cannot afford the high household connection cost.

As a result, they rely on wood fuel and biomass-generated energy, which although affordable at the household level, has a high environmental cost. In short, energy poverty is severely limiting the country's ability to make sustainable socio-economic progress, and Kenyans urgently need a sustainable supply of low-cost electricity.

KEEP is a multi-donor funded project initiated by the World Bank. Its objective is to increase the capacity of geothermal energy to meet the electricity needs of hundreds of thousands of people across the country. At the loan signing ceremony, Mr Al-Herbish noted with satisfaction that the project would contribute to the country's economic growth through the improvement of access to modern, clean and affordable energy services. "It will increase the access, efficiency and quality of electricity supply in urban, peri-urban, and rural areas," he said.

The OFID delegation was invited to visit several of the building sites funded by the KEEP project, including two electrical substations and the National Grid Control Centre outside of Nairobi.

KEEP is a high priority for the Government of Kenya as a part of the country's development plan, Kenya Vision 2030. Work on the initiative began in January 2012 with funding from the African Development Bank, the World Bank and the European Investment Bank, among others. Despite significant funding, the project required additional support in order to provide those regions most in need with truly comprehensive coverage.

OFID's loan will finance the construction of transmission lines and substations, widening the scope of the project to communities in the country's Northeastern and Nyanza Provinces. As these areas of the country are also the production centers for many of Kenya's primary exports – wheat, corn, tea, sugar and dairy products – the increased access to electricity is projected to have a significant impact on Kenya's economic stability as well as provide hundreds of employment opportunities for the local population.

During the visit, Mr Al-Herbish met with senior officials from the ministries of finance and energy and the Kenya Power Lighting Corporation to discuss further avenues for cooperation that would not only help the country to meet its national development goals, but would also strengthen the partnership between OFID and Kenya within the context of OFID's Energy for the Poor Initiative.

During these meetings, Mr Al-Herbish noted OFID's previous support for Kenya's energy sector, including two initiatives in the private sector and the approval of a rural electrification project in June 2011. He gave his assurances that OFID would continue to support projects like KEEP, working together with its partner countries until energy poverty became a thing of the past.



The OFID delegation visited two electricity substations and the National Grid Control Center. OFID's contribution to the KEEP project will help bring power to northeastern Kenya, where many of the country's primary exports, including wheat, corn, tea and sugar, are produced.







HE Adelien H Wijnerman, Minister of Finance of Suriname (right) and Anajulia Taylhardat, Director. Latin America and Caribbean Region, OFID.

OFID and new partner Suriname sign first loan agreement

OFID has expanded its global development alliance to 133 countries, with the signature on March 18 of a US\$13.8m loan agreement with new partner Suriname.

he signature, which took place on the sidelines of the Inter-American Development Bank (IDB) annual meetings in Panama, represents the first cooperation between OFID and the Latin American country. The loan proceeds will be used, together with funding from the IDB, to complete the Meerzorg-Albina Corridor Rehabilitation Program.

The agreement was signed by Suriname's minister of finance, Adelien H. Wijnerman, and overseen on behalf of OFID by Anajulia Taylhardat, Director, Latin America and Caribbean Region, Department of Operations.

Commenting on the new relationship, OFID Director-General, Suleiman J. Al-Herbish said that OFID was delighted to welcome Suriname to its partnership network. "We hope this is the beginning of a long and fruitful relationship," he declared.

Suriname is the smallest country in South America with a total population of approximately 560,000. The majority of people live along the country's north BY JENNIFER ADAMS

coast, in or near the capital city of Paramaribo. Though no conclusive data on poverty exists, available statistics indicate high levels of income inequality with up to



OFID's loan will plug the financing gap and allow rehabilitation works on the key artery to be completed.

60 percent of the population living below the poverty line.

Since gaining its independence from the Netherlands in 1975, Suriname has faced a host of development issues including a lack of housing and limited access to healthcare and education.

For the most part, the economy is heavily dependent on commerce, in particular the export of bauxite, the country's leading resource, as well as agro-produce such as rice, bananas and shrimp.

As a country that relies on trade as the main source of its GDP, efficient and safe transportation is an absolute necessity and a critical component in the alleviation of poverty.

The 140 km-long Meerzorg-Albina Corridor is one of Suriname's busiest arteries, spanning the country from east to west and connecting Paramaribo with French Guvana.

Originally built in the 1960s, much of the road has not been properly maintained, despite years of heavy use. It is now in poor condition, with some stretches having completely deteriorated. Compounding the problem, sewer networks along the road routinely overflow during heavy rainfall, causing severe congestion for local and long-haul traffic.

To address these many issues, the Government of Suriname secured international funding to begin rehabilitation of the corridor in 2009. Despite continuous work and substantial investment, extra costs and currency depreciation have created a financing gap and stalled the project's completion. OFID's loan will help provide the additional financing needed to finish it.

Specifically, OFID's loan will be used to improve traffic and safety conditions, by financing the widening and repaying of some of the worst stretches of road, as well as the reconstruction of a number of bridges and improvements to roadside amenities such as bus stops, sidewalks and parking areas.

The project is expected to have markedly positive effects for the 50,000 people living in the area, in terms of providing access to local trade routes, marketplaces and social services. The rehabilitated road will also increase regional trade and tourism and ultimately contribute to the overall reduction of poverty throughout the country.

Sudan inaugurates Roseires Dam

The Sudanese people had much to celebrate in January with the inauguration of the newly-heightened Roseires Dam, which is set to boost the area's agriculture and hydropower potential.

BY ANNA ILARIA-MAYRHOFER

he Roseires Dam lies on the Blue Nile some 550 km southeast of the Sudanese capital Khartoum, near the Ethiopian border. The dam, which now holds 7.4 billion cubic meters of water – double its former capacity – will enhance water supply to one of the poorest regions in the country, where agriculture is the mainstay of the economy.

Sudanese President Omar Al-Bashir inaugurated the dam and after opening the floodgates declared: "The sons of the Blue Nile will be the first to benefit." The celebration took place on January 1, coinciding with the 57th anniversary of the country's independence. In attendance were high-level ministers and Sudanese cabinet officials; Somalian President, Hassan Sheikh Mohamud; President of the Islamic Development Bank, Dr. Ahmad Mohamed Ali; and other distinguished guests, as well as journalists. A large number of local residents also turned out to witness the landmark event.

The Roseires dam project was a massive undertaking that took four years to complete. Works included raising the height of the dam by 10 meters and extending the reservoir perimeter from 12.5 km to 24.1 km. Government officials explained that this would increase the dam's power generation by 50 percent – to 1,800 MW – drastically reducing the frequent power outages that occur in the capital Khartoum and outlying regions.

Originally built in 1966, the dam harnesses water from the Nile and Blue Nile tributaries. Over the years, however, the accumulation of clay led to water **>**



PHOTOS: DAM IMPLEMENTATION UNIT/MINISTRY OF WATER RESOURCES AND ELECTRICITY, SUDAN



Sudanese President Omar Al-Bashir leads the celebrations as the new dam's sluices are opened for the first time.

I osses and it was deemed necessary to raise the dam to increase its storage capacity and meet present demands.

Addressing those assembled, Osama Abdallah, Minister of Water Resources and Electricity of Sudan, gave his assurances that all water harnessed in the country would be used for bettering the lives of the Sudanese people and boosting socioeconomic development. The Minister also extended his thanks to the Arab and Islamic funds that were instrumental in bringing the project to fruition. The project will bring welcome benefits to a population which is coping with the aftermath of years of civil conflict that destroyed infrastructure and displaced numerous communities. According to officials, the additional water supplies will provide irrigation for around two million hectares, and it is hoped that this will attract more investment in Sudanese farmland which is renowned for its rich soil. Plans are also being considered to establish a fisheries factory within proximity of the dam. In order to make way for the expansion works, around 22,000 people were relocated to new sites that contain a full complement of social infrastructure, such as schools, health clinics, roads and connections to electrical power.

Costing a total of US\$460m, the project was co-financed by OFID and sister organizations the Abu Dhabi Fund for Development, the Arab Fund for Economic and Social Development, the Kuwait Fund for Arab Economic Development, the Islamic Development Bank and the Saudi Fund for Development.

OFID attends inauguration ceremony

An OFID delegation headed by Fuad Albassam, Assistant Director-General, Public Sector Operations, was present at the inauguration. Mr Albassam delivered a speech on behalf of OFID Director-General Suleiman J.Al-Herbish. During the ceremony, President Al-Bashir awarded OFID the First Degree of the Order of the Two Niles in appreciation of the institution's long-standing cooperation with his country. Mr Albassam accepted the medal on behalf of Mr Al-Herbish. Thanking the President for the honor bestowed on OFID, Mr Albassam stated that the project would have a significant impact on the socio-economic development of the beneficiary population and exemplified the "strong cooperation upheld by the Coordination Group [of Arab development institutions]." He went on to add that OFID stood firm in supporting Sudan's efforts to combat poverty and achieve sustainable development.



Fuad Albassam, Assistant Director-General, Public Sector Operations, accepts the medal from President Al-Bashir on behalf of OFID Director-General Al-Herbish.



OFID takes part in Vienna Concert House centenary celebrations

Since joining forces in 2011 to launch the Superar choir project, OFID's partnership with the Vienna Concert House has blossomed into a very special friendship.
It was the institution's great pleasure to sponsor a special performance of Brahms' *Ein Deutsches Requiem* as part of the Concert House's centenary celebrations.

ienna is world-renowned as a major cultural capital of Europe. It has been the inspirational home to many great composers, among them Mozart, Beethoven, Brahms and Strauss. One legacy of these musical geniuses is the panoply of concert houses spread throughout the city. Of all of these, the Vienna Concert House is one of the most important.

In celebration of its 100th anniversary, the Concert House has been presenting a series of special concerts over the 2012– BY JUSTINE WÜRTZ

2013 musical year. The OFID-sponsored performance of Johannes Brahms' *Ein Deutsches Requiem op. 45 (1854-1868)* took place on Friday, March 15. The sponsorship followed in appreciation of the Concert House's contribution to Austria's cultural history and its close ties with OFID.

For the performance, the choir of The Vienna Singing Academy, of whom Brahms was himself conductor in 1863, joined the ORF Symphony Orchestra under conductor, Cornelius Meister. With solos from sopranos Christiane Karg and Katharina Sellschopp-Meister, mezzo-sopranos Dorottya Láng and Ida Aldrian and bass-baritone Luca Pisaroni, it was a wonderful evening, appreciated by an audience including distinguished guests as well as senior representatives and staff from OFID.

OFID's friendship with the Vienna Concert House started in 2011, when it awarded a grant to Superar. This social project, jointly developed by the Concert House, the Vienna Choir Boys and Caritas, ► ◄ promotes children's development, communication and educational achievement through music and dance. It is a project which OFID has continued to support over the last three years. As OFID Director-General, Mr Suleiman J. Al-Herbish stated at the reception following the performance, "capacity building is one of OFID's priorities" and "cultural integration and music education are important means of strengthening capacity in people, especially children."

The Vienna Concert House was first conceived in 1890 as a multi-purpose venue for the broader Viennese public, rather than just for the privileged echelons of society who already had access to the Viennese Music Association and Opera House. The building was finally constructed between 1911 and 1913 with three concert halls. At the official opening on October 13, 1913, in the presence of Emperor Franz Joseph I, it was called "a place to nurture fine music, a collective place for artistic endeavor, a house for music and a house for Vienna."

Over the past 100 years, the Concert House has played host to classical, jazz, pop and folk music as well as literature readings, dance performances, congresses



Bernhard Kerres, Director, Vienna Concert House

and symposiums, fencing and boxing championships. From 1938 to 1945, World War II brought massive restrictions to the cultural and artistic content of its programs. Today, however, the Concert House again enjoys artistic freedom under the direction of Bernhard Kerres, and is used for concerts and a variety of social events including balls, conferences and corporate parties.

Kerres has been an important figure in facilitating and developing the relation-

ship between OFID and the Concert House. Speaking at the reception, he thanked the Director-General and OFID for their support and "friendship", stating that the evening was of significance for two specific reasons.

Firstly, he explained, the success of Superar was of personal importance to him, having committed himself and the Vienna Concert House, at the beginning of his tenure, to the promotion of children and young people's access to music, "to advocate, beyond artistic and cultural appreciation, the benefits this can bring to learning, communication and integration."

Secondly, he revealed that since his career as a singer, his love of Brahms had been partly due to the composer's humanist exponents. *Ein Deutsches Requiem,* he explained, compounded the themes of belief, hope and love. This, he reflected, mirrored the purpose and aims of OFID: "Belief in the unity of our world, that regardless of religion, or nationality or politics, OFID helps those who are in need; the Hope which this extends to all, in the possibility of improving the quality of life worldwide; and the Love inherent in helping others."



For the performance of "Ein Deutsches Requiem," the choir of the Vienna Singing Academy joined the ORF Symphony Orchestra under conductor Cornelius Meister.

January – March 2013





Andrew Alli, President and CEO of the African Finance Corporation visited OFID to discuss potential collaboration.

JANUARY I

Director-General receives Sudan's Order of the Two Niles, First Degree

The order was awarded to OFID by the Sudanese President, Omar Al-Bashir, in appreciation of the institution's long-standing cooperation with his country.

JANUARY 28

OFID hosts exhibition of Nigerian art

The "Rhythm of Hope" exhibit coincided with OFID's 37th anniversary and was the latest in the Member Country Art and Culture Exhibition Series. *See story page 54*.

JANUARY 29

Public Sector loan agreements signed

Cuba. US\$16m. Palma Soriano Water Supply and Sanitation System Rehabilitation Project. To upgrade the necessary infrastructure to provide safe drinking water and modern waste treatment facilities to over 135,000 people. Djibouti. US\$3m. Economic Development Fund of Djibouti. To help entrepreneurs start and/or expand their own businesses through the issue and management of around 500 loans to SMEs and young graduates.

Ghana. US\$10.5m. Integrated Rural Development Project. To help fund a series of sub-projects that will construct basic infrastructure such as schools, health clinics and water supply sources, benefitting some 25,000 lowincome households. Guinea. US\$7m. Five Towns Water Supply Project. To help alleviate poverty and improve living conditions for some 63,000 people through the construction of water supply infrastructure and installation of household connections.

Papua New Guinea. US\$9m. Rural Primary Health Services Delivery Project. To construct two community health posts and rehabilitate eight existing aid posts and/or health centers in each of 16 participating districts.

Rwanda. US\$12m. Electricity Access Scale-Up Project. To improve access to reliable and costeffective electricity services for households and priority public institutions in urban and periurban areas, as well as denselypopulated rural areas presently unconnected to the grid.

Uganda. US\$10m. Energy Development and Access Expansion Project. To carry out rural electrification works in the central and northern regions, with the aim of installing around 15,000 new connections in households, trading centers, hospitals, health centers, schools and fish processing centers.

Mr Al-Herbish received Pakistani Ambassador, HE Khurshid Anwar, to officially inform him of the decision to confer the OFID Annual Award for Development on teenage activist Malala Yousafzai.

Uganda. US\$15m. Masaka – Bukataka Road Project. To upgrade a 40.6 km-long stretch that is one of the primary means of mainland travel in the Kalangala District. The improved road will facilitate access to marketplaces and social services.

FEBRUARY 3

Public Sector loan agreement signed

Kenya. US\$15m. Kenya Electricity Expansion Project. To provide around 300,000 new connections for households, small businesses and public institutions, thereby improving living standards and raising incomes.

FEBRUARY 14

Public Sector loan agreement signed

China. US\$18m. Gansu Vocational Education Project. To expand four vocational secondary schools, benefiting over 19,000 students who will receive the technical skills needed to obtain better-paying jobs.







HE Mohammed Ali Al-Malki, Ambassador of Qatar, called on Mr Al-Herbish to deliver a personal invitation from HE Sheikh Hamad Bin Jassim Bin Jabr Al Thani, Prime Minister and Minister of Foreign Affairs of Qatar, to the 24th Summit of the League of Arab States.

Left: William Lacy Swing, Director General of the International Organization for Migration, visited Mr Al-Herbish to explore avenues of cooperation.

MARCH 5

Grant agreement signed

United Nations Office for Drugs and Crime. US\$700,000. To support the project "HIV/AIDS Prevention, Treatment, Care and Support for Women who Use Drugs and for Women Prisoners in Afghanistan, Iran, Nepal and Pakistan."

MARCH 8

Public Sector loan agreement signed

Cambodia. US\$10m. Medium-Voltage Sub-Transmission Expansion Project. To increase access to grid-electricity in rural areas in five provinces, connecting about 25,000 poor households to reliable and cost-effective energy sources.

MARCH 15

Vienna Concert House 100th Anniversary

OFID sponsors special performance of Brahms' *Ein Deutsches Requiem. See story page 27.*

MARCH 20

142nd Session of the Governing Board

Public Sector loans approved

Burundi. US\$10m. Bubanza-Ntamba Road Project. To rehabilitate and upgrade a 24.1 km-long road situated in the impoverished Bubanza province, thereby easing access to social services for around 400,000 people and facilitating the movement of agricultural goods and inputs.

Djibouti. US\$7m. University of Djibouti Project. To construct and equip a fully-integrated university campus to accommodate 10,000 students, thereby contributing to the country's overall economic and social development.

Ethiopia. US\$20m. Arba Reketi – Gelemso – Michata Road Upgrading Project. To pave a 57.5 km stretch of gravel road that traverses areas where important cash crops are cultivated. This will help boost revenues and improve food security for around one million people.

Guinea. US\$7m. Bridges Construction Project. To build a concrete-reinforced bridge in two of the country's most productive agriculture and livestock areas. This will benefit some 1.7 million people from increased incomes and better access to health, education, marketplaces and administrative services.

Maldives. US\$20.6m. Outer Islands Water Supply and Sewerage Facilities Project. To help improve health standards and living conditions for approximately 12,000 people on five islands by providing access to safe water and sanitation services.

Morocco. US\$60m. Rural Electrification Project. To provide modern electricity services to nearly 520,000 people in some of the most remote areas in the country, in particular mountainous zones and areas that experience harsh weather conditions.

Mozambique. US\$10m. Niassa Rural Electrification Project. To extend the national grid and provide the predominantly rural population of the Niassa Province with electricity. This will help enhance economic growth and reduce poverty for some 105,000 people.

Nepal. US\$16m. Kathmandu Valley Wastewater Management Project. To carry out infrastructure improvement works, provide training and promote community development and capacity building schemes. This will increase the number of people connected to the wastewater network by around 760,000.

Senegal. US\$10m. Joal - Djiffer Road Rehabilitation Project. To pave a 42-km road that passes through key agricultural areas, thus helping reduce travel time and transport costs and improve the delivery of inputs and produce to marketplaces. Around 2.1 million individuals will benefit from the project.

Grants approved

United Nations Industrial Development Organization. US\$600,000. To establish an agro-industrial processing plant in the Beles Belt regions of northern Ethiopia, which are periodically affected by drought and famine.

International Committee of the Red Cross/Special Fund for the Disabled. US\$600,000. To provide prostheses or orthoses to around 3,000 disabled people and equip physical rehabilitation centers with wheelchairs, walking aids and other equipment. Activities will take place in Madagascar, Somalia, Tanzania, Zambia and Zimbabwe.

Ambassador Lamberto Zannier, Secretary General of the Organization for Security and Cooperation in Europe visted OFID to discuss opportunities for collaboration.





Mr Al-Herbish met with Ambassador Shamil Aleskerov, Secretary-General of the Economic Cooperation Organization to discuss institutional cooperation.

Austrian Red Cross.

US\$550,000. To improve water supply and sanitation facilities and community knowledge on health issues, disaster riskreduction and water systems, benefiting around 10,000 people in Timor Leste.

Multidisciplinary Water and Sanitation Interventions in Four Regions. US\$800,000. To support four projects: 1) the provision of scholarships for young professionals from MENA countries on water resource management; 2) improvement of water supply systems in Laos and Bhutan; 3) sustainable access to water and sanitation for rural communities in the Central African Republic; and 4) promotion of good water governance in the Torola River Basin of El Salvador.

American Near East Refugee Aid. US\$1m. To install a water storage and distribution system in Jenin in Palestine's West Bank, thereby enabling farmers to use treated wastewater to grow higher value crops and conserve scarce drinking water supplies.

United Nations Educational, Scientific and Cultural Organization. US\$1m. To improve access to quality education for Palestinian children in the West Bank and the Gaza Strip.

International Labor Organization. US\$1.5 million. To strengthen HIV-related services to vulnerable working populations currently not covered due to their mobility or remote working locations. The beneficiary countries are Bolivia, Ethiopia, Haiti, Honduras, Kenya, Paraguay and Senegal.

International Water Association (IWA). US\$75,000. To support the attendance of 30 to 35 delegates from 10 developing countries at the IWA Development Congress in Nairobi, Kenya, October 14-17, 2013.

International Press Institute (IPI). US\$23,000. To sponsor the publication of an IPI Reporter's Guide covering the MDGs. The handbook will provide journalists with the tools needed to report effectively on development aid and the impact of the MDGs.

The Institute for Development Cooperation (ICEP).

US\$200,000. To establish sustainable local capacity-building structures that provide entrepreneurial training and empowerment for poor women in Guatemala, Nicaragua and El Salvador.

Meetings attended by OFID

JANUARY 12 – 13 RIYADH, SAUDI ARABIA Arab Private Sector Forum

JANUARY 12 – 15 ABU DHABI, UNITED ARAB EMIRATES Abu Dhabi Sustainability Week

JANUARY 20 – 21

RIYADH, SAUDI ARABIA 3rd Arab Economic and Social Development Summit

FEBRUARY 15

VIENNA, AUSTRIA UNITAR Vienna Workshop

FEBRUARY 19 – 20 TEHRAN, IR IRAN 9th International Energy Conference

FEBRUARY 26 – 28

VIENNA, AUSTRIA 5th Global Forum of the UN Alliance of Civilizations

www.ofid.org

FEBRUARY 27 – 28

ROME, ITALY UN Seminar on Assistance to the Palestinian People

MARCH 4 – 8 HOUSTON, TEXAS, USA Ceraweek 2013

MARCH 14 - 17

PANAMA CITY, PANAMA 54th Annual Meeting of the Board of Governors of the Inter-American Development Bank; 28th Annual Meeting of the Board of Governors of the Inter-American Investment Corporation

MARCH 17

KUWAIT, KUWAIT Heads of Institutions Meeting hosted by the Arab Fund

MARCH 25 – 27 DOHA, QATAR Summit of the League of Arab States *From left*: Said Aissi, Advisor to the Director-General; Fuad Albassam, Assistant Director-General, Public Sector Operations; Mr Suleiman J Al-Herbish, Director-General; Mr Abdulwahab A. Al-Bader, incoming Governing Board Chairman.



142nd Session of the Governing Board



Jamal Nasser Lootah stepped down as Governing Board Chairman after holding the position for 10 years.

At its 142nd Session in Vienna on March 20, the Governing Board approved over US\$166m in new loans and grants in support of socio-economic development in some 25 partner countries. The bulk of the funds will co-finance projects aimed at combating energy poverty, with the remainder going to initiatives in the transportation, water supply, education and health sectors. Another important outcome of the meeting was the election of a new Governing Board Chairman, Mr Abdul Wahab Ahmed Al-Bader, Director-General of the Kuwait Fund and Kuwaiti Governor to OFID. Mr Al-Bader succeeds HE Jamal Naser Lootah of the United Arab Emirates, who served as Chairman from 2003.



Mr Farid Tiaiba, Governor of Algeria



Mr Abdulrahman M.Almofadhi, Alternate Governor of Saudi Arabia



Mr Fawzi Yousef Al-Hunaif, Alternate Governor of Kuwait

Mr Ismail O. Al-Daffa, Alternate Governor of Qatar



photo LOAN & GRANT SIGNATURE gallery

January 29

HE Juan Carlos Marsan Aguilera, Ambassador of Cuba to Austria, signed a US\$16m loan agreement for the *Palma Soriano Water Supply and Sanitation System Rehabilitation Project,* which will provide potable water and safe sanitation to over 135,000 people.





January 29

Mr Fahmi Ahmed El Hag, Counsellor and Advisor to the President of the Republic of Djibouti, following signature of the agreement for a US\$3m loan to support the activities of the Economic Development Fund of Djibouti.

February 14

Mr Al-Herbish and HE Bin Zhao, Ambassador of the People's Republic of China to Austria, concluded an agreement for the *Gansu Vocational Education Project*. The US\$18 million loan will benefit over 19,000 students by providing them with the technical skills needed to obtain better-paying jobs.





January 29

HE Dr El Hadj Ibrahima Sory Sow, Ambassador of Guinea to Germany, with Mr Al-Herbish, after signature of a US\$7m loan agreement for the *Five Towns Water Supply Project*, which aims to benefit around 63,000 people through improved drinking water access and reduced incidence of waterborne disease.

March 5

Mr Yury Fedotov, Executive Director, United Nations Office on Drugs and Crime, secured a grant of US\$700,000 towards the joint project *HIV/AIDS Prevention, Treatment, Care and Support for Women who Use Drugs and for Women Prisoners in Afghanistan, Iran, Nepal and Pakistan.*





March 8

HE Saem Hem, Ambassador of Cambodia to Austria, signs the US\$10m loan agreement for the *Medium-Voltage Sub-Transmission Expansion Project*, which will potentially connect about 25,000 poor households to a reliable and cost-effective electricity supply.

The full list of loan signatures can be found on pages 29-31.

OFID in the Field



The African continent, home to 34 of the world's Least Developed Countries, has always been a priority for OFID.

Collectively, 49 partner countries in the region have received US\$7.4bn, or close to one half of OFID's total, cumulative approvals. These funds have helped to promote social and economic development and integration, fight hunger and disease, build institutional and human capacity, and generally secure a better quality of life for millions of Africans.

In the following pages, **Damelys Delgado**, introduces three very different projects – in the agriculture, education and telecommunications sectors – and describes how they have changed people's lives and inspired hope for the future.



PHOTO: WILLIAM DAVIES/GETTY IMAGES

Expanding telecom horizons in Ghana

Mobile telephony is one of the most dynamic sectors in Africa, offering a lifeline to millions of rural dwellers and rapidly transforming all aspects of society. hana's impressive development and growth since the mid-1980s has made it one of the strongest performers in Africa. The country boasts more than twice the per capita output of the poorer countries in West Africa and one of the most highly developed education systems in the region, despite the fact that almost one-half of its 24 million people live in rural areas, 27 percent of them below the poverty line.

This strong performance has triggered an increase in foreign direct investment, including to the telecommunications sector.

Through text messaging and the use of apps, mobile telephony has transformed Africa in many ways. In a population of one billion, there are reportedly 695 million subscribers. In sub-Saharan Africa, for example, only one in five adults has a bank account, but thanks to a banking app, many people are able to use mobile phones to pay bills and to access calling plans, buy food, make payments, and send money to relatives abroad.

Other areas in which mobile telephone use has created innovations are activism, education, disaster relief and agriculture. Acting as a platform for sharing weather information, market prices, and subsidies, for instance, mobile phones have enabled African farmers to make more informed decisions, and in the process, increase their earning potential.



Mhealth pioneer Bright Simmons

Combining needs with technology, it was a Ghanaian, Bright Simmons who, abandoning astrophysics and political studies, turned entrepreneur to introduce a revolutionary use of mobile communication to the health sector. His innovative idea – to put a code on all medicine packaging – has helped to foster a healthier Ghana. Through the use of a mobile phone app, consumers can scan the code to check the authenticity of the medicine and access information about it.

This innovative but simple tool is saving countless lives. Data provided by the World Health Organization estimates that counterfeit medicines account for 30 percent of all medicine sales, daily killing up to 2,000 people worldwide, though other studies suggest the figure is even higher. The Simmons' model is being extended to India and South Asia to help create, as Simmons himself has said, "a genuine reversal of the usual narrative."

Increasing coverage

In 2009, Zain Communication Ghana received a US\$20m private sector loan from OFID to support the construction and operation of a green-field telecom network. At that time, Zain was the

fourth largest mobile operator in the world in terms of geographical presence, with operations in 15 African and seven Middle Eastern countries.

Zain was the first company in Ghana to operate a 3.5G network, offering ultra-high speed Internet access that would allow customers to make video calls and use multimedia content. Another advantage was its "borderless" service that offered free roaming in other Zain networks, including in neighboring Burkina Faso, Niger and Nigeria.

Tareq Alnassar, Acting Head of OFID's Private Sector Operations, explains how the project improved the availability of reliable and affordable communications for consumers and businesses.

"It enhanced competition in the sector, leading existing mobile operators to invest further in their networks, thereby increasing availability and improving the quality of cellular services and lowering tariffs. Also, the project increased geographic and population coverage."

According to Alnassar, the mobile market in Ghana is huge, with over 10 million customers, and is projected to grow at average rate of 28 percent per annum. Zain Ghana, which today operates under the name of Airtel Ghana following a takeover deal in 2010, holds 16 percent of a market it shares with five other mobile operators. Explains Alnassar: "The mobile industry is highly competitive and the market is characterized by aggressive and huge marketing spend."

Ghana continues to develop its infrastructure to enhance access to information and communications technology in general, and to increase access to telephones in rural communities in particular. Mobile telephony gives customers access to numerous convenient tools, including this app to check the authenticity of medicine and retrieve information about it.



PHOTO: MPEDIGREE

Mobilizing resources to reduce poverty in Guinea

An integrated rural development project is breathing new life into the farming communities of Guinea's Télimélé province.

> f one had to select two words to describe Guinea, one would need to choose "contradictions" and "challenges." While the country possesses almost half of the world's bauxite reserves (the ore from which aluminum is derived) in addition to significant iron, gold, and diamonds, 50 percent of its population lives below the poverty line.

> Guinea's extensive economic potential is constrained by the deficiencies of a vastly inadequate infrastructure, notably rural roads, irrigation and water supply. With almost threequarters of the population under 35, unemployment is also a serious problem. Around one-third of young Guineans are out of work due, among other factors, to the gap between adequate training and the needs of the economy.

> Despite its rich mineral resources, it is agriculture rather than mining that is Guinea's most important economic sector, employing 84 percent of the labor force and contributing 26 percent of GDP in 2011. As such, it plays a prominent role in the welfare of Guinean society.

Abundant resources for food security

Favored by a generally mild climate, Guinea produces mainly rice, corn, peanuts, cassava, fruit, coffee, cotton and palm oil. Cash crop yields are potentially plentiful and sufficient to meet the nutritional needs of the population. However, in order to attain total food security, some investment in this sector is required. The fertile soil of Guinea and the country's favorable climate are eminently suitable for the development of a wide range of crops. It is a potential that remains untapped, largely due to the weakness of the country's human resources. This represents an overwhelming obstacle to development, further reducing the chances of the country meeting the Millennium Development Goals by the target date of 2015.

Since its inception, OFID has contributed a total of US\$107m to fight poverty in Guinea, by financing transport, water supply and sewerage, education, industry, agriculture and agroindustry projects.

Financed jointly with the Islamic Development Bank and the Guinean government, the Télimélé Integrated Rural Development project is a good example of OFID's monetary support to the country. The Télimélé region is a poor province of around 280,000 inhabitants, where agriculture is dominated by rain-fed crop production.

The aim of this multifaceted project, to which OFID contributed a loan of US\$5m, was to improve food security and living standards by increasing agricultural production and improving access to health and education. It comprised several activities, such as the development of 675 hectares of land through the installation of an irrigation network and drainage system, the construction of leveled plots and a small dam, plus the establishment of farmers' associations and training programs.

With its fertile soil and favorable climate Guinea is well positioned to tap into an as yet unrealized agricultural potential.

Improved infrastructure to boost production

As accessibility to the area was extremely poor, thus limiting marketing opportunities, the project also allowed for the construction of 182 km of feeder roads to link the main production centers to the chief markets and villages in the region.

Belkacem Ouzrourou, Acting Director of the Africa region at OFID, explained that despite the long delays experienced during implementation because of the socio-political crisis experienced by the country during the period 2007-2010, most of the planned activities had been completed by end-2012.

"It is expected that agriculture production in the project area will increase significantly," he said, indicating that yields could jump from I.6 t/ha (tons per hectare) to 4 t/ha for rice production and from I.I t/ha to 3.5 t/ha for maize. Another component of the project was the drilling of 90 boreholes and 20 wells to boost access to potable water supplies, since access to safe water was available to just over half the population of Télimélé province. The construction of ten new primary schools and the construction and equipping of two major health centers and ten health units was also part of the project designed to improve the wellbeing of Guineans.

Through the creation of jobs and broadening of educational opportunities, rural areas could soon become an employment resource for young people, making real Guinea's motto: *"Travail, Justice, Solidarité*" (Work, Justice, Solidarity).



PHOTO: RACHEL TORRES/ALAMY

Morocco: Tailoring higher education to a region's needs

How a new multidisciplinary college in southern Morocco is boosting employment and socioeconomic development by matching human resource skills to the job market.



atched over by the High Atlas Mountains, the Kingdom of Morocco is a land of stark contrasts, its stunning coastline, sweeping desert and lush oases home to a multitude of plant and animal species unique to Africa. It is no coincidence that the tourism industry is a major source of revenue here (accounting for some nine percent of GDP in 2011), with the number of tourists totaling 9.2 million in 2010.

Its popularity as a tourist destination notwithstanding, Morocco faces big development challenges, among them weaknesses in its higher education sector. Although the country has a population of over 32 million, official statistics show the number of students enrolled in tertiary education to have been just over 400,000 in 2004, the last year for which figures are known.

To bridge the gap, the government in 2009 launched a four-year US\$1.7bn emergency plan to overhaul its education system, including the reform of university courses in an effort to boost the country's science and technology workforce and promote knowledge-based sustainable development. The reforms seek to make significant headway in meeting some of Morocco's Millennium Development Goals by the target date of 2015. Professor and researcher, Dr Abdeljelil Bakri, from University Cadi Ayyad, Marakech, has welcomed the plan, indicating to *University World News* that it was "urgently needed to reform the country's ailing higher educational system, foster a culture of entrepreneurship in the academic community and produce industry-ready graduates."

The plan is being financed by the Ministries of National Education, Higher Education, Professional Training and Scientific Research, among others, along with partial support from grants and loans from international organizations, including the French Development Agency, the African Development Bank, the European Investment Bank, the World Bank, the European Commission and OFID.

Supporting reforms in higher education

As part of the proposal, the government expanded and decentralized the tertiary education infrastructure network. Consistent with this plan, OFID supported the "Taroudant Higher Education Project," to facilitate access to higher education for those living in remote rural regions and thus reduce migration to the northern cities.



Built in 2010, Taroudant Poly-Disciplinary School was created with the aim of contributing to the development of the Souss-Massa-Draa Region, home to three million people or 11 percent of the total population, by providing education, research and development opportunities and reducing social problems (transport, accommodation and meals) for graduates of the provinces of Taroudant and Tata.

The new School, which is the first university in the region, is located in Taroudant City, the cultural capital of southern Morocco, also known as the grandmother of Marrakesh. Constructed on a 33-ha piece of land, it is a multidisciplinary higher education center with academic and scientific facilities as well as support services, and has a capacity of 3,500 students per year.

Surrounded by ancient ramparts typical of the Moroccan South, the School, which has been operational since 2010, was ranked ninth in the world among 17 international universities in a survey published by the American Magazine Travel & Leisure in September 2012. The magazine compiled a list of the most distinguished campuses worldwide in terms of avant-garde architecture, historically relevant design, and harmony with the environment. The faculty building is an amalgam of southern traditional architecture and futuristic design. Students of literature, human sciences, arts and crafts, science and technology, law, and economic and social sciences, have a splendid place to gain a better education.

OFID's support to the project, in the form of a US\$10 million loan, representing 83.3 percent of the total cost, is an endorsement of the goals of the Kingdom of Morocco and a reflection of OFID's belief that education is key to achieving socio-economic development.

PHOTOS: FERNANDO GUERRA/FG+SG

Nadia Benbouali, OFID operations officer in charge of Morocco's projects, explained that given that about 21 percent of graduates typically suffer from unemployment, "the project intends to overcome this acute challenge by focusing on a diversified field of specialties that is in line with the requirements of the socio-economic potential of the region, thus linking closely skilled human resources to the labor market."



PHOTO: HELEN ABU JURJI/OFID

Abu Dhabi Sustainability Week A legacy fuels change

Encompassing five major events and attracting over 30,000 participants from 150 countries, January's inaugural Abu Dhabi Sustainability Week (ADSW) was an outstanding success, prompting speculation that it has already claimed its spot as a highlight of the international development calendar.

BY JUSTINE WÜRTZ

osted by Masdar, a subsidiary of the government-owned Mubadala Development Company, ADSW serves as a platform to facilitate dialogue, stimulate innovation and investment, and bring together leaders and policy makers to find global solutions to the world's most pressing issues.

The inaugural event, which took place January 13 to 17, saw Abu Dhabi play host to five days of conferences, exhibitions, programs and events devoted to the various themes of sustainability, international and multi-sectoral cooperation and development.

Uniting industries and sectors, technology, policy-making and business spheres, the ADSW created a haven for innovative thought and communication.

The event builds on the vision of the late Sheikh Zayed bin Sultan al Nahyan, the first president of the United Arab Emirates and emir of Abu Dhabi, who was a pioneer in the global fight to enhance awareness of social, economic and environmental sustainability issues. Masdar, which aims to advance sustainable development solutions in Abu Dhabi, the UAE and the world, is part of Sheikh Zayed's legacy. A total of five major events were hosted under the umbrella of ADSW, namely the General Assembly of the International Renewable Energy Agency, the World Future Energy Summit, the International Water Summit, the International Renewable Energy Conference, and the Ist Energy Ministerial of the Arab League and the Union of South American Nations. Also part of the program was the prestigious Zayed Future Energy Prize award ceremony.

In his welcoming speech, Dr Sultan Ahmed Al Jaber, CEO of Masdar, challenged participants with their "shared responsibility to address the intricate balance between our rising economies, our growing societies and our limited resources."

He encouraged all those present to take advantage of the conferences, which he described as "an open global platform for cooperation and partnership." It was an opportunity, he said "to unite and find the balance which is crucial to achieving a sustainable future."

Referring to the need to diversify the global approach to sustainable development, Dr Al Jaber emphasized that this would require "creating the necessary regulations and policies, forging public and private partnerships and driving the investment required to deliver real solutions."

World Future Energy Summit

For the last six years Masdar has hosted the World Future Energy Summit, which has become the world's foremost gathering of political, business, finance, academic and industry leaders to advance future energy solutions.

This year, OFID Director-General, Suleiman Al-Herbish took part in one of the Summit's four high-level ministerial panels entitled "Sustainable Energy for All." Moderated by Kandeh Yumkella, Director-General of UNIDO, the panel broadly discussed issues relevant to the Sustainable Energy for All initiative, launched by UN Secretary-General Ban Ki-moon at the 2012 Summit.

Addressing the topic of renewables, Mr Al-Herbish dispelled the commonly-held misconception that OPEC Member Countries did not support their use: "This could not be further from the truth," he asserted, "as most OPEC Member Countries are making the utmost effort to increase the use of renewables in their energy mix, and will continue to do so."

Mr Al-Herbish stressed that energy had always featured high on OFID's agenda. "Since 2007, following the Third OPEC Summit, energy poverty alleviation has become the flagship of our institution and our first and overriding priority," he said.

d.light wins Zayed Future Energy Prize

The Zayed Future Energy Prize is the most prestigious annual award recognizing and rewarding achievements in sustainable energy development worldwide. Established in 2008 at the World Future Energy Summit by HH General Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces of the UAE, in honor of his late father, Sheikh Zayed bin Sultan al Nahyan's environmental conservation achievements, the total prize purse is now US\$4m, making it the largest annual prize for renewable energy and sustainability in the world.



The prize, like the World Future Energy Summit, runs under Masdar and is another component of Abu Dhabi's commitment to realizing a sustainable energy future. As the Zayed Future Energy Prize Director-General, Dr Sultan Ahmed Al Jaber says, the Prize has been established "to empower, recognize and award the world's innovators – honoring them for their impact, their innovation, their leadership and their long-term vision."

Splitting the award into five categories, the prize organizers have increased the outreach to support different key areas in the sector with the aim of uniting the world's most gifted and committed innovators and leaders in a shared spirit of possibility and opportunity.

Prizes are awarded to a Non-governmental Organization, Five Global High Schools, a Large Corporation and a Small & Medium Enterprise. In addition, a Lifetime Achievement Prize honors individuals who have shown ou standing achievement in the field of sustainability and renewable energy.

This year, the prize in the category of a Small & Medium Enterprise was awarded to d.light, the OFID-supported social enterprise which designs, manufactures and distributes solar powered light and power products. In June of 2011, OFID approved the first ever grant under its newly structured Energy Poverty Grant Program to d.light and is proud to have supported this revolutionary enterprise.

To date, d.light has provided over 13 million people with safe solar lighting and power sources, creating jobs, reducing carbon emission, increasing opportunities and improving living standards for millions of people worldwide in a commercially viable way. OFID joins the Zayed Future Energy Prize in congratulating d.light on their outstanding contribution to sustainable development.



Dr Sultan Al Jaber, Masdar CEO, urged participants to address the intricate balance between rising economies, growing societies and limited resources.

◀ The topic of energy poverty was reiterated by many important speakers throughout the week. Her Majesty Queen Rania Al Abdulla of Jordan declared that the issue of energy was "as crucial as our very lifeblood". Calling attention to the 1.4 billion people who live without access to grid electricity, she stated that "without sustainable energy, there can be no sustainable development".

In the same vein, the President of Argentina, Cristina Fernandez de Kirchner, called on developed nations "to further contribute financially to the entire technology development, investment and innovation in renewable energy."

French President François Hollande, meanwhile, called for urgent action to address the complex challenges related to energy and the environment, saying: "If we don't act, if we don't do anything, if we don't invest anything, we can be sure that we will have a catastrophe very soon." He added that the global community had an "economic duty" to diversify the energy mix and "make our planet livable for the next generation."

Water-energy nexus

With the International Water Summit and the World Future Energy Summit taking place concurrently, much debate was held on the waterenergy nexus, a theme of particular significance to arid regions where usable water is scarce and huge amounts of energy reserves are required to prepare consumable water for growing populations.

Dr Al Jaber spoke at length on the water-energy nexus in his welcome speech, saying that one of the specific goals of the conference was to create an environment where synchronized solutions to this issue could be addressed.

"The close relationship between water and energy can no longer be underestimated, he said. "Today roughly 7 percent of the world's energy consumption is used for water, while nearly 50 percent of the water withdrawn is used for energy. This inter-dependency will only grow over time."

He warned that the absence of a balance between the two points of the nexus would create further global problems: "Without access to both [energy and water], economic growth and human development cannot thrive, and poverty and conflict cannot be prevented."

Al Jaber noted further that energy and water security rested on two key principles: reducing demand and accelerating technology that improved access. "But fundamental to these principles is the need to address water and energy through an integrated strategy and as one. Because by doing so we will drive economic growth, foster human development, improve resource security and ease geopolitical tension. This is the balance needed for sustainable growth."

Arab development summit highlights private sector

The private sector should be considered a top priority in the Arab region as a means of enhancing intraregional cooperation and improving the quality of life for Arab citizens.

BY JENNIFER ADAMS

his was one of the key messages delivered by Dr Nabil Al-Arabi, Secretary-General of the Arab League, at the conclusion of the January Arab Economic and Social Development Summit in Riyadh, Saudi Arabia.

Representing the deliberations of 21 Arab leaders, the Summit outcome document also emphasized implementation of the Millennium Development Goals, improvement of health services, and adoption of a renewable energy strategy.

But it was the private sector that received the most attention during the twoday gathering, its role repeatedly flagged as a means of strengthening the capacity of Arab institutions, encouraging inter-Arab investment and trade and promoting the economic development of Arab states.

Specifically, the declaration called on Arab nations "to contribute to national projects in collaboration with the Arab private sector in order to meet the growing demand for goods and services needed by the Arab citizen."

Some of the areas where the private sector could make significant contributions were highlighted by King Mohammed VI of Morocco, who noted that: "Investment in infrastructure projects, such as road networks, electrification and communications by the private sector make it a key lever for the achievement of sustainable development".

Ahead of the Summit, some 500 representatives of government and the busi-



HRH Prince Saud Abdulaziz AI Faisal, Saudi Minister of Foreign Affairs.

ness and banking sectors had gathered for the Arab Private Sector Forum. Among the participants was an OFID delegation led by Director-General Suleiman J. Al-Herbish.

Held under the patronage of Saudi Arabia's Minister of Foreign Affairs, HRH Prince Saud Abdulaziz Al-Faisal, the Forum's main objective was to make proposals to the Summit for the creation of an enabling environment for an increased flow of trade and investment among Arab League member countries, in order to strengthen the private sector's role in economic development.

According to Abdullah Al-Mubti, President of the Council of Saudi Chambers, the Forum's organizing body, both the Forum and Summit were well-situated to provide a variety of innovative and promising solutions at a time when many Arab countries were "facing difficult challenges that demand formation of a strong Arab economic force."

A number of proposals regarding food security, housing, technology-related initiatives and youth employment, put forward by prominent regional institutions, all pointed towards the same conclusion: that the private sector could offer longterm solutions, promoting cooperation and opportunity for people throughout the region.

Many of the proposals came from organizations with extensive experience working through the private sector to deliver developmental assistance. These included the Arab Labor Organization, the Islamic Development Bank and the United Nations Industrial Development Organization.

The presentations during the Forum focused on the private sector as an engine of social change and economic progress, which could contribute to greater productivity and employment creation and ultimately, the alleviation of poverty.

At the conclusion of the Forum, participants reiterated this message in their final statement, in which they called on Arab leaders to provide the political umbrella necessary to strengthen the role of the private sector.

Iran hosts 9th International Energy Conference

OFID urges greater attention to energy poverty reduction

With technological developments leading to more options than ever before, innovative solutions to the problem of long-term energy supply have become both possible and affordable, says the 9th IEC.



by Fatimah Zwanikken

eeting in Tehran, from February 20 to 21, under the banner *Energy Prospects and International Convergence: Requirements, Opportunities and Constraints,* the 9th IEC brought together a wide range of energy experts and managers from national oil companies, international organizations – including OFID – the private sector and academia.

Organized by the Iranian National Energy Committee, a member of the World Energy Council, the biennial conference provided a platform for international debate on all aspects of research, management, common practice, planning and policy-making in the energy sector.

These issues were addressed during workshops, roundtables and keynote statements organized around the following four themes: (i) energy management, planning, and policymaking, (ii) energy technologies and the environment, (iii) energy prospects, and (iv) regional and international energy flows, convergence, and transmission networks.

In his keynote address on the first day of the gathering, OFID Director-General, Suleiman J. Al-Herbish urged the conference to include energy poverty as a point in its final declaration.

"Global demand is set to rise on an unprece-

dented scale," he said, pointing out that meeting this demand would help eradicate poverty and improve the lives of millions. "Yet it also presents the energy industry with the greatest opportunity of this century," he added, describing the "unconventional demand" in the developing countries as "an investment opportunity not to be missed."

Mr Al-Herbish argued that business-as-usual was not sufficient. "We need to spark effective change. Not least, because energy is the key to wider social and economic development and, for millions, the path out of poverty."

He went on to enumerate the many ways that modern energy access would improve the quality of life in poor countries. These included enhanced food security, reduced deforestation and emissions, better indoor air quality, refrigeration in village clinics, and freedom from the physically demanding task of collecting fuel wood, among other benefits.

"These are not wildly ambitious goals," Al-Herbish stressed. "It is our historic responsibility to do what we can to make them happen."

The Director-General went on to explain how OFID's efforts to eradicate energy poverty had intensified on all fronts since the launch of the Energy for the Poor Initiative (EPI) in 2008. In



particular, he highlighted the 2012 OFID Ministerial Declaration on Energy Poverty, which committed a minimum US\$1bn to augment activities.

"These increased resources will be further leveraged by our cooperation with the Coordination Group of Arab National and Regional Development Institutions and also international organizations including the World Bank and IFAD," Mr Al-Herbish said.

The Director-General continued by describing how OFID was building on the momentum that energy poverty had gained in recent years and had already begun to expand its operations. During 2011-2012, he noted, the share of energy projects in OFID's total operations had reached 28 percent, compared to a cumulative 20 percent since inception.

"This increase in our commitments is substantial. But what stands out is the diversity of countries, technologies and financial structures", he said, highlighting examples of the many different projects approved in the last two years.

Mr Al-Herbish concluded with a call for action, stating that poorer countries should not be deprived of energy for development during the transition period from fossil fuels to renewables. "Developing countries need to be able to tap into all available sources of energy that provide a more reliable and cleaner alternative to the current biomass," he stressed.

He added that the scale of the task ahead demanded concerted efforts from all partners, including the energy industry, which could work with poor countries to provide the necessary assistance to overcome technical and management problems.

"The industry's vast pool of resources and expertise puts it in the ideal position to do so," he stated. "I am convinced that combining our strengths in such a manner could create exceptional synergy that could make a real difference in the fight against energy poverty."

The conference concluded by acknowledging the importance of eradicating energy poverty and committed to supporting this endeavor in the future. Participants agreed that solutions formerly regarded as impossible or unaffordable were nowadays achievable technically and economically. Moreover, the deployment of renewable energy resources, international cooperation, modern management systems, and advanced efficient technologies could all contribute to supplying a reliable energy flow, not only for current generations, but also for those yet to come. "Developing countries need to be able to tap into all available sources of energy that provide a more reliable and cleaner alternative to the current biomass."

Suleiman J.Al-Herbish

UNAOC Global Forum urges greater cross-cultural dialogue

OFID Director-General addresses youth event

In an increasingly interdependent world, dialogue based on tolerance and respect is the key to fostering understanding and peace amongst people, societies, cultures and religions. Such is the message of the United Nations Alliance of Civilizations (UNAOC), which held its 5th Global Forum in Vienna at the end of February.

by Reem Aljarbou



UN Secretary-General Ban Ki-moon called on leaders at all levels to speak the language of tolerance and respect.

cousing on the theme *"Responsible Leader-ship in Diversity and Dialogue"*, the UNAOC Global Forum brought together some 1,200 participants from more than 100 countries, including heads of state, government ministers, high-level representatives and heads of international organizations.

Other participants in this dialogue-advancing initiative included young leaders and professionals, diplomats and civil servants, young academics and researchers, NGO and civil society representatives, religious and community leaders as well as representatives of the media.

The primary mission of the UNAOC is to forge collective political will and mobilize concerted action aimed at improving cross-cultural understanding and cooperation among countries, peoples and communities. Against this background, the 2012 Global Forum identified four crosscutting issues as priority areas: Education, Youth, Media and Migration.

Among the many high-profile speakers at the opening ceremony were UN Secretary-General Ban Ki-moon, HH Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, and Austrian President Heinz Fischer. Addressing delegates gathered in Vienna's Hofburg Palace for the grand opening of the Forum, Ban Ki-Moon set the tone for the deliberations ahead when he stated: "From the world stage to local communities, leaders need to speak the language of tolerance and respect, not division and defamation".

His sentiments were echoed by Sheikh Hamad bin Khalifa Al-Thani, who described the need for political will in order to ensure a culture based on respect and diversity. "It is a must," he said, "to strive towards finding just solutions to global problems through genuine respect for the values, norms and principles instilled into the hearts and minds of humanity and which promote constructive cooperation and achieve security, peace, prosperity and sustainable and equitable development for all nations and peoples".

The power of the youth

For OFID, the highlight of the gathering was the preceding Youth Event, which served as a platform for sharing experience, expertise and expectations, as well as collecting data for presentation to the Forum.

Today, over 1.2 billion people worldwide are aged between 15 and 24, making them a powerful stakeholder group in influencing global debate. Young leaders are widely regarded as supremely equipped to coordinate activities, access resources and disseminate information and opportunities, thanks to the rapid expansion of communication technologies,

From the four priority topics of the Forum, the Youth Event selected Youth as its main focus and stressed the importance of the feedback from its deliberations being incorporated into the Forum's discussions and workshops.

Around 150 young leaders under the age of 35 and representing 100 countries attended the one-day Youth Event, at which OFID Director-General Suleiman J. Al-Herbish delivered the keynote address. Thirty of them were directly sponsored by OFID, which has long regarded the youth as an important engine of economic growth and poverty reduction.

In his statement, Mr Al-Herbish highlighted the role of OFID's various youth initiatives in fostering South-South cooperation and in ensuring the contribution of young people development.

Education, cultural diversity and energy

The Director-General spoke of some of the fundamental aspects of poverty and proposed three youth-related recommendations that the Youth Event could bring to the Global Forum: to demand better education with the aim of finding effective solutions to the growing problem of unemployment; to support the inclusion of cultural diversity in the global sustainable development agenda; and to call upon the inclusion of universal access to modern energy services by the year 2030 in the post-2015 Sustainable Development Goals (SDGs).

Mr Al-Herbish also referred to OFID's Energy for the Poor Initiative, which he said had been created "based on its [OFID's] firm conviction of the centrality of energy services to the sustainable development framework." He underlined that "Energy affects all aspects of development: access to water and food, agricultural productivity, education, health, mobility, and every other sector."

Throughout the Forum, which laid heavy emphasis on attainment of the Millennium Development Goals and the still-to-be-formulated SDGs, workshop presentations served as a backdrop for discussions on the issues of education, law, media migration and diversity, amongst others.



The workshops provided participants opportunities to exchange views, experiences and debates on tangible ideas towards boosting support for cultural diversity and intercultural dialogue, which it positioned as a solid instrument and a precondition to finding solutions to the challenges facing the world today.

Considerable attention was devoted to youth issues during the deliberations, and the outcomes of the Youth Event were widely reflected in the workshop discussions, which also extended to various themes addressed during the 2011 Forum in Doha.

The Forum outcomes included the *Vienna Declaration*, a document affirming the commitment of numerous governments and international organizations from around the world to advancing cross-cultural dialogue.

OFID Director-General, Suleiman J. Al-Herbish, addressing the youth event.

UNAOC and the Global Forum

The UNAOC was launched in 2005 by former UN Secretary-General Kofi Annan, with co-sponsorship from the prime ministers of Turkey and Spain.

The UNAOC Alliance is supported by a community of a 108 member countries and some 23 international organizations and bodies. It cooperates with governments, international and regional organizations, civil society groups, foundations, and the private sector. UNAOC is currently supporting a range of projects and initiatives aimed at building bridges among a variety of cultures and communities.

The UNAOC has a dedicated online platform, where youth from around the world can exchange ideas and innovations to carry out projects in their communities. The platform is also an opportunity for governments to draw awareness to vital youth issues worldwide.

The Global Forum of the UN Alliance of Civilizations is the highest-profile event which brings together prominent personalities, current and potential partners, and others from different sectors. In the past the Global Forum has been held in Madrid, Spain (2008), Istanbul, Turkey (2009), Rio De Janeiro, Brazil (2010) and Doha, Qatar (2011).

Hugo Rafael Chávez Frías (1954-2013)

A true friend to OFID



President Chavez with OFID Director-General, Suleiman J.Al-Herbish, in Riyadh at the Third OPEC Summit.

ugo Chávez Frías, President of the Bolivarian Republic of Venezuela passed away on March 5, 2013, at the age of 58, after an 18-month battle with cancer. The news of his death, which was announced by Vice-President Nicolás Maduro, sparked a wave of grief throughout Venezuela and was followed by seven days of national mourning.

A self-proclaimed man of the people, Chávez's charismatic personality won him vast popular support, both at home and across Latin America, during the 14 years of his leadership. Although considered a controversial figure by many, he never wavered from his political convictions, seeking relentlessly to expand his 21st century socialism throughout the developing world.

Under his leadership, Venezuela had achieved, or was close to achieving, all of the Millennium Development Goals, largely due to a series of social "missions" that included, among others, healthcare and education for all.

It was this absolute dedication to the cause of poverty eradication that made Hugo Chávez a true friend to OFID. Indeed, he remains the only serving head of state of an OFID Member Country to have visited the institution at its headquarters in Vienna.

During that visit, in October 2001, Chávez spoke appreciatively of the OPEC Fund, as it was then known, and emphasized his personal interest in the work it was doing on behalf of the developing countries.

Despite its modest size, he said the Fund had accomplished much that was "of immense importance to millions of poor people around



President Chavez signing the OPEC Fund guest book (left) and with fellow OPEC heads of state at the Caracas Summit (right).

the world." He stressed the need for fellow OPEC Fund countries to strengthen the organization, saying it was "the duty of OPEC Member Countries and, indeed, of the entire world, to help build a better world for all and to seek justice and peace".

Chávez is credited with promoting the Second OPEC Summit, which took place in Caracas in September 2001 and brought together the heads of state and government of all 12 Member States for the first time in 25 years. In its closing document, the Caracas Declaration, the Member States agreed not only to act in concert in regard to oil and energy matters, but also to join forces in promoting development cooperation and eradicating poverty, which they described as an "overriding global priority."

More recently, Chávez's policies on the provision of energy for the poor – a concern that has become a focal point for OFID – earned him widespread regional support, through initiatives such as the *Petrocaribe* oil alliance, and ALBA, the Bolivarian Alliance for the Peoples of Our America. As a leading proponent of regional cooperation and integration, he also played a key role in setting up the pan-regional Union of South American Nations, the Bank of the South, and the regional television network TeleSur.

The second of six sons of rural teachers, Hugo Rafael Chávez Frías was born on July 28, 1954 in Sabaneta, in the northwestern Barinas State. In 1971, he moved to Caracas to attend the Venezuelan Academy of Military Sciences, where he graduated in 1975 with a degree in military arts and science. He went on to serve as an officer in an army paratrooper unit. Hugo Chávez was elected president of Venezuela in 1998 with 56 percent of votes and took office in February 1999. Under the new Bolivarian Constitution, which was adopted in December 1999 and gave increased rights to marginalized groups, Chávez was re-elected in July 2000 and again in 2006. He won his country's presidential election for a fourth time in October 2012, but due to his illness was never sworn in.

Chávez is survived by four children, Rosinés, María Gabriela, Rosa Virginia and Hugo Rafael.

"My biggest recognition to all our brothers at the **OPEC** Fund for their hard work. We are at your entire disposal to continue cooperating in fulfilling the noble task to help as many human beings as possible. It is the best way to strengthen OPEC, and it is likewise, the best way to live." / JENO, JAD CHUSE 2001

Nigeria's Rhythm of Hope

OFID's highly acclaimed in-house exhibition series continued in January with a 10-day exhibit of paintings, sculpture and mixed media by three prominent Nigerian artists.

BY JENNIFER ADAMS

eld to coincide with the 37th anniversary of OFID, the *Rhythm of Hope* exhibition was the latest in a series of similar events held to showcase the art and culture of Member and Partner Countries and share them with OFID's host community in Vienna.

Previous exhibits have highlighted Member Countries Algeria, Indonesia, Iran, Iraq, Saudi Arabia and Venezuela, as well as Partner Countries Kenya and Sudan. Rhythm of Hope was hosted jointly by OFID and the Nigerian Embassy.

The opening reception on January 28 was attended by members of Vienna's diplomatic corps and other distinguished guests, who were warmly welcomed by hosts Suleiman J. Al-Herbish, OFID Director General, and HE Maria O. Laose, Ambassador of the Federal Republic of Nigeria.

In his opening speech Mr Al-Herbish spoke highly of Nigeria and its rich artistic heritage and culture. He also noted that the longstanding partnership between Nigeria and OFID had resulted not only in a beneficial sharing of culture and art, but also positive social and economic change for thousands of people across the globe.

Ms Laose thanked OFID for co-hosting the exhibition, saying: "The OFID exhibition series gives Member and Partner Countries the opportunity to enrich the artistic landscape and calendar of events that make Vienna the destination of choice for art lovers and sophisticated tourists from all parts of the globe."

Introducing the three artists featured in the exhibition, Ms Laose described their selection as representatives of Nigerian art a "Herculean task," given the sheer size and cultural diversity of her country, which contains over 250 ethnic groups and more than 200 different languages.

"We celebrate these ambassadors of art, who through their creative thinking and imagination have continued to project our nation's identity and contributed to the growth of art in Nigeria and beyond," she said.



HE Ms Maria O. Laose, Nigerian Ambassador to Austria, cuts the opening ribbon, assisted by OFID Director-General, Suleiman J.Al-Herbish (*left*) and Dr Rilwanu Lukman, former OPEC Secretary-General and Nigerian Minister of Petroleum Resources (*right*).

One of the foremost artists of Western Africa, **Oyenike Davies-Okundaye** or Mama Nike as she is known in her home country, uses color and pattern to tell the stories of her own life and history. Her use of the traditional forms of Yoruba art, Batik and Adire, has garnered international attention and revived a fading artistic tradition and pillar of Nigerian culture. "My dream is to spread African arts throughout the world," she has said, "and to let the unborn generations know that our culture is very rich."

Uwa James Usen is a renowned sculptor and art curator from the southern coastal region of Nigeria. He is also a lecturer at the Department of Fine and Industrial Arts at the University of Uyo and has mentored hundreds of young Nigerian artists. The sculptures he shared with OFID celebrate Nigerian tradition and society.

Born in Kano in Northern Nigeria, **Kaltume Gana-Amuta** is an artist celebrated for her beautiful mosaics, murals and paintings that seek to convey the experiences of those living within Nigerian society and culture. Currently curator of the Kano Office of the Nigerian National Gallery of Art, Ms Gana-Amuta's work has been featured in over 30 exhibitions in Senegal, Great Britain, Washington D.C. and Vienna, to name only a few.

On behalf of the three artists, Mr Usen thanked the Nigerian Embassy and OFID for the opportunity to present their work and represent the diverse and unique artistic heritage of Nigeria. "On behalf of my colleagues, I want to say that we are proud to be here. We bring you love and greetings from Nigeria," he said.

After the opening speeches, guests had the opportunity to view and purchase the paintings and sculptures on display. Throughout the evening, guests were treated to performances by the Austrianbased Nigerian dance group, Ohaneze. Dressed in extravagant costumes, the group wowed the audience with lively drum beats, singing and dancing and even succeeded in enticing several guests onto the dance floor.



Oyenike Davies-Okundaye



Uwa James Usen



Kaltume Gana-Amuta

PERSPECTIVES

Uganda: Preparing for an agro-industrial revolution

Uganda is justifiably proud of the remarkable progress it has made over the past decade in almost every social and economic area. For one woman, however, these achievements are but stepping stones on the way to much greater things. In this exclusive interview for the *Quarterly*, **Maria Kiwanuka**, Ugandan Minister of Finance, Planning and Economic Development, outlines her grand vision for an agro-industrial revolution that she says will be the making of her country.

by Audrey Haylins

aria Kiwanuka has the unmistakable air of a woman of substance. Immaculately groomed, she cuts a formidable but elegant figure. Her mind, it turns out, is as bright as the shiny brass buttons on her military-style jacket.

She has graciously agreed to this interview, despite a hectic schedule. Any hope we have of keeping it brief, however, soon disappears. On the subject of her country, the Ugandan minister of finance is unstoppable.

My first question relates to Uganda's strong economic performance over the past decade, which has remained far above the average for sub-Saharan Africa. I want to know the secret behind this happy anomaly.

"It's basically down to two main factors," Kiwanuka says. "First, Uganda has a strong bias to maintain a stable macro-economic regime, and second, we make sure that all the development projects we implement tie in with the objectives of this regime."

These objectives, she explains, are to increase employment and leverage Uganda's competitive advantage so that development is balanced and sustainable. The private sector, which is responsible for over 85 percent of GDP, will be the lynchpin of this transformation.

Agro-industry the engine of growth

Before I can ask her to elaborate, Kiwanuka launches into an animated account of Uganda's ambition to be the breadbasket of East Africa. Her passion is tangible and infectious.

She explains how Uganda's exports traditionally have been luxury items like cut flowers, fresh fish, organic produce, spices and so on. These have gone mainly to Europe, the Middle East and even as far as the US and China.

"In the wake of the euro crisis, demand for such products has gone down," she says. "So we are now looking more at our regional neighbors where transport costs are lower."

Fortunately for Uganda, the country is already a net food exporter to the six countries that surround it: Kenya, Tanzania, Southern Sudan, Congo DR, Rwanda and Burundi. According to Kiwanuka, the task now is to capitalize on these markets by investing heavily in agriculture and agro-processing.

"We will take our maize, our beans, our rice, our bananas, cattle, beef and milk, transform them into finished products and then export them to neighboring countries," she states with determination.

For this grand plan to work, she continues, steps will have to be taken to improve Uganda's road and power networks, both of them vital to support food production and export.

Transport and energy key sectors

Kiwanuka gives examples of cases where produce is wasted because it can't be evacuated during the rainy season due to road conditions, and can't be processed on site due to there being no electricity. Meanwhile, in other parts of the country, there are food shortages.

"If we can improve our all-weather road access, transportation costs will come down, and we will have a better food distribution system," she says, pointing out that this would also help with exports.

Equally necessary, she argues, is getting mains power to up-country centers so that produce can be processed locally. Not only would this add value to the finished products, it would also "discourage people from drifting to the big cities only to loiter around and engage in notvery-productive activities."

As the source of the River Nile, Uganda's hydro-energy potential is huge, and Kiwanuka reveals that big hydro-installations are a key part of the country's energy program. But it is rural electrification that sits at the heart of the agenda.

"Power has to be paid for, and only people who have productive use of it can pay for it," she explains. "By getting agro-processors linked up to rural transmission lines, the lines get paid for. This means that poorer households can then tap in on the 'lifeline' tariff, which is below cost, and get electricity for lighting and for powering one or two essential domestic appliances." "We will take our maize, our beans, our rice, our bananas, cattle, beef and milk, transform them into finished products and then export them to neighboring countries."



Maria Kiwanuka, Ugandan Minister of Finance, Planning and Economic Development



Matching skills to the market

◀ Kiwanuka barely pauses for breath before segueing neatly into the subject of "skilling our human resources," another key component of Uganda's national development plan. I decide to put my questions aside and just let her talk. This lady clearly needs no prompting from me. She is a consummate and articulate expert on her subject.

"Previously, like many post-colonial countries, we put a lot of emphasis on academics," she continues, naming traditional professions such as lawyer, teacher, doctor and engineer. "All of them worthy careers, but right now there are not many opportunities in those areas, and we have a youth bulge like many other countries."

Uganda's solution is to redirect young people to the technical skills needed to work in agroprocessing: plumbers, electricians, carpenters, welders, machine operators. "These are the people who will never be out of work, the people who will power the agro-processing revolution," asserts Kiwanuka. "They will be able to work closer to where they live, so there will not be the urban drift, and most of all it will handle our unemployment problem."

It's hard not to be impressed with the clarity and scope of Kiwanuka's vision, especially when she reveals how much thought and planning has gone into promoting vocational training among the youth.

"We've had to foster a mind shift to get parents interested in putting their children into technical schools," she says, a process that she admits has been made easier "because university graduates typically take three or four years to find gainful employment." To motivate young technical school graduates, Kiwanuka discloses that the government is considering giving them a set of trade-specific workman's tools "as a way of saying congratulations" and enabling them to start work straight away.

"This is the kind of joined-up thinking we are trying to promote to make sure Uganda re-accelerates after the problems of the last yearand-a-half, which has seen high inflation and all the accompanying side effects of the global crisis," asserts Kiwanuka.

Other measures being introduced to promote the private sector and exploit the country's competitive advantage include streamlining business regulations and maintaining a wellfunctioning financial sector with reliable interest and exchange rates and open entry and exit for foreign capital.

Development: a three-legged stool

In my research before meeting Kiwanuka, I had been intrigued to learn that, while Uganda was making excellent progress towards the majority of the Millennium Development Goals, the targets relating to child mortality and maternal health looked destined to remain unmet by the 2015 deadline. I ask her what the government intends doing about this.

Kiwanuka sighs and with a slight nod acknowledges that Uganda has perhaps not done as much as it could in these areas. She refuses, however, to see it as a failing, pointing out that "you can't solve the millennium challenges without looking at how to finance them."

As a minister of finance and planning, Kiwanuka says she has to consider the bigger picture. "We're talking about a three-legged stool ignorance, disease *and* poverty. If we can tackle poverty, then we are half way to making sure that the strides we make in ignorance and disease eradication stay."

There is little point, she argues, in vaccinating a child, who then goes home to a hut that has no running water, no food on the table, and a mother who's totally ignorant about hygiene. "That child is going to get sick again and again."

Her job, Kiwanuka insists, "is to put as much emphasis as possible on poverty eradication and economic growth and use that to maintain the success we've seen so far and propel it further."

She pauses and smiles before delivering her final statement: "Healthy, wealthy and wise," she says, "that's my motto."

For certain, the Ugandan people can live with that.

"If we can tackle poverty, then we are half way to making sure that the strides we make in ignorance and disease eradication stay."

Riyadh hosts 3rd IEF-OPEC-IEA Symposium on Energy Outlooks

The International Energy Forum (IEF), the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries (OPEC) held their third Symposium on Energy Outlooks at the IEF's Headquarters in Rivadh, Saudi Arabia in late January.

he Symposium offered a platform for sharing insights and exchanging views about energy market trends and the short- medium- and long-term energy outlooks, including analysis of market behavior and discussion of the key drivers of the energy scene and associated uncertainties.

It was attended by the heads of the three organizations - Aldo Flores-Quiroga, IEF; Maria van der Hoeven, IEA; and Abdalla Salem El-Badri, OPEC - as well as HRH Prince Abdulaziz Bin Salman Al-Saud, Assistant Minister of Petroleum of Mineral Resources, Saudi Arabia.

The gathering formed part of a wider joint program of work agreed by the three organizations and endorsed by energy ministers at the 12th IEF Ministerial talks in Cancun, Mexico, in March 2010, as part of the Cancun Declaration.

Energy analysis

The IEA and OPEC regularly publish energy and oil outlooks covering the short-, medium- and long-term. In addition, on the occasion of the IEF ministerial meetings, the two organizations contribute by submitting a focused energy analysis to be presented to IEF ministers.

The latest Symposium was divided into three sessions. Session one looked at the key findings from the Second Symposium on Energy Outlooks, and presentations on the latest IEA and OPEC projections. The growing importance of oil inventories outside OECD countries and the implications for the oil market was the sub-



ject of the second session, while the final session tackled the topical subject of the outlook for tight or shale oil.

Delegates received the latest paper prepared by the IEF, in consultation with the IEA and OPEC, comparing the short-, medium- and long-term energy outlooks recently published by the two organizations. Intended as a reference document for the Symposium, the paper discussed technical issues related to the estimation of demand, stocks and supply. It identified the main convergences and divergences

between the organizations' outlooks and addressed the reasons behind them.

In his welcoming comments, IEF head Flores-Quiroga pointed out that the three organizations had joined forces to improve their understanding of the energy markets and thereby enhance the quality of the producer-consumer dialogue. He said he could not overemphasize the importance of the Symposium, stressing the role energy outlooks - particularly those from the IEA and OPEC - played in worldwide discussions on energy.

HOTOS: OPEC



Maria van der Hoeven, Executive Director, International Energy Agency and OPEC Secretary-General, Abdalla Salem El-Badri.

Critical role

◄ Flores-Quiroga said that given the critical role that outlooks played in structuring thinking about energy market developments, as well as in the formation of market expectations, it was crucial to understand how they were built.

And understanding why the outlooks of the IEA and OPEC were different, thinking about what could make them comparable, or sharing points of view about how to improve them, was an important support for the interpretation of oil market developments.

Flores-Quiroga told delegates that they must view the Symposium as a process that was still in its early stages. "We are just beginning to peel back the first layers of the outlooks to figure out how they are built. This has already helped us to identify in previous symposia, for example, that a simple reclassification of geographical groupings or production streams can make these outlooks more comparable."

He maintained that the broader public, the energy ministers, the CEOs, the investors, the experts, the academics, and the students – they all deserved to have energy information and outlooks that were intelligible to them.

"Virtually all ministers participating in the IEF have highlighted transparency as a priority, which also applies to the understanding of outlooks that play such a critical role in energy decision-making. Focusing on how to estimate and forecast better, rather than on just seeking who is right or wrong, is more constructive and can help us accomplish more."

Dialogue platform

Flores-Quiroga paid tribute to HRH Prince Abdulaziz Bin Salman Al-Saud, saying that he had been a true champion of the energy dialogue from the very beginning. He also made special mention of the IEA's Maria van der Hoeven and OPEC's El-Badri, stating that their support for the initiative had been unwavering.



Aldo Flores-Quiroga, Secretary General, International Energy Forum

El-Badri told the meeting that the fact they had gathered together every year since 2011 was a testament to the Symposium's importance.

"It reaffirms the commitment that each of our organizations – the IEA, the IEF and OPEC – has made to furthering cooperation and dialogue," he said. He reminded delegates that the Symposium was first proposed at the Jeddah and London energy meetings of 2008. It then became part of a wider work program jointly agreed at the 12th IEF Ministerial Meeting in Cancun in 2010.

"Since then, we have come a long way. And I am pleased to see that words have become actions — and that a good idea has become a concrete reality."

El-Badri said the Symposium had always been an opportunity to share the analytical input and insights of different experts.

"But it has also been a chance to share ideas and information – and enhance our understanding of each other's outlooks and methodologies.

"Our joint participation at this gathering confirms our common understanding of the importance of these efforts and our recognition that the essence of this meeting is about strengthening collaboration. And this year we will take further steps towards this."

In closing remarks, El-Badri said that many important points had emerged during the Symposium, which could serve them well as they continued to strive to find ways to strengthen the collaborative work between the respective organizations.

"Today we have seen that despite some divergences in viewpoints and some differences in emphasis, there are many areas in which we share similar outlooks. This is very much in the spirit of this Symposium and may serve as a reminder that we should continue to work to find common ground — and strive to create an environment that facilitates collaboration, information-sharing and the achievement of tangible results," he stated.

El-Badri said one of the benefits of the Symposium was not only that it provided an opportunity to discuss shared concepts and ideas, but that it helped to foster friendships and strengthen inter-organizational relationships.

He said the success of the meeting had provided good signals for future Symposium themes. Similar, topical issues of high priority and importance would be included in next year's agenda.

The three organizations are due to come together again on March 21 in Vienna for the 3rd Workshop on Interactions between Physical and Financial Energy Markets, again part of the Cancun work program.

Our vision

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

Our mission

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



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