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1976-2016

40 years
Uniting against Poverty

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OFID at 40: *A powerful voice in challenging times*



In January 28, 2016, the OPEC Fund for International Development (OFID) marks the 40th anniversary of its founding. Such occasion is a milestone for any organization, but even more so for OFID, which started life as a short-term facility, with a narrow scope and limited resources.

Forty years on from these modest beginnings, the OFID of today is an international development finance institution of considerable substance, presence and influence—a position achieved through hard-won experience and dedication to duty.

OFID's journey has by no means been an easy one. The challenges have at times been immense. Take the crisis-laden 1980s, where global recession and reduced oil revenues placed the young institution's very existence under threat. OFID not only survived, but came back stronger than ever.

Then came the 1990s and the series of extraordinary geopolitical shifts that thrust a new group of countries into the ranks of the needy. In a true spirit of solidarity, OFID welcomed them with open arms and adjusted its programs accordingly.

Most recently, the world endured the worst financial and economic meltdown of modern times. Again, OFID weathered the storm, this time rising above it to unprecedented heights.

In between these pivotal events, there have been famines, wars and countless natural disasters, all demanding—and receiving—a swift humanitarian response. At the same time, the needs and priorities of Partner Countries have constantly shifted, driven by influences such as globalization, climate change and AIDS.

OFID has stood firm throughout, repositioning itself whenever necessary to keep its work relevant and meaningful. This has meant embracing new financing instruments and models, building a more diverse partnership network and boldly venturing into uncharted territory.

The institution has literally reinvented itself. A comprehensive rebranding exercise saw the birth of the acronym OFID, the creation of a modern new logo, the adoption of the motto “Uniting against Poverty,” and the crafting of a new vision and mission. Behind the scenes, there has been financial and operational restructuring, systems’ modernization and institutional capacity building.

There have been many defining moments in OFID’s twisting journey, most recently the US\$1bn resource replenishment from Member Countries, whose support has been unstinting; and the inclusion—thanks in no small part to OFID’s activism—of energy poverty eradication in the 2030 Agenda for Development.

But perhaps the most remarkable aspect of this checkered history is the wholesale transformation of OFID from an institution content to simply implement the global development agenda to one actively engaged in shaping it—to one that blazes a trail for others to follow.

After decades of following the lead of others, the OFID of 2016 is a true development pioneer, as demonstrated by its recognized role as the “champion” of energy poverty alleviation. It is also a partner of choice, both in the eyes of its peers and those of the countries it works with. Considering the institution’s modest size, this is an outstanding achievement by any reckoning.

The transformation has been so complete as to render the institution virtually unrecognizable from its original incarnation. Unrecognizable, that is, except for its core values, which shine as clearly today as they did forty years ago.

Today, OFID is still defined by its commitment to South-South solidarity, its focus on people-centered development, and its unqualified impartiality. Guided by these principles, it has delivered over US\$19bn in support of more than 3,500 operations across 134 countries—no mean feat for an institution of just 13 Member Countries.

For OFID, this milestone anniversary is not only a celebration of four decades of service to the South, but also a tribute to generosity, commitment and the power of partnership. It is, moreover, an opportunity to stand up for the cause closest to OFID’s heart: the right of every man, woman and child to live in peace, security and prosperity.

This is why OFID has chosen to dedicate its anniversary year to the plight of refugees; to the millions of people forced to flee their homes and countries in search of a better, safer life. At the grand old age of forty, OFID has a powerful voice—and will not hesitate to use it. ■



OFID's story 1976–2016: *A potted history*

As OFID celebrates the fortieth anniversary of its founding, the *Quarterly* looks back on an extraordinary journey of transformation from a temporary financial facility to a pioneering development partner.

BY AUDREY HAYLINS



Uniting against Poverty

PHOTO: OPEC



First OPEC Summit, Algiers, March 1975.

PHOTOS: OFID ARCHIVE

Dr Ibrahim Shihata,
Director-General, 1976–83.The first OPEC Special Fund loan agreement
was signed with Sudan in December 1976.Initialing the Headquarters
Agreement on April 21, 1981.

Since starting out 40 years ago with resources of just US\$800m, OFID has delivered over US\$19bn in development financing.



FID's story begins in March 1975, in Algiers, at the historic first OPEC Summit. Concerned about the growing economic problems facing their fellow—but less fortunate—developing nations, assembled heads of state mooted the idea of a shared financial facility that would serve as a collective channel of OPEC aid to the developing world.

The birth of the “OPEC Special Fund” followed in Paris ten months later, with the signature of its founding agreement on January 28, 1976. The “temporary account” was endowed with resources of US\$800m and charged with providing balance of payments support, particularly to the least developed countries. The intention was to distribute the allocated funds and then disband.

At its inaugural meeting in May 1976, the Fund's Governing Committee appointed Egyptian lawyer and visionary Dr Ibrahim Shihata as Director-General. Assisted by three professionals and a secretary, Shihata set up shop in a suite of rooms at the Vienna Stock Exchange, courtesy of the Austrian bank *Creditanstalt*. The first Lending Program was launched on August 9, and by the end of the year, the fledgling Fund had approved an impressive US\$200m in loans to 49 countries.

Observers were amazed to see the Fund's mission take shape so quickly. The remarkable efficiency displayed during the first few months of operation encouraged Member Countries—meeting in Doha for the 48th OPEC Conference in December 1976—to add an additional US\$800m to the Fund's fast-depleting coffers. With this boost to its resources, it quickly branched out into direct project lending. Such was the success of this move that, by the end of 1979, the project portfolio had mushroomed to almost 70 operations.

With a vision that was as persuasive as it was broad, Shihata continued to push the

boundaries of the Fund's mandate. By mid-1979, the notion of the institution maintaining its temporary status was starting to seem increasingly unlikely. Loftier plans were clearly afoot; and confirmed when the founding Agreement was amended in September that year to allow for the recycling of loan repayments to finance future operations. In January 1980, a second US\$800m replenishment gave the strongest hint yet of what was to come. Just four months later, on May 27, the OPEC Special Fund formally evolved into a fully-fledged and permanent international development agency with its own legal personality. The OPEC Fund for International Development was born and, in affirmation of the confidence and trust of its shareholders, was immediately injected with an additional US\$1.6bn of fresh resources.

The new institution barely paused to draw breath. Sweeping aside any presumed difficulties in adapting to a new organizational structure, it continued where its predecessor had left off. For three years in succession—from 1980 to 1982—commitments and disbursements climbed to ever-greater heights. But perhaps even more remarkable than the volume of assistance was the sheer scope of the Fund's outreach. Nascent—and ultimately enduring—partnerships were sealed with over 80 countries. At the same time, operations underwent a gradual shift, with increasing emphasis on project lending. This period would also see the Fund flex its humanitarian muscles for the first time, with the provision of US\$25m to the International Food Reserve in response to the prolonged drought and famine in Africa.

In Vienna, meanwhile, a search was underway to find permanent premises that would reflect the institution's new status and accommodate its growing staff. In early 1981, the Fund purchased and set about renovating the *Palais Deutschmeister*, one of the most beautiful and



Dr Y Seyyid Abdulai,
Director-General 1983–2003.



Austrian political leaders attend the inauguration
of the new HQ building in February 1983.



Member Country finance ministers and other special guests
at a special seminar to mark the Fund's 10th Anniversary.

historically significant palaces on Vienna's famous Ringstrasse, finally taking up residence in December 1982. At last, the OPEC Fund had a place to call home.

Hard times: adapting and coping

Like all honeymoon periods, however, the heady days of the Fund's formative years were to come to an end. In the mid-1980s, for the first time in its short life, the organization had to grapple with the vagaries of an uncertain external environment. Global recession meant reduced oil revenues for its Member Countries and less plentiful resources for the Fund. Paradoxically, because of severely diminished foreign aid flows, beneficiary countries needed the support of the Fund—and institutions like it—more than ever. Demonstrating a flexibility that would become a hallmark of its philosophy, the organization wasted no time in adjusting its activities to cushion beneficiaries from the fallout.

By now, the Fund was under the stewardship of Nigerian banker, Dr Y Seyyid Abdulai, who had taken over as Director-General in August 1983. Abdulai's first task was to oversee a shift in focus that placed increased weight on smaller projects in agriculture, education, health and water supply. Unlike large infrastructure projects, such initiatives delivered more immediate results and, more importantly, made a genuine difference to those most in need. Limited resources or not, the Fund was determined to make every dollar count.

Through and beyond its tenth anniversary, the Fund continued to operate under financial constraints, while taking all measures possible to optimize the impact of its contribution to international development. It was only as the eighties drew to a close and relative stability returned to the global economy that the institution once again found itself on a sure footing.

The 1990s opened with a series of extraordinary geopolitical shifts that were to have far-reaching implications for the global aid architecture. With the fall of Communism in Eastern Europe and the break-up of the Soviet Union, a new batch of countries was thrust into the ranks of the needy, placing even greater demand on already stretched aid resources. Concerned that these developments would deflect both financing and attention away from the traditionally poor nations of the South, the Fund advocated vigorously on behalf of its beneficiaries.

Utilizing various platforms, it took a stand on numerous issues affecting developing countries, most urgently the external debt crisis, volatile commodity prices and the hostile international trade regime. It also spoke out in favor of participatory, people-centered development, on the need for technology exchange and human capacity building, and on the pivotal role of the private sector as an engine of growth. ►

Through the OPEC Fund, OPEC Member Countries provided US\$435.5m to the initial resources of the International Fund for Agricultural Development (IFAD).



PHOTO: CHRISTINE OSBORNE/CORBIS

PHOTO: OPEC



Second OPEC Summit, Caracas, September 2000.

PHOTOS: OFID ARCHIVE



The Fund's first private sector loan was signed with Mauritanie Leasing in March 2000.



President Chavez of Venezuela signs the Fund's guest book, October 2001.



PHOTO: BANCO LOS ANDES PRO CREDIT

OFID's development footprint covers 134 countries across Africa, Asia, the Middle East, Latin America, the Caribbean and Europe.

Fresh challenges fill the horizon

◀ By the time of its twentieth anniversary in 1996, the Fund was riding high. It had successfully navigated troubled waters and could look back with pride—and perhaps a little surprise—on two decades of outstanding service to the South. By the end of that year, cumulative commitments had climbed to over US\$4.6bn, representing a portfolio of well over 1,000 operations in a total 95 developing countries—including new partners Kyrgyzstan and Tajikistan. It had become impossible to ignore the degree of need in these—and later other—former Soviet republics, as they pursued their transformation from centralized to market economies.

The closing two years of the twentieth century found the Fund making yet more adjustments as it sought to remain relevant and effective in a constantly shifting development landscape. Turbulent financial markets and plummeting commodity prices rocked many of

the most vulnerable countries, as—in a more literal sense—did the weather system *El Niño*. In 1998 alone, the Fund answered eleven urgent calls for assistance from countries hit by an unprecedented spate of droughts, hurricanes, floods and earthquakes. Emergency aid was rapidly dispensed to the disaster-hit regions. Meanwhile, the deeper, more intransigent, problems also needed a response. The Fund reacted by crafting a new lending program that not only made more funds available but also gave even softer terms on its loans.

But an even more momentous decision was in the offing: the establishment of a new financing window that would deliver resources to the private sector of developing countries. This was not an entirely new direction for the Fund; it had been channeling support to small enterprises for years through lines of credit to national development banks. But this new proposal—a dedicated private sector facility—was on a different scale entirely. Increasingly, the private sector was being seen by developing countries as something of a silver bullet: a way to boost employment and productivity, generate competitiveness and foster economic integration. OFID saw the new mechanism as an additional—complementary—string to its bow. At the time, no one could have foreseen that, by 2015, that string would be worth more than US\$2.5bn.

Ready for a new agenda

The curtains of the new millennium opened on a world stage glittering with hope and expectation—and a role for the Fund fortified by the validation of its Member Countries. Meeting in New York in early September 2000, the UN Millennium Summit agreed on a new development agenda: the Millennium Development Goals, a time-bound roadmap for the future. Just three weeks later and some 3,500km to the south,

PHOTO: ANNETTE FRIEDEL-PRENNINGER



Suleiman J Al-Herbish,
Director-General 2003–present.

PHOTO: OFID ARCHIVE



30th Anniversary Exhibition.

PHOTO: A ATEEQ AND K AL-KHAMEES



Third OPEC Summit, Riyadh, November 2007.

OPEC heads of state assembled in the Venezuelan capital for their second summit. Describing poverty as “the biggest environmental tragedy facing the globe” and its eradication “the overriding global priority,” the resulting Caracas Declaration signaled clearly the importance Member Countries attached to the Fund’s mission.

With this resounding endorsement and a new agenda to work to, the OPEC Fund applied itself with renewed vigor. Among its first steps was the establishment of two special grant accounts to deal with problems of growing and immediate concern: the spiraling HIV/AIDS pandemic—which was systematically unraveling decades of development gains—and the deteriorating situation in Palestine, whose innocent people were engulfed in a tragedy of overwhelming proportions. Endowed with initial resources of US\$15m and US\$10m, respectively, these dedicated accounts would be replenished many times over in the years ahead.

The transformative years

As the year 2004 dawned, a fresh wind was sweeping through the *Palais Deutschmeister*. A new Director-General—Suleiman J Al-Herbish, a Saudi—had been installed the previous November and it wasn’t long before he was setting out his agenda. Two things concerned him: the Fund’s limited visibility and its financial sustainability. The latter was an especially thorny problem. With no capital replenishment since 1980, the institution had been self-financing for over a quarter of a century. But, with demand on its resources mounting year by year, how long would it be before the coffers were empty? The challenge, as Al-Herbish saw it, was to secure the Fund’s long-term sustainability without compromising the execution of its mandate. The eventual solution—a program of extensive resource and operational restructuring—was successful

beyond all expectations. Under its transformed persona, the institution not only set itself on a path of sustainability but remarkably managed to *double* its cumulative commitments within just eight years—no mean feat in a period that witnessed the worst financial and economic meltdown in recent history.

The issue of visibility was dealt with just as effectively. Via a series of high-profile activities, the Fund set about presenting itself to the world as an experienced, committed and forward-thinking development partner; its new image reinforced by a rebranding exercise that saw the birth of the acronym OFID, the creation of a modern new logo and the adoption of the slogan “Uniting against Poverty.” ▶

PHOTO: AFP PHOTO/JAY DIRECTO



Since inception, OFID has approved support to over 3,500 operations covering all developing regions and sectors.

PHOTO: OFID/JOHANNES HERBERSTEIN



Mr Al-Herbish with Austrian President Fischer (left) and being decorated by Vice-Chancellor Michael Spindelegger (right).



Director-General Al-Herbish welcomes Lesotho's King Letsie III, April 2013.



Palestinian President Abbas at OFID HQ, April 2013.

Through its trade finance facility, OFID helps small commodity producers access lucrative markets that would otherwise be out of reach.

Calibrating the machine

◀ As OFID continued to expand the scope and outreach of its operations, behind the scenes a comprehensive capacity-building exercise was underway. If OFID was to perform on the same stage as other, weightier development players, some serious housekeeping was in order. Rules and procedures that had been untouched for years had to be overhauled; the entire IT infrastructure had to be modernized; financial systems had to be updated; the risk management framework upgraded. It was a mammoth undertaking, but an essential one. And it transformed OFID into a sleek, well-oiled machine, with a degree of sophistication to rival that of an organization double its size. At the same time, the organizational structure was streamlined and steps were taken to strengthen OFID's human resource base.

Everything was geared toward maximizing efficiency and productivity. But, for OFID's aid efforts to have the greatest impact, there was acknowledgement that external alliances would be key. Thanks to its many decades in the business, OFID boasted a large partnership network, but now it set about adding structure and substance to these relationships by entering into formal cooperation agreements with partners such as the World Bank Group, the regional development banks and others. These strategic alliances would not only enable OFID to leverage additional resources for its operations but also endowed it with a level of respect and influence beyond anything it had enjoyed before.

Energy for the Poor: OFID as pioneer and champion

When OPEC heads of state gathered for their third summit in Riyadh, Saudi Arabia, in November 2007, no one could have foreseen what a defining moment it would be for OFID. Identifying energy poverty as one of the greatest barriers to development, Member Countries issued a clarion call: OFID should take all measures necessary to widen access to modern and affordable energy services. It was a direct command; more than that, it was a mandate that sang directly to OFID's heart. The institution had been implementing energy projects for more than thirty years; it had direct experience of the issues, the obstacles, the needs. This was something it could do—and do well. The following year, OFID launched its groundbreaking Energy for the Poor initiative (EPI), combining intensified action on the ground with advocacy aimed at pushing energy up the global agenda and having its eradication recognized as the “missing ninth” MDG.

OFID quickly carved out a niche as the pioneer of energy poverty eradication. Four years after the launch of the EPI, its efforts bore rich



PHOTO: HXDYL/SHUTTERSTOCK.COM



OFID celebrates return of Ecuador as a Member Country in June 2014.



OFID hosts a symposium to rally petroleum industry support for universal energy access, November 2014.



Mr Al-Herbish receives Grand Decoration in Gold from the City of Vienna, January 2015.

PHOTO: 68/DON FARRALL/OCEAN/CORBIS



In 2014, OFID allocated more than half of its commitments—or US\$823m—to the energy-water-food nexus.

fruit when the UN Secretary-General announced in 2011 the inception of a global Sustainable Energy for All (SE4ALL) initiative, in which OFID would play a key role. The following summer, at the Rio+20 summit in Brazil, world leaders unanimously agreed on the need for energy access to be included in the post-2015 development agenda. This was a huge and highly significant victory for OFID: for the first time in its history, it wasn't just ahead of the curve, it was actually shaping it.

The Rio+20 summit was a landmark for OFID for another reason as well. In the presence of Mr Ban Ki-moon, Director-General Al-Herbish announced that Member Countries had pledged an additional US\$1bn to OFID specifically to finance its EPI. The commitment—effectively a fourth replenishment—was made in a *Ministerial Declaration on Energy Poverty*, which called for “the universal eradication of energy poverty [through] concerted, quick and decisive action by the whole international community.” The US\$1bn in new resources—which was quickly converted to a revolving pool—gave out a clear signal: OFID was in this battle for the long haul. And it was prepared to lead by example.

A new strategic vision

Over the past three years, OFID has continued to plough resources into energy access projects, mobilizing all financing windows and pursuing all viable solutions, including renewables. At the same time, it has developed a new strategic vision based on the closely interrelated challenges of energy, sustainable water access and food security. This critical nexus forms the lynchpin of OFID's Corporate Plan for the decade 2016–2025.

As OFID marks its fortieth anniversary, it joins the world on the threshold of a new era in development cooperation. Ahead lie the Sustainable Development Goals—among them SDG7 and the pledge to “ensure access to affordable, reliable, sustainable and modern energy for all” by 2030. For OFID, the inclusion of energy poverty eradication in the agenda is more than a triumph; it is deserved reward for years of unstinting advocacy. It is an example, moreover, of just how far OFID has come in the years since its establishment as a temporary fund. Its founding fathers would be proud indeed. ■



OFID: “An outstanding model for the world to follow”

Few people are better able to comment on the evolution of OFID than Governing Board Chairman, **Abdulwahab Al-Bader**, whose ties to the institution go back more than 35 years. Here, he looks back on some of the major milestones and shares his aspirations for the future.

INTERVIEW BY AUDREY HAYLINS

OQ: As Kuwaiti Governor to OFID since 1986, you have been closely involved in OFID's journey for three decades. What, for you, have been the main landmarks?

AA: Actually, my connection with OFID goes back even further, as I served previously as Alternate Governor, at a time when the institution was still called the OPEC Special Fund. So I have witnessed almost the whole journey. For me, the most important landmarks are the ones that have made the greatest difference to the execution of OFID's mission. The two I would highlight are the establishment of the private sector and trade financing windows. With these mechanisms to complement its traditional public sector operations, OFID has been able to greatly expand its outreach and impact. It's worth noting, too, that these two facilities made a tremendous contribution to OFID's financial sustainability.

I should also mention the Fourth Replenishment of 2012. By pledging US\$1bn in fresh resources, Member Countries not only reiterated their trust and confidence in OFID but also displayed their continued interest in the work of their institution. The Replenishment was a strong demonstration of Member Countries' solidarity with the rest of the developing world.

OQ: What do you think OFID's founders would make of their institution today?

AA: For certain, I don't think anyone from the very early days could possibly have envisaged the incredible transformation that has taken place—that the modest, temporary account first conceived in 1975 would grow into such an important and influential global player. There is no doubt in my mind that OFID's founding fathers would be extremely proud of the force their institution has become. And not just because of the position it's achieved in the global development arena, but also because of the real difference it's made to the future of millions of poor people struggling to carve out a better life.

OQ: How do you see the next chapter in OFID's story unfolding?

AA: I think we're going to be exceptionally busy in the years ahead. The world has a new development agenda and OFID has a strategic plan aligned with that agenda. Implementing them both will be a challenge. But, we have a very clear idea of where we're going and what exactly we have to do to get there. OFID has made a name for itself as the pioneer of energy poverty eradication. Its Energy for the Poor initiative is an outstanding model for the world to follow. It was the late King Abdullah of Saudi Arabia who first lit this torch, and OFID took on the responsibility of carrying it. I would hope to see OFID shining a light on millions of lives in the coming years. I believe that energy access is the main component necessary for every country aspiring to overcome underdevelopment. So, our work in this regard is crucial.

OQ: As Chairman of the Board, what message would you have for OFID management and staff in this special anniversary year?

AA: My message is simple: Keep up the good work! I think OFID's management team led by Mr Al-Herbish has done remarkable work over the past decade or so in terms of modernizing the institution and getting it in the best possible shape for tackling the challenges of the new development agenda. Every quarter, when I come to attend the Board meetings, I never fail to be impressed by the professionalism and dedication of both management and staff. I feel a genuine air of pride from everyone—in their institution and in the day-to-day work. I would hope that we governors would continue to cooperate to create the best possible environment that allows the best results for OFID. ■



"There is no doubt in my mind that OFID's founding fathers would be extremely proud of the force their institution has become."

Pride in a job well done

Having successfully guided OFID through a period of exponential change, Director-General **Suleiman J Al-Herbish** reflects on the wholesale transformation of an institution once content to simply implement the global development agenda to one actively engaged in shaping it.

INTERVIEW BY AUDREY HAYLINS

OQ: *Mr Director-General, the OFID of 2016 is very different to the one of 40 years ago. What would you say are the main changes?*

DG: First of all, I like the question. There has, of course, been tremendous change. I could talk about growth, outreach, policy direction, visibility, and so on, but for me the most important factor is the mentality of our people, because nothing can be achieved without a committed workforce. At OFID we have almost two hundred staff from over thirty different countries, and they are all fully dedicated to our motto “Uniting against Poverty.” They do their job with a great passion, and this passion has been the main force driving all the positive developments.

OQ: *Wouldn't you agree, though, that for your people to be so motivated there had to be changes within the institution itself?*

DG: I believe that our people have both responded to and effected the changes. We've encouraged a culture of openness and participation that impacts people very positively and gives the feeling of belonging and moving toward a new horizon. A concrete example is our Energy for

the Poor initiative. As a body, OFID staff are exceptionally proud to be party to a mission which is noble and unprecedented. The result is a great willingness to take on the challenges that this involves.

OQ: *It's been a remarkable journey for an institution that started so small and with modest ambitions. What would you describe as the biggest milestones in this journey?*

DG: We have to go all the way back to 1980 for the first big milestone, the year OFID became a permanent development institution. There have been many landmarks since, but I think the most significant have also been the most recent, mainly because of the exponential growth we've experienced over the past ten to twelve years. For me, one very special high point was the US\$1bn resource replenishment we received from our Member Countries in 2012. This was the first resource boost in thirty years and a resounding endorsement from our shareholders that they approve of what we are doing.

A second highlight was the inclusion of energy poverty eradication in the outcome document of the Third OPEC Summit in Riyadh ►





PHOTO: OFID/NADIA BENAMARA

Al-Herbish considers OFID's greatest achievement to be the seven years of hard advocacy that resulted in the inclusion of energy poverty eradication in the 2030 development agenda.

◀ in 2007. Few people know that the relevant Article of the Riyadh Declaration was actually drafted here in this office. We were the ones who took the idea to our Member Countries, who in turn took it on board and made it a decision of the Summit. Their call—on *all* OPEC aid institutions including OFID—was the springboard that not only launched OFID on a new path, but that also marked a major watershed in terms of OFID's position in the international development community.

But, and I think I speak for everyone at OFID when I say this, by far the most momentous milestone—and certainly our greatest ever achievement—is the inclusion of energy poverty eradication as a stand-alone goal in the 2030 Development Agenda. I say greatest ever achievement, because it represents the outcome of seven or eight years of hard advocacy. It gives me the greatest sense of pride and satisfaction to have closed the gap between what we set out to do and actually achieving it. We were the ones

who brought this issue to the attention of the world. Yes, we are only just getting started in terms of really delivering on the agenda, but the fact that energy access is finally *on* the agenda—and not only that, but acknowledged as its lynchpin—is a supreme accomplishment.

OQ: *OFID works in an environment that is constantly evolving. How would you evaluate the institution's performance in squaring up to this challenge?*

DG: I would say that OFID has coped very well in adapting to new challenges in the development arena. In fact, I would go as far as to say that flexibility and responsiveness are two qualities that we value above all others. We are here to meet the needs of our partner countries, and we are prepared to do whatever that takes. However, here too, there has been a major shift in recent years. Up until we took on the cause of energy for the poor, I think it's fair to say that we had been

more reactive than pro-active, happy to follow the lead of other, more experienced players. As the pioneers and champions of energy poverty eradication, we have transformed into an institution that is actively shaping the global development agenda. So, today, 2016, we are ahead of the curve, rather than simply following it.

I felt this particularly strongly when I traveled to Brazil for the Rio+20 Summit in 2012. In my hand I had our *Declaration on Energy Poverty*—containing the US\$1bn resource pledge—that had just been issued by our Ministerial Council. I was telling everyone, from prime ministers to heads of institutions, that I had come with a message, a program, and a budget. And the message was clear: OFID was prepared to lead by example.

OQ: Looking forward, how do you see OFID's role in the 2030 agenda for development?

DG: Well, I think, since we now claim to be one of those who shaped the agenda, I am sure that we'll be the first to implement it. In fact, if you look at our diary for next year, you'll see that we are already organizing activities to get the ball rolling. For example, we'll be hosting a symposium on food security and another one with the International Development Law Organization on strengthening legal frameworks for the energy sector in Africa. But perhaps the best manifestation of our intent can be found in our Corporate Plan 2016–2025. The cornerstone of this strategic framework is the energy-water-food nexus, with transportation as an additional enabling sector. We anticipate 70 percent of our activities being dedicated to these key, interlinked sectors. We will also continue our advocacy work, particularly with regard to the necessity of taking a technology-neutral approach to energy access. This was something I emphasized at Rio+20: In trying to deal with this problem, we shouldn't impose on the poor a particular technology or source of energy. Any solution that is superior to burning animal waste is a welcome solution. So, both fossil fuels and renewables have a role, and OFID will continue to utilize both in accordance with the local situation.

OQ: When you look at the shortcomings of the MDGs, how optimistic are you that the SDGs will enjoy more success?

DG: I think the key word here is what we refer to as inclusiveness. While the MDGs were drafted by a select group of countries, the SDG process involved intensive and wide-reaching negotiations that allowed all countries to put their problems and aspirations on the table. Everyone's interests have been taken into account, so there is a greater sense of ownership and accountability this time around. Another big difference is the means of implementation. The MDGs were conceived without any real consideration for the financial requirements. In contrast, for the SDGs we have the Addis Ababa Action Agenda, which was in place already three months before the SDGs went to the UN General Assembly for approval. There's still work to be done—especially with the OECD—with regard to defining a time horizon, but I think they are moving in the right direction. This is something we hope to discuss with our partners in OECD when we meet in January. I'm confident we're going to achieve a good result in this respect.

OQ: You have taken the unusual step of dedicating OFID's 40th anniversary to the plight of refugees. What was the thinking behind this decision and what does the dedication entail?

DG: When I met with my senior management team to discuss the anniversary, there was a very firm consensus that it would be inappropriate to celebrate in the usual way. Here in Vienna, the refugee situation has really imposed itself; we all feel it. Very many of our colleagues—and indeed my own wife—are going every day to the various reception centers to see what they can do to help. Regardless of their nationalities, these innocent people need our assistance. In terms of what we're actually going to do, we have a whole program lined up that includes awareness-raising as well as tangible assistance such as a communication center, travel kits, and so on. The whole organization is on board with the idea and geared up to make every effort count. ■

“As a body, OFID staff are exceptionally proud to be party to a mission which is noble and unprecedented. The result is a great willingness to take on the challenges that this involves.”

Uniting for a world without refugees

When a major crisis erupts, every refugee undergoes forced displacement, under cruel circumstances to attain a better life. The recent crisis in Syria has magnified these humanitarian needs. OFID dedicates its 40th Anniversary to the plight of refugees, sharing their suffering and strengthening its solidarity.

BY REEM ALJARBOU AND RANYA NEHMEH



Melissa Fleming, Spokesperson,
UN High Commissioner for Refugees

PHOTO: UN PHOTO/JEAN-MARC FERRE

The scene on September 5, 2015, at Vienna's main train station was pandemonium. Trainloads of refugees were arriving by the hour. They were met by hundreds of local volunteers wanting to help by offering their time and resources. Among the "Flüchtlinge" were families with children, exhausted from their arduous journey, which may have started days, weeks or even months earlier. They were relieved to have made it to Vienna in safety and filled with hope at the prospect of a new beginning.

Speaking at Vienna's "Hauptbahnhof" station, Melissa Fleming, spokesperson of the UN High Commissioner for Refugees, said: "UNHCR really welcomes the move by Austria and Germany: the decision to open their borders and let in thousands of refugees. This was a leadership based on values and we welcome this very much."

The UN estimates that with the current refugee crisis, more people are displaced now

than at any time since World War II. The greatest flow of refugees has come from Syria, whose civil war, now in its fifth year, has been described as one of the worst humanitarian disasters of modern times. Nearly 12 million Syrians have been displaced so far by the fighting, half of them children.

As the situation in Syria worsens, many refugees have been making their way to Europe, seeking a better life for themselves and their families. Over the past months, the number of refugees arriving in Europe has been overwhelming, especially for countries like Germany, Austria, Slovakia and Hungary.

Austria and Germany, in particular, have opened their borders and allowed thousands of refugees into their countries. While this action has been viewed positively, it also requires sustainable solutions for the long term, as well as extra funding to ensure that these refugees have the basic amenities to survive.

Message of solidarity

In dedicating its 40th Anniversary to the “Year of the Refugees,” OFID extends its solidarity to Austria and seeks to help ease the burden its host country faces in managing this situation.

“OFID has chosen to dedicate such an important anniversary to the plight of refugees to raise awareness of a global humanitarian crisis which is a responsibility for all of us to end,” announced Suleiman Al-Herbish, Director-General of OFID. “A new situation is developing that needs urgent attention from all. We cannot abandon helpless refugees who risk their lives to access a better and dignified life elsewhere.”

OFID’s response to the crisis is a volunteer engagement program (VEP), which will enable staff members to make a more meaningful impact. Employees have already been playing a strong role on a voluntary basis. The anniversary plans will see the transformation of these individual efforts to a more structured collective effort in collaboration with local NGOs.

Dr Deyaa Alkhateeb, who chairs the 40th Anniversary committee, said: “Through its valuable pool of employees, who can offer much needed assistance within its host country, OFID has the opportunity to multiply its assistance beyond operational partnerships.”

One of the first activities will be the establishment of an OFID communication center. For most of the refugees arriving in Vienna, communication is one of the biggest challenges. OFID plans to setup a center offering Internet use so that refugees can keep in touch with their scattered families via email and Skype.

Another issue that refugees face when arriving in Vienna is the language barrier. Through the VEP, OFID staff members fluent in Arabic and Farsi will offer interpretation and translation services, as needed, in coordination with the various NGOs that are organizing care and shelter for the refugees.

Volunteering will also extend to night assistance and the provision of legal advisors to help refugees with filling in applications and writing official letters. As most refugees arriving in Vienna have been travelling long distances and need basic necessities, OFID is also providing emergency travel kits, which include essentials such as hygiene products and warm clothing.

Another event planned is a fundraising photo exhibition that will portray the history of the refugee story and showcase OFID’s engagement on the ground, including with Palestinian refugees in Lebanon. The hope is that the exhibition will increase awareness of the wider issue. Funds raised will be donated to support the activities of an NGO working with refugees in Austria.

The VEP will also run an art workshop for refugee children, whose special needs are sometimes overlooked. The workshop will focus on the psychological welfare of refugee children and, in particular, on the importance of play. It will involve painting, play, and artistic expression and education, with assistance from OFID staff with artistic talents. To realize this key project, partnership has already begun with the Viennese-based NGO Life2Live. ■

Refugees: A longstanding focus

OFID has long provided its assistance to people fleeing conflict. One of its strongest partnerships is with the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), which started in 1979. Since then OFID has approved more than US\$30m in grants to support UNRWA’s engagement in the Palestinian territories, notably for education, vocational training, emergency relief and humanitarian aid programs. This sum represents nearly one-quarter of the US\$146m total financing that OFID has provided to some 500

operations in the West Bank, Gaza Strip and Lebanon through various partners. In 2004, OFID expanded its collaboration with UNRWA by establishing the PalFund, which extends microfinancing to entrepreneurs and artisans for income growth.

Another key partner is UNHCR, which OFID has been working with since 1984. In total, OFID has extended 12 grants worth over US\$6.5m for UNHCR operations in Africa and Asia. Many of these grants involved emergency assistance, such as aid delivered during the Libyan crisis and

for Afghan refugees in Pakistan. But large sums have also gone to support special programs focusing on reintegration, health services, education and protection assistance. A number of these projects support not only refugees but also people who are internally displaced due to conflict. Other NGOs OFID has partnered with to help refugees include the International Federation of Red Cross and Red Crescent Societies, Medical Assistance for Palestinians, and the Arab Gulf Program for Development, among many others.

PHOTO: JP LAFONT/SYGMA/CORBIS



A refugee's story

Phuong Truong's incredible journey from refugee to OFID IT professional and family man is one of enormous sacrifice, courage and determination. It is also proof positive that, with the right support, people torn from their roots can integrate into their adoptive countries and lead happy, successful and fulfilling lives.

BY AUDREY HAYLINS

Born in 1964 into a middle-class family in Saigon, the then capital of South Vietnam, Phuong remembers his early years as comfortable and happy. In spite of the war with North Vietnam, life was normal and uneventful for him and his four younger siblings. Until, that is, the fall of Saigon.

"Life as we knew it changed forever when the new communist government took control in April 1975," recalls Phuong. "My father was sent away to a re-education camp, and my mother was forbidden to work."

By 1979, Vietnam was at war again, this time with China, and the army was looking to swell the ranks of its soldiers. "Children from families such as mine were among the first to be sent to fight," says Phuong, who at 15, was fast approaching the age of conscription. "The chances of my brothers and I being sent to war were very high."

The hardest sacrifice

It was with heavy hearts that Phuong's parents made the agonizing decision to find a way to get their three sons out of the country. "It was a very difficult decision, but my parents

wanted a better life for us, whatever sacrifice that meant," recalls Phuong.

And so Phuong and his brothers Dung, 12, and Dam, 6, joined the tens of thousands of Vietnamese "boat people," who were fleeing the country on all manner of fishing junks, trawlers and other crude craft.

In June 1979, the boys said goodbye to their parents and two sisters, not knowing if they would ever see each other again. Their transport was a dangerously overcrowded 20 meter-long fishing boat, which they shared with 200 or so other refugees.

A few days into the trip, Phuong's boat was approached by an Australian ship, which escorted the boat people to the relative safety of a small Indonesian island. Unfortunately, their "safe haven" turned out to be uninhabited, and it was two long weeks before they were picked up by Indonesian marines and taken to the mainland.

The brothers were given shelter in a series of Indonesian refugee camps before finally being handed over to the NGO SOS-Kinderdorf International and brought to Austria. They arrived at Vienna's Schwechat airport on November 11, 1979, wearing nothing more than shorts and T-shirts.

A new home

The boys were taken immediately to the SOS children's village at Pinkafeld in the province of Burgenland, where they were given into the care of a housemother, Frau Pickenhahn. It was a completely alien environment for the youngsters from Vietnam: a strange country, a strange climate, and as Phuong recalls, "an even stranger language!" However, they couldn't have asked for a more loving family.

"Altogether, we spent six years in the children's village. Frau Pickenhahn raised us as if we were her own children. She showed us genuine love and affection, catering for our individual needs, likes and dislikes. It was a truly happy time for us all."

By the following January, the boys had been placed in local schools and were picking up their new language fast. So fast, in fact, that Phuong was able to sit and pass the exam for the technical high school barely six months later, an achievement that he is quick to dismiss: "This was why our parents had sent us away, so that we could make the most of such opportunities. I owed it to them—and the sacrifice they'd made—to try my hardest."

Reunited at last

During their time at Pinkafeld, the boys had regular, written contact with their parents, but the enforced separation was unbearably hard. So the wheels were set in motion, through a UN family reunion program, to bring the senior Truongs and their two daughters to Austria. When they finally arrived in 1986, the two elder sons were now young men and Dam, the youngest, was almost a teenager.

"It was a very emotional reunion," says Phuong. "But very hard too, especially for my parents, as they were unable to communicate with Dam, who had forgotten how to speak Vietnamese." Like their sons before them, the elder Truongs had to learn German, and then find jobs and a permanent home for



Phuong (center) with Dung (right), Dam (left) and two of their Austrian "brothers" at the SOS-Children's village in Pinkafeld.

their family. It was a difficult period of adjustment, but one made easier in the knowledge that everyone was together again.

Today, Phuong's entire family is happily settled in Austria and raising a new generation of Truongs. Phuong, now with four sons of his own, remains "eternally grateful" to SOS-Kinderdorf for giving him and his brothers the best possible foundations for a secure and happy future. He is particularly thankful to his "Austrian mother," Frau Pickenhahn, to whom he still has a strong emotional attachment.

As for his own parents, Phuong speaks of them with an admiration that has intensified since becoming a father himself. "Sometimes, when I look at my children, I ask myself if I would have the courage to send them off into the unknown like my own parents did." Deep down, however, he knows that this is a sacrifice neither he nor his brothers and sisters will ever have to endure. Their parents have already made it for them. ■



PHOTOS: COURTESY OF TRUONG PHUONG

Phuong and his wife are raising a new generation of Truongs in Vienna.

Views from the top

With a collective 138 years of service to the institution, OFID's senior management team boasts a wealth of experience and knowledge. Here, its eleven members reflect on the challenges and achievements and share some of their favorite memories.

INTERVIEWS
BY ARYA GUNAWAN USIS



"Times have been particularly challenging recently for the Finance department, especially for the Treasury unit, which manages OFID's investment portfolio. The market volatility of the past two years put a lot of pressure on our resources. It seems that markets are still experiencing the aftershocks of the financial crisis, of which I have mixed memories. Bad memories go back to the peak of the financial crisis, which gave me many sleepless nights. The good memories relate to the team work, when we decided to adhere to our conviction for long-term asset allocation following the crisis. OFID's Investment Committee and Governing Board endorsed our recommendations, and most of the losses incurred in 2008 were recovered in 2009. It was a happy moment in my career and something that I am still very proud of. I also take a lot of pride in the work that the department has done to transform and modernize the structure of OFID's financial statements. As a result, we have received a non-qualified audit opinion on our financial statements three years in a row, and were able to publish the financial statements for the first time in 2013. Another achievement was the preparatory steps taken for borrowing from the market, including formulating the Risk Management Framework in 2009."

Saeid Niazi
ADG Financial Operations



"Public Sector Operations have always been the main mandate and core business of OFID. Because we're at the sharp end, we are the ones lucky enough to see firsthand the impact of what we do. To know that the various infrastructure provided by our projects has enabled people to be more productive and pull themselves out of poverty is a wonderful achievement and an immensely satisfying one. That said, the job is not without its challenges, most notably the limited capacity and resources of our partner countries. We constantly need to find the right balance between our desire to execute our mandate as widely and effectively as possible and the need to ensure that our loans are sustainable. This means we have to plan, assess and manage our operations very carefully. My fondest memory of my time at OFID is a personal one. When I moved to OFID in 2002, I left my family behind in Saudi Arabia, as I wasn't sure whether to bring them to Vienna. When we were finally reunited after almost four years living separately, it was the most delightful moment for me."

Fuad Albassam
ADG Public Sector Operations



“The existence and role of the DOI as we know it today is part of the overall transformation that started in 2003. At the time, it was decided that visibility should be attached to OFID’s mandate. This in itself was a significant achievement, and one that has since gone even further, with visibility now embedded in our Corporate Plan 2016–2025. Making other people understand and appreciate the work of DOI is a challenge. Most people only see the products and don’t really understand the processes and skills involved. We are trying to engage more people from other departments in DOI’s activities so that they will be more appreciative of what we do. When I reflect on my time at OFID, two highlights stand out. The first was seeing the IT unit—which I headed prior to my assignment to the DOI—introducing new strategic technologies into the organization. The second was when we succeeded in changing the OFID logo as part of our 30th anniversary celebration ten years ago. As chairman of the anniversary committee, I had to deal with skepticism from colleagues at all levels. It was a hard job convincing them, but we made it in the end.”

Deyaa Alkhateeb

Director, Department of Information



“Among the achievements of the CPES unit is the support to OFID’s campaign on energy poverty alleviation. It was CPES that developed the distinctive role for OFID as both an advocate and implementer of energy access on the ground. This propelled us into a position of high visibility and resulted in our DG becoming a member of the high-level group of the UN Sustainable Energy for All initiative. I also consider the development of the Corporate Plan a significant achievement. It was very gratifying to see the Ministerial Council hail certain aspects of the Plan when we presented it to them. The heaviest challenge we have to address now is to build on this basis that we have created. At the moment it is still just a framework. Another satisfying moment was when as a public sector operations officer, I oversaw the construction of 37 schools in Bosnia and Herzegovina, several years after the war ripped through the region. When I visited these schools, I saw true happiness on the faces of the children, who said ‘now we are in the school without rain coming on our heads because the ceilings no longer have holes left by the bombings.’ I was extremely happy; it gave me real satisfaction to see the value of OFID’s work on the ground.”

Faris Hasan

Director, Corporate Planning
and Economic Services



“The Legal department has played an important role in terms of providing legal advice and guidance on governance issues relating to all of OFID’s activities and operations over the past 40 years, including for the actual establishment of the institution. The department was also involved in laying the legal foundation for the establishment of private sector operations in 1998, and the trade finance facility in 2006, as well as the ‘approval in principle’ from the Ministerial Council for OFID to raise funds from the capital market to augment its resources at the appropriate time. To date, the department has prepared/negotiated legal agreements between OFID and various governments or counterparties for over 3,500 operations. I am proud of the achievements of the legal team. As OFID’s operations grew significantly over the years, it became quite challenging to cope with a very small team. In the recent past, we have taken on board new counsels to complement the existing skill set and to position the department to effectively respond to the present and evolving needs of OFID. For me, one of the best parts of my job is attending the loan signature ceremony for each project, which initiates the actual process of project implementation. These are special days, and I always look forward to them.”

Violet Onyemenam

General Counsel



“When joining OFID in 2010, I found a number of issues in the area of human resources that we could still improve. This included the need to have job descriptions that reflect the realities, and to create a performance appraisal system. There was no orientation program for new employees, and there was no exit interview for people leaving the organization. Now OFID has a set of tools that covers most of these important aspects of HR. Recently we also launched a Young Professional Development Program. I consider all of these as achievements of our unit. Of course, creating all these new systems was quite a challenge; and one that we tackled by involving all departments and units. I firmly believe that no department can achieve anything alone. HRP&P is a partner of all departments, and we engage them all in our policy and decision-making, because anything we do in this regard affects everybody in the institution. If there is one thing that made me happiest while serving in OFID, it would be when I was finally convinced that in terms of human resource development, OFID was going in the right direction. Still, we are not going to achieve everything overnight; we need to be patient. Change takes time; we’re here to change.”

Abdulwahab Al Abbas
Head, Human Resources
Policy and Planning



“The A&P department provides an array of logistics and support, ranging from preparing the annual budget, to building maintenance and renovations, to procurement, to handling salaries, allowances and insurance claims, as well as recruitment, protocol, visas and foreign ministry liaison, security, registry, telephone and transport services, and so on. If all of these affairs have been handled properly—and I believe they have— then that is part of the achievements of the department that I can be proud of. However, ensuring that all these responsibilities are handled efficiently has never been an easy challenge. We’ve overcome this challenge through team work and a clear delegation of tasks. We’ve also been anticipating new challenges, including the allocation of office space for the increasing number of employees being hired to cope with OFID’s operational expansion. As of now we are trying to manage the situation. While I’ve always considered every work output a major highlight, I would say, in particular, that my most important highlights in 2015 include being promoted to the grade of Director, two of my children graduating from school; my first son finishing his Master’s degree and my daughter graduating as a medical doctor. I look forward to greater highlights.

Folajimi Taiwo
Acting Director, Administration
and Personnel



“IT is an inseparable part of a modern organization and OFID is no exception. Some years ago, as our operations continued to grow, a more integrated, standardized, reliable and streamlined operational support system became a necessity. New technologies that were recently applied include virtual desktop infrastructure and the SAP Phase 3. These will place OFID in a better position to fulfill its mandate in a more efficient manner. Along with the development of our team capacity, I see all of these as significant achievements of the IT Unit. Away from IT, the most memorable highlight for me is when I succeeded in convincing management and colleagues on the importance of a cultural-exchange program. OFID staff come from a wide range of rich cultural backgrounds. We have a lot to share, and we have to have a window for these exchanges of culture. At first, this idea was challenged by many, but it was gradually accepted, beginning with an exhibition showcasing the works of OFID employees and their families during the 30th anniversary of OFID in 2006. Since then we routinely organize cultural events, particularly in relation to our Member Countries. When I retire one day, and I see the cultural programs still continuing, then I will feel very proud.”

Jorge Goncalves
Director, Information Technology



“The growth in the number of clients and partners, and the decreasing number of transaction cancellations, are some achievements of our team. The significant fall in the cancellation rate is especially noteworthy, because the most important thing is not the volume of approved transactions but how many of these turn into actual projects. Our annual approvals have also increased, from around US\$200m per year previously to over US\$650m in 2014 and around US\$570m in 2015. These are quite big sums, considering we are a small team with limited resources. One of our greatest challenges is the high volume of tasks handled by the officers. We have around 151 active loans, meaning that on average each officer is responsible for 15–17 projects. Another challenge commonly found in transactions in the real economy sector is that these are usually done through syndication involving a number of co-financiers. In such cases, OFID depends on the performance of co-financiers and the market dynamics. The highpoint of my day is when a project turns into a loan and you can see it in OFID’s income statement. That means commitment from the officers responsible for the project, commitment from the legal department, and most of all, commitment from the partner.”

Tareq Alnassar
Head, Private Sector and
Trade Finance Operations



“Since its creation in 1977, the Grants unit has implemented nearly 1,700 projects with various institutions. I would pick out our projects in Palestine as a particular achievement. These have really made a difference to people’s lives, not only those living under occupation in Palestine, but also those in refugee camps in neighbouring countries. Another accomplishment is our energy poverty alleviation program, through which we have been able to reach out to poor, isolated and marginalized communities in many low income countries. Both examples demonstrate that the OFID grant program, with its modest funds, can also play a catalyst role for development in the context of the overall operations of OFID. In my new capacity as Acting Head of the Grants unit I would like to build on these achievements and pursue our strategy of prioritizing projects that are likely to produce substantial and sustainable socioeconomic benefits, particularly in low income partner countries; that could complement OFID’s interventions under its other financing windows; and that will contribute to enhancing OFID’s visibility in the global development arena. In order to ensure the effectiveness and maximize the impact of grant operations, I will also build on successful partnerships and develop new ones with like-minded institutions.”

Walid Mehalaine
Acting Head, Grants Unit



“OFID is the proud achievement of the OPEC countries that decided in 1975 to set up an institution to carry a message of solidarity to the developing world. Launching such an institution was not an evident task. No one could say then that it would grow to be what it is today. Throughout its life, OFID has had to satisfy a challenging mandate and meet the demands of what is now over 130 partner countries. The challenge is always to do the best with the means available and has been largely overcome thanks to the generosity of Member Countries and the fluid synergies among the Management, the Governing Board and the Ministerial Council. Today, the challenge is how to help our partner countries benefit from a new development agenda. Here, OFID can play both an operational and an advocacy role. Over its 40 years of existence, OFID has gained a great deal of goodwill and enjoys a lot of trust. It is fit for the job. Personally, an early moment of satisfaction came when visiting one of our water projects in Africa. An elderly lady told me that with water now available in her village, she didn’t have to walk 15km every day; she could plan a second life! For all of us, our true achievement is to look back and say ‘I am glad that people who succeeded me found it easier to do the job than I did.’ ”

Said Aissi
Advisor to the DG

Grant Program: Small in scale, big in impact

Grant assistance has long formed an integral component of OFID's development operations. Although modest in comparison to other financing windows, it delivers unique benefits that go beyond simple charity. Here, **Dr Walid Mehalaine**, Acting Head of OFID Grants Unit, explains why the program is so important.

INTERVIEW BY ARYA GUNAWAN USIS



Walid Mehalaine, Acting Head, OFID Grants Unit.

OQ: *What is it about OFID's grant assistance that makes it so special?*

WM: If you take just numbers, the share of the grant program in OFID's overall operations is relatively small. Worth a total US\$613m to date [end October 2015], it accounts for just over three percent of the institution's total cumulative commitments. Nevertheless, with over 1,680 grants approved, the program represents an important diversity of projects and interventions. The truth is that projects supported through other financing windows might not address the needs of all communities. Take electricity access as an example. There are large numbers of people who live in scattered, isolated communities that are not connected to the main grid. These communities are marginalized and poor, but providing them with electricity is not a priority for the majority of governments. When it comes to investment, priority is always going to be given to areas with a higher population density and greater economies of scale—you can reach more for less. But this doesn't mean we should ignore these poor, isolated communities. With a grant for a small-scale project, we can literally change their lives.

OQ: *Do you have some concrete examples of this approach?*

WM: There are many examples, but one in particular is a solar mini-grid project that we are carrying out in Guinea Bissau, in collaboration with the NGO *Foundation for Rural Energy Services*. This grant-financed initiative is not only meeting the immediate needs of disadvantaged communities, in terms of having a sustainable power supply, it is also giving a valuable boost to economic activity. Over the medium-term, this will help improve the socioeconomic prospects of the whole country. With projects like this, there are



also opportunities to develop synergies and perhaps even leverage additional financing. For instance, if pilot projects are found to be successful, they could be scaled-up or replicated and lead to further investments from bigger players.

OQ: What about examples away from the energy sector—do you have some that you could share?

WM: One initiative I always like to hold up as a great model is our cooperation with UNRWA (the United Nations Relief and Works Agency for Palestine Refugees in the Near East) to establish the PalFund microfinance facility [see box page 29]. Since it was set up in 2002, the PalFund has grown to become one of our most successful operations and the largest microfinance program in the Palestinian territories. It functions as a revolving facility, so the US\$10m initially invested by OFID has actually provided 76,000 loans worth a total of close to US\$108m. These resources have helped thousands of small and microentrepreneurs—many of them women and young people—to establish and develop successful businesses. The scheme has very good repayment rates, which is one of the main indicators of success for a microfinance facility. We have also

received positive feedback from UNRWA and from the beneficiaries. This is a concrete example, where one can see how grant financing can achieve significant and sustainable impacts that improve people's lives.

Another example is our cooperation with UN Habitat's Global Water Operators' Partnerships Alliance (GWOPA), which we initiated in 2013 to boost progress toward the MDGs and help realize the Human Right to Water declared by the United Nations' General Assembly in 2010. Through this program, we connected nine African water operators with recognized strong performance in certain areas, to beneficiary operators who needed help in such areas and who had expressed their interest in getting technical assistance from their peers. Based on lessons learned from the implementation of this program, GWOPA is now keen on establishing a strategic partnership with OFID to support water operators in achieving the recently approved Sustainable Development Goal on water. Within this partnership, both parties would develop a long-term plan to replicate and scale up the use of the GWOPA's approach to support water operators in more countries in Africa and other regions of the global South. ►

Energy sector grants provided by OFID reach out to isolated communities that are often neglected by government programs.

◀ OQ: *The examples you mention are strong evidence of grant assistance as a catalyst for development. Despite that, there are still people who, perhaps because of their lack of understanding, view grants as charity. What is your reaction to this?*

WM: We have indeed noticed that there is a misconception on the part of the general public about the role and purpose of grants. This is perhaps due to the fact that grants are often associated with donations and as supporting “band-aid” rather than sustainable solutions. Of course, OFID has always provided humanitarian aid in response to natural disasters and conflicts, and this will continue to be a part of our work. But we do need to change the perception that this is all grants are good for. To help us with this, we’ve developed some communication tools, including a brochure that contains information about our program and some highlights of its interventions. Although we have been improving in this respect in recent years, we still need to put more into outreach efforts, to educate our partners and the public at large on the amazing things we do through our grant program.

OQ: *What are your strategies and new ideas to further enhance the role and contribution of the grant program?*

WM: Given our relatively limited resources, we have to continue prioritizing projects that can produce measurable, significant and sustainable results; projects that could be replicated and scaled up. We started this effort several years ago, and we have to continue in this direction. It is also important to be more focused sector-wise. In this respect, we will try to prioritize the three sectors—energy, agriculture and water—that have been identified as the main planks of OFID’s Corporate Plan for the period 2016–2025. These three sectors are also among the top priorities in the post-2015 global development agenda, and specifically covered by the SDGs. And last, but not least, we will continue to build on successful partnerships, and also to develop new partnerships with other development institutions, to maximize the impact and ensure the effectiveness and sustainability of our interventions.

OQ: *Does this mean that we will see grants supporting more projects in the energy, water and food sectors in the coming years?*

WM: While the SDGs and OFID’s Corporate Plan provide strategic frameworks for grants to place more emphasis on the energy-water-food nexus, we will continue to use a demand-driven approach, responsive to the needs of our partner countries. It is our partner countries who will establish

their priorities, and we will have to find the best way to support them.

OQ: *Talking about partnerships, are there specific plans to expand this network?*

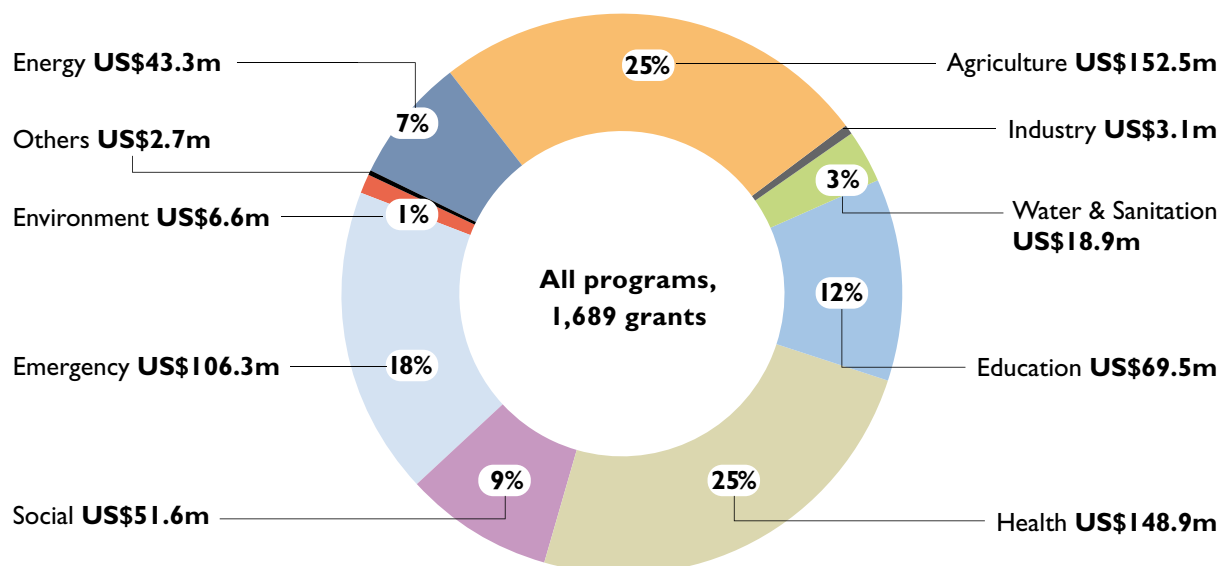
WM: We already have a good network of partners, but we are open to new partnerships with institutions that share our values and mission. Partnerships are always important to us, since our partners could add value to our operations through their technical expertise and their field presence. A wide and diverse partnership network also improves the opportunity for us to achieve greater impact and enhance our visibility.

OQ: *How would you relate the grant program to the celebration of OFID’s 40th anniversary?*

WM: With OFID choosing to dedicate this special anniversary to the plight of refugees, we have a unique opportunity to showcase the work done through our grant program in this area, particularly in terms of emergency aid to people fleeing conflict, as well as support to their longer-term needs, such as resettlement, whenever that is possible. The current refugee crisis is one that the world cannot ignore. Anything we at OFID can do to highlight the need for global action, whether through advocacy or direct intervention, is a move that I fully support. ■

Sectoral distribution of grants

Cumulative as of December 15, 2015



Standing tall in Gaza: The story of a waste-recycling microentrepreneur



Abed has remained determined to build a thriving business, despite numerous setbacks.

Living in an area where running a business was next to impossible, Abed El-Naser Badrasawi never gave up. In 2004, the 49-year-old micro-entrepreneur started up a waste recycling workshop in the Gaza Strip, which has been under Israeli blockade for the past nine years. Abed collected discarded copper and aluminum and scavenged for plastic. The income he earned from selling these materials enabled him to provide for his wife and nine children.

Abed's business grew bigger after 2007, when he invested US\$7,000 in two plastic grinding machines to supply ground plastic to producers. This partially processed material fetched a much better price than the raw waste. He was earning a good income until the Israeli attack on Gaza in December 2008, which destroyed his grinding machines, installation and materials worth US\$12,000.

But Abed was determined to stand tall against all odds. When the war ended, he resumed his business. "I borrowed money from friends and sold my wife's jewelry to purchase two replacement grinding machines and a new press, which were smuggled through the underground trading tunnels connecting Gaza to Egypt," he recalled.

With these new assets worth US\$15,000, his business picked up again, and he was able to pay back his friends' money during 2012.

In 2013, Abed became a client of PalFund. He first borrowed US\$2,000 to expand his business, and on completing payments in May 2014, he received a second loan of US\$12,000. With these funds, he added another grinding machine and bought an extraction machine to manufacture plastic hoses. But another attack on Gaza in July–August 2014 affected his business once again. Fortunately, he moved the machines and equipment from his workshop to his house. When the war ended, he returned his business operations to his premises in Juh El-Deek in eastern Gaza.

During the second half of 2014 and for most of 2015, his business was doing well. However, in late November 2015, a fire in his workshop caused damage worth US\$8,000. But even under these repeated adverse events, Abed never asked for any loan payment to be deferred, and still showed his utmost optimism: "I am determined to proceed in my business and as usual, I will be able to recover soon."

Case study courtesy of UNRWA

Congratulatory messages from partners

For all it has achieved over the past four decades, OFID knows that its success would have been limited if not for the support of its many partners across the development finance community. On this special anniversary, we thanked them for their solidarity in our shared fight against poverty. These are some of the warm messages we received in return.



It gives me pleasure to congratulate the OPEC Fund for International Development on its 40th anniversary. While OFID has always been a good partner of the United Nations, I am particularly grateful to the organization, and to Mr Suleiman Jasir Al-Herbish, for strongly supporting the Sustainable Energy for All Initiative (SE4All).

Having long pioneered energy poverty alleviation, OFID was an early champion of sustainable energy as a thread that connects economic growth, increased social equity

and a healthy natural environment that allows the world to thrive. Its Energy for the Poor Initiative is just one indication of its dedication to the sustainable energy agenda.

I look forward to continued cooperation with OFID as we begin to implement the new 2030 Agenda for Sustainable Development, including Goal 7 on ensuring affordable, sustainable, reliable and modern energy for all. Please accept my best wishes as OFID marks this milestone in the organization's history.

Ban Ki-moon
Secretary-General, United Nations

PHOTO: WORLD BANK

On behalf of the World Bank Group, I would like to congratulate OFID on its 40th anniversary. OFID's work has advanced social and economic development in many of the world's poorest countries — from expanding access to energy in Burundi to rehabilitating water and sanitation systems in Bangladesh. In particular, I commend Mr Suleiman Jasir Al-Herbish's strategic focus on energy poverty, and the institution's efforts to bring sustainable and affordable sources of energy

to the poor and vulnerable. The World Bank Group has a long-standing and productive partnership with OFID that spans many decades and regions. We have worked together in sectors from trade liquidity to infrastructure development to backing credit-guarantee facilities for small- and medium-sized enterprises. Over the years, we have learned much from OFID's experts and projects, and we look forward to learning even more in the years ahead.

Jim Yong Kim
President, World Bank Group



PHOTO: @PHOTO SIMONIS

It is my great pleasure to congratulate the OPEC Fund for International Development on the occasion of its 40th anniversary. In its four decades of important work, OFID pursued its vision to aspire to a world where sustainable development, centered on human capacity-building, becomes a reality for all, and contributed substantially to fostering South-South Partnership between developing countries to work towards eradicating poverty.

This milestone for OFID follows the unanimous adoption of the 2030 Agenda for Sustainable Development, which the International Community subscribed to in September 2015. It reminds all of us that no one

must be left behind. All individuals, states and organizations must work together to reach the shared goals we set ourselves in Agenda 2030. OFID's goals align with those contained in Agenda 2030 and its important work complements the world's shared vision of ensuring sustainable development for future generations.

I am very pleased that OFID has been our guest in Vienna for forty years. I congratulate the Organization, as well as the City of Vienna on this important anniversary, and I wish OFID many more productive and successful years of its important endeavors in Vienna.

Dr Heinz Fischer
Federal President of the Republic of Austria





Excellency,

It gives me great pleasure to extend to you and to the OPEC Fund for International Development (OFID) my warmest congratulations on the occasion of its 40th anniversary.

OFID has been a crucial partner in alleviating poverty, enhancing economic growth and underscoring the importance of energy access for sustainable development around the world.

The 40th anniversary provides a unique opportunity to recognize OFID's outstanding work and your personal leadership over the last ten years in championing an end to energy poverty and promoting shared prosperity for all.

I am immensely proud that your pioneering and tireless efforts in support of ending energy

poverty along with other partners led to the adoption of Sustainable Development Goal #7 – “ensure access to affordable, reliable, sustainable, and modern energy for all.”

Given OFID's numerous achievements under your leadership, I am confident that the world will continue to count on your personal commitment and support in making our world a better place.

Please accept, Excellency, the assurances of my highest consideration.

Dr Kandeh K Yumkella

**United Nations Under-Secretary-General,
Special Representative of the Secretary-General,
Sustainable Energy for All, Chief Executive
Officer, Sustainable Energy for All Initiative**

PHOTO: UN



On behalf of UNRWA, I would like to extend our heartfelt congratulations to the OPEC Fund for International Development (OFID) on the 40th anniversary of its establishment.

Thanks to its strong and enduring support for UNRWA, OFID has been a crucial partner in delivering high-impact assistance to millions of Palestine refugees in the Gaza Strip and the West Bank, including East Jerusalem, Jordan, Lebanon, and Syria. With over US\$28m contributed to UNRWA since 2003, OFID has helped sustain countless Palestinian families suffering from the ravages of conflict and poverty. OFID has also helped open doors of opportunity leading to the educational, social and economic advancement of Palestine refugees in all the areas UNRWA works, delivering services directly to its beneficiaries. Day in, day out, these are the results of a partnership supporting education, vocational training, emergency relief and humanitarian aid.

In addition, OFID expanded its partnership with the Agency in 2004 with the establishment of PalFund. PalFund aims at extending small loans to

productive entrepreneurs and artisans, generating income and fostering local economic development in vulnerable communities. Since its inception, 77,391 loans valued at US\$109.30m have been extended to Palestinians in the Gaza Strip and the West Bank.

As OFID marks four decades of success, countless beneficiaries of the Fund's programs and partnerships across the globe stand as testimony to the vast achievements that this Fund has created. From public and private lending to trade financing and grant operations in the fields of education, transportation, energy, agriculture, health, water and sanitation, industry and telecommunications, the OPEC Fund has truly left its mark on the world.

We look forward to witnessing many more decades of success with OFID, and to continue partnering on programs that enhance the lives of Palestine refugees across the region.

Pierre Krähenbühl

Commissioner-General, UNRWA

PHOTO: UNRWA



OFID celebrates its 40th anniversary at a global turning point. At the United Nations Summit in September 2015, the world's leaders adopted the 2030 Agenda for Sustainable Development, a universal and bold plan to end poverty and protect the planet. At COP21, they rang the alarm on the impact of climate change and committed to change the course. These two agendas are linked, and they call for stronger, more innovative partnerships.

Since its founding, OFID has been dedicated to fighting poverty through education, knowledge and innovation. Over the past three decades, OFID has supported UNESCO in a wide range of actions —to mitigate the HIV/AIDS crisis through comprehensive education sector responses in 42 countries across Africa and Asia; to provide inclusive quality education for Palestinian children in the West Bank

and Gaza Strip; to extend emergency education after the Haiti earthquake; to train youth with skills for employment, and to install solar electrification in rural schools to improve access to education.

All of these projects are characterized by trust, solidarity and the conviction that education is the most powerful transformational force for human dignity and sustainable development.

On behalf of UNESCO and in my own name, I congratulate OFID and Director-General Mr Suleiman Al-Herbish on this special occasion and I look forward to our continued partnership for shared prosperity and peace.

Irina Bokova

Director-General, UNESCO

PHOTO: UNESCO/MICHAEL RAVASSARD

PHOTO: UNHCR

On behalf of UNHCR, I would like to warmly congratulate OFID on the occasion of its 40th anniversary and thank the Fund for its decision to devote particular attention to the cause of helping refugees during this year. With over 60 million people worldwide forced to flee their homes as a result of conflict and persecution—more than at any other time since the end of World War II—the need for such attention and support has never been greater. UNHCR and OFID have been partners for 15 years, and during that time the Fund has helped us assist refugees across Africa and Asia—from HIV/AIDS programmes in Central and

West Africa, to fighting micronutrient deficiencies among long-staying refugees in Nepal and other countries. We firmly believe that this partnership will continue to make key contributions to refugee protection in the future, and look forward to working with you closely during this anniversary year and beyond.

Thank you very much, and once again, happy birthday!

Filippo Grandi
United Nations High Commissioner
for Refugees (UNHCR)



PHOTO: ISDB

On behalf of the Management and Staff of the Islamic Development Bank (IsDB) Group, we extend our heartiest congratulations to the OPEC Fund for International Development (OFID) for completing 40 glorious years of success. OFID has always been on the list of IsDB's closer allies, jointly striving to support universal progress within the sustainable development spectrum. We attest that OFID's brilliant team of dedicated leadership and workers have always aimed for high results. Working with the OFID team has been a real honor and we value each operation we jointly endeavored.

With its commitment and sincerity, OFID has time after time proved its worth and has gained the much deserved recognition from all. With OFID's services, the development world has gained immensely. We wish OFID all the success for many more years to come, and we know that IsDB Group and OFID will continue cooperating for the benefit of global developing communities.

Dr Ahmad Mohamed Ali Al Madani
Chairman, IsDB Group



PHOTO: UNIDO

On behalf of UNIDO, I would like to extend my warmest congratulations to OFID on its milestone 40th anniversary. There is considerable common ground between our organizations, given UNIDO's mission to eradicate poverty through inclusive and sustainable industrial development, and the overarching objective of OFID to stimulate economic growth and alleviate poverty in all disadvantaged regions of the world. Indeed, OFID's focus on providing financing to build essential infrastructure, strengthening social services delivery, and promoting productivity, competitiveness and trade dovetails with UNIDO's focus on advancing economic competitiveness and creating shared prosperity.

The recently adopted 2030 Agenda for Sustainable Development is an ambitious and universal framework for eradicating poverty. It will pose a considerable challenge to all development entities. Broad multi-stakeholder coalitions will be crucial to its progress, drawing on the expertise and resources of all actors, including governments, the private sector, civil society, multilateral funding

organizations, and the United Nations system organizations.

Member States of the United Nations recognized the transformative power of inclusive and sustainable industrialization for the development process, and therefore included Sustainable Development Goal 9 in the 2030 Agenda, calling the international community to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. International funds, such as OFID, will be vital in providing the diversified revenue streams necessary for countries to implement structural transformation on the ground to achieve SDG9. We therefore look forward to cooperating closely with OFID in pursuit of all of these objectives, and in particular in advancing SDG9 and the eradication of poverty by 2030.

Li Yong
Director General, United Nations Industrial
Development Organization





The Organization of the Petroleum Exporting Countries (OPEC) has always been characterized by great diversity among its members. But despite the great variety in their cultural, economic, and geographic conditions, they also have important things in common.

One of these common denominators is that every OPEC Member Country is also a developing country. When Member Country Finance Ministers established the OPEC Fund for International Development (OFID) in 1976—building on the Solemn Declaration resulting from the Conference of the Sovereigns and Heads of State of OPEC Member Countries held in Algiers, Algeria, in 1975—they were already familiar with the challenges and concerns shared by developing countries.

It is clear that in its 40 years of operations, OFID has served the interests of developing coun-

tries well. It was not only among the first development finance institutions founded by developing countries themselves, but it has played an important role as a pioneer in efforts to eradicate energy poverty. And through its infrastructure financing, capacity-building, and technical assistance, it has continued to support human and social development in countries around the world.

Today OFID continues to serve as an important reminder that the means for improving people's lives can be found in developing countries themselves. May it continue to do so in the coming decades.

Abdalla S El-Badri
OPEC Secretary General



It is a great pleasure for me to convey the City of Vienna's sincerest wishes and congratulations on occasion of the upcoming 40th anniversary of the founding of OFID. Looking at the projects that have been supported by OFID in these past years, both in Austria as well as throughout the world, we can clearly see the importance of OFID among the family of international organizations based in Vienna. The City of Vienna has been happy to cooperate with the OPEC Fund in several projects addressing children and young people in our city.

In 2014, we were able to honor the commitment of Director-General Suleiman J Al-Herbish by presenting him with the "Grand Decoration of

Honour in Gold for Services to the City of Vienna." 2016 will now give us the opportunity to provide a beautiful open space adjacent to the Vienna International Center to set up a monument that will highlight the importance of the OPEC Fund for International Development for our city.

I would like to congratulate the organization and all the people working there on their successful commitment toward international development over the past 40 years, and I look forward to a prosperous future of OFID in our city.

Michael Häupl
Mayor and Governor of the City of Vienna



IFAD wishes to congratulate OFID on its 40th anniversary. For more than three decades, IFAD has enjoyed close cooperation with OFID throughout the developing world. The two organizations share common roots and an overarching goal: both were founded in response to the world food crisis of the 1970s, and each seeks to increase food and nutrition security and reduce poverty.

Nearly 40 years later, IFAD is proud of its long-standing partnership with OFID. Together, we have co-financed inclusive rural and agricultural development projects in many of the world's least developed countries. A shared understanding of successful strategies for sustainable agricultural and rural development has made this partnership particularly effective. Today, our work is needed more

than ever. And that's why we are further enhancing our country-level presence and coordination on the ground. This is particularly relevant, as we focus on the challenges facing the rural poor, including women and youth.

IFAD would also like to express its appreciation of OFID for its crucial role in combating poverty over the years. Together, we are helping partner countries achieve food and nutrition security at both national and local levels, with the ultimate goal of seeing a world free of poverty and hunger.

Dr Kanayo Nwanze
President, International Fund for Agricultural Development

PHOTO: FRANK HELMRICH

Like the Austrian Development Agency (ADA), OFID's primary goals are to alleviate poverty and support sustainable economic growth in developing countries. OFID and ADA also share several focal areas of engagement, such as sustainable energy, food security and education. This is why OFID is a highly valued partner for ADA.

In the framework of the Southern African Solar Training and Demonstration Initiative (SOLTRAIN), our two organizations jointly support capacity building and the establishment of demonstration sites for solar thermal systems in the SADC region. SOLTRAIN successfully raises awareness and demonstrates what can be done off-grid with solar thermal technology. Results achieved to date are impressive:

- nearly 100 solar thermal systems installed at educational and social institutions in four countries of the region

- 1,600 technicians trained who ensure proper maintenance
- solar thermal technology platforms established in Namibia and Mozambique

While these achievements represent only a small portion of OFID's accomplishments in the past forty years, we believe they show the spirit of the organization behind them: strong, committed and hands-on! We warmly congratulate OFID on its 40th anniversary and hope to further expand and deepen our cooperation for the benefit of a world without poverty!



Martin Ledolter
Managing Director
Austrian Development Agency

PHOTO: IFC

For the past four decades, the OPEC Fund for International Development has played a critical role in boosting economic growth and prosperity in the world's poorest regions. That's why OFID is such a valuable partner for IFC. Our work together has supported trade and renewable energy projects in the Middle East, Africa and Latin America, helping businesses to expand and create jobs and addressing the growing demand for power in developing

countries. We congratulate OFID on 40 years of accomplishments in developing countries, and look forward to continuing to work together toward a world without poverty.

Jin-Yong Cai
Executive Vice President and CEO
International Finance Corporation



PHOTO: FMO

I would like to extend my warmest congratulations to your esteemed organization regarding the fortieth anniversary of its founding. We are proudly witnessing that especially since the beginning of the 21st century OFID has shown strong commitment to provide essential capital to the development of infrastructure and social services and to promote productivity and trade in more than 110 emerging markets.

OFID and FMO share the same mission and commitment to help the poorest in their social and economic advancement. Especially during the last

decade we have significantly intensified our cooperation to jointly provide financial support to the private sector in low-income countries.

I would like to express my readiness to continue our close cooperation and further strengthen our strong ties.

My best wishes for your continued success.

Nanno Kleiterp
Chief Executive Officer
Dutch Development Bank (FMO)





CARE Austria is honored to have been selected as one of OFID's partners in our common mission to fight poverty. We achieve this by multiplying impact, promoting lasting change, and saving lives. With OFID's help CARE was able to provide life-saving food and non-food assistance to people affected by the horrendous onslaught in Syria.

We are very grateful for receiving your support while creating for the first time opportunities for underprivileged girls of the Dalit and other poor communities in Nepal to attend school, thereby contributing to achieve gender equality and empower all women and girls as outlined in the UN's Sustainable Development Goals.

CARE's relations with OFID shows one important quality of OFID's work: It is truly all-encompassing in its geographic and substantive outreach and thus a pillar of international development cooperation.

We congratulate OFID at its 40th anniversary and wish you and your distinguished colleagues continuous successes in combating global challenges as we strive for a world of hope, tolerance, and social justice.

Ambassador Dr Georg Lennkh
President of the Board, CARE Austria

PHOTO: MIGUEL DIETERICH



On the auspicious occasion of the 40th Anniversary of the foundation of your esteemed Organization, I would like to seize this opportunity on behalf of BADEA's management and myself, to express our sincere congratulations and best wishes to our sister organization OFID and its leadership.

Throughout the 40 years of OFID's remarkable contribution to the development and assistance of developing countries, worldwide, your distinguished institution has established itself among the leading multilateral South-South cooperation models. Its strategy which is people centered focusing on interventions that meet basic needs and encouraging self-reliance of the recipients has enabled millions around the world to emerge from the trap of poverty.

The unique relationship between our two institutions has to be highlighted as a model of the

efficient and selfless commitment to the shared goals of both institutions, these of contribution to the development of the peoples of sub-Saharan African countries. We trust that such relationship shall become even stronger for the benefit of our institutions and their beneficiaries.

I would like to seize this memorable event to reiterate our congratulations to the Governors, Directors, top Management and Staff of OFID, without whom the distinguished records could not have been possible. Finally, I would like to commend the wise leadership of His Excellency Suleiman Jasir Al-Herbish, Director-General of OFID, for his leadership and tireless commitments and unfaltering professionalism.

Dr Sidi Ould Tah
Director General, BADEA

PHOTO: BADEA



In its 40 years of operation, OFID has led the way in accelerating economic growth and reducing poverty where this is needed most. With a focus on financing infrastructure, social services, competitiveness and trade, progress has been admira-

ble. We see OFID as a hugely effective partner in promoting social, economic and infrastructure development in many of the markets in which we operate.

Bill Winters
Group Chief Executive
Standard Chartered

PHOTO: MIKE STONE

Forty years ago, 13 members of OPEC decided to establish the OPEC Fund for International Development in order to foster financial cooperation between OPEC and developing countries, and to also support South-South cooperation.

Austria is happy to be the host-country of OFID which has been an active, vital and indispensable actor in the field of development cooperation over these past forty years. Besides financial cooperation, OFID has further established itself as an active stakeholder in joint international projects in the field of culture, youth and peace. In this regard, I'm particularly pleased to note that OFID is a partner in development in some of Austria's partner countries and regions, like Burkina Faso, Uganda and Southern Africa.

I'd like to take this opportunity to congratulate the Director-General of OFID, Mr Suleiman Jasir Al-Herbish, his staff and the members of OFID on the occasion of the 40th anniversary of the founding of OFID and wish them well for their future activities. At the same time, I'd like to thank OFID for its contribution to international development worldwide and for the excellent cooperation with the Austrian Development Agency, ADA, especially in the important energy sector in Southern Africa.

Sebastian Kurz
Federal Minister for Europe, Integration and Foreign Affairs of Austria



The International Atomic Energy Agency is extremely grateful to the OPEC Fund for International Development (OFID) for the generous support which it has provided to the IAEA in the field of cancer control in developing countries. This support has given countless cancer patients access to effective diagnosis and treatment.

Through its Technical Cooperation Program, and its Program of Action for Cancer Therapy (PACT), the IAEA works to improve the availability of radiotherapy and nuclear medicine in developing countries. We provide training to medical specialists and help to make radiotherapy equipment available. OFID's contributions to PACT have helped to develop and expand national cancer control strategies and services in Ghana, Zambia and Sudan.

The global cancer burden is expected to grow in the coming decades, especially in developing countries. The support and cooperation of OFID will remain indispensable. By improving early detection and treatment programs, particularly in regions with limited access to life-saving interventions, the IAEA and OFID are making a substantive, positive contribution to the global struggle against cancer.

I congratulate OFID on its 40th anniversary and look forward to continuing our collaboration in the area of comprehensive cancer care.

Yukiya Amano
Director-General
International Atomic Energy Agency



On behalf of SOS Children's Villages International, I would like to extend our sincerest congratulations on the 40th anniversary of OFID. At SOS Children's Villages, we recognize that it is not just an anniversary date, but four decades of continuous work addressing the most challenging global issues.

Receiving the OFID Award for Development in 2007, we were extremely honored to be recognized as OFID's partner on the path of giving underprivileged children a chance for a better future. We share a common mission: to ensure that all children grow with love, safety, and respect, regardless of where they come from. With your support, we were able to continue providing a

loving home, education, and care to the most vulnerable children who lost parental care.

I would like to express our gratitude for your 40-year commitment in making a difference to the lives of thousands of disadvantaged people, especially children, around the world. I sincerely hope that the friendship between SOS Children's Villages International and OFID will prosper and through our collaboration, benefit many more children in need.

Richard Pichler
Secretary General
SOS Children's Villages International





It is my pleasure to join OFID and its many partners worldwide in celebrating 40 years of South-South solidarity today. In the course of these four decades, 134 developing countries worldwide have benefited from OFID's financial assistance through projects that aim to improve the lives of the most vulnerable, with better access to food, energy, clean water, healthcare and education.

These goals are interlinked. They are the vehicles to end hunger and poverty, and they form the cornerstones of rural prosperity and sustainable livelihoods—themes at the heart of the work we do at the UN Food and Agriculture Organization.

Throughout our partnership, FAO and OFID have collaborated on projects ranging from improving water management to introducing new technologies to local agriculture. Together we helped

fishing communities throughout Africa respond to the devastating impacts of HIV/AIDS, boosted oil seed production in Myanmar, and we increased energy access in rural areas worldwide.

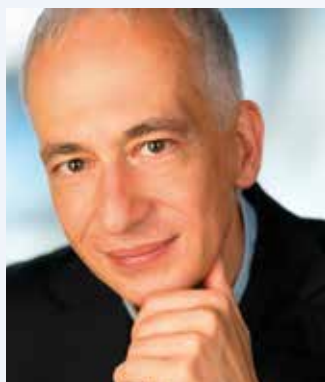
Building essential infrastructure and strengthening social services is crucial to making agriculture more productive and in securing the future food security of our planet.

The fact that this work is being carried out by southern countries for southern countries is all the more reason to celebrate the Fund's success and to look forward to the next 40 years.

With best wishes for the future,

José Graziano da Silva
Director-General
United Nations Food and
Agriculture Organization

PHOTO: FAO/ALESSANDRA BENEDETTI



Over the last 40 years OFID has made an important contribution to our joint aim of fighting poverty and improving living conditions for those least advantaged in our world.

Caritas values OFID's support on these great issues very highly as indeed the only way to overcome them is through joining forces and efforts. As in the saying, "Offer a man a fish and he will have food for one day, teach him how to fish and he will have food every day," our shared focus on building human capacity is enabling people to help themselves and those around them.

Children are often the most frail and unprotected—disadvantaged simply by the circumstances into which they are born. Supporting them—not least by empowering them through knowledge—is as vital all over the world as it is right here at our door step. In an ever more complex world our children will build the society of tomorrow and we must give them any assistance we can.

OFID was one of the first supporters who believed in the idea of ((superar))—an offer to young people who for various reasons have little or no access to cultural education—and the powerful role of music in strengthening these young personalities. We are very grateful for their continued support still now when ((superar)) has grown substantially and internationally and is actively engaging with refugee children here in Europe, using the power of music to help them through difficult times and providing a first step towards their inclusion in our society.

With deep gratitude for their engagement and support so far I would like to warmly congratulate OFID on their 40th anniversary! I am wishing them many more successful decades which will mean a marked change for the better for individuals and whole societies alike.

Michael Landau
President Caritas Austria
and President ((superar))

PHOTO: CARITASWILKE



The IDB congratulates OFID on 40 years of active supporting development around the world. OFID has been a longstanding IDB partner, providing parallel financing to development projects in Latin America and the Caribbean and helping countries to collaborate with official donors on programs, policies, and investment priorities. The IDB's relationship with OFID has allowed lenders and borrowing countries to execute more sustainable

initiatives, and has leveraged Bank projects in such areas as electricity distribution, public transportation, soybean industrialization, water supply, and integration. The IDB thanks OFID for its partnership, and looks forward to continued collaboration in the years to come.

Inter-American Development Bank

PHOTO: PAOLO COLLARINO

On behalf of CAF, the Development Bank of Latin America, I wish to convey our warmest congratulations for the 40th anniversary of the founding of the OPEC Fund for International Development-OFID.

I am convinced that during these 40 years of endeavor, OFID has played an important role in promoting sustainable development through its outstanding contribution in fostering South-South Partnership with the aim of eradicating poverty in developing countries.

OFID as a multilateral institution constitutes a key vehicle to deal with the social and economic challenges that developing countries are currently facing. Its contribution to reinforcing financial co-

operation during these years has been pivotal.

For CAF, it is an honor and a privilege to have OFID as one of our strategic allies in Latin America. Since 2004, we have built a solid relationship and accomplished remarkable work in infrastructure, energy, water and sanitation projects. In this sense, CAF is extremely pleased to have joined forces with OFID and looks forward to exploring and executing together new path-breaking initiatives, as well as to co-financing projects.

With warm personal regards,

Enrique García Rodríguez
Executive President & CEO
Development Bank of Latin America (CAF)



PHOTO: EBRD/VANDY LANE

I am delighted to extend our best wishes to the OPEC Fund for International Development (OFID) on the occasion of its 40th Anniversary. In this period, the Fund has become a major player in the field of development finance. OFID has made important contributions to stimulate economic growth and alleviate poverty in close cooperation with the international donor community. These are goals our institutions share. But our relationship goes further: In 2007 we signed an agreement which enabled OFID to co-finance under the EBRD's Trade Facilitation Programme (TFP). OFID's risk participation in EBRD TFP guarantees helped banks in Armenia, Azerbaijan, Belarus,

Georgia and Tajikistan to connect with the international trade system and facilitated the establishment of closer trade links. We are currently in talks about other areas where we can work together to deliver on common goals and strengthen our collaboration. We wish OFID and its Director-General, Mr Suleiman Jasir Al-Herbish, well and look forward to many more years of successful cooperation.

Suma Chakrabarti
President
European Bank for Reconstruction and Development (EBRD)



I would like to thank OFID for all the support that it has been providing to UNDP, in particular to the Palestinians, in advancing and strengthening their resilience. I would like also to recognize and pay tribute to the important role that OFID is playing in moving forward and strengthening the global development agenda by its very dynamic role in the shaping of the SDGs. The agenda has been approved and we look forward to working with OFID to implement it—to do it in a way that is inclusive and putting into it the best spirit of the OFID engagement strategy. In other words, under an arrangement of solidarity with the people—par-

ticularly those most marginalized—and in a context of partnerships, particularly South-South partnership. And also in our shared recognition that when peoples' inherent abilities are nurtured, they can make this world a better place. I wish OFID a very happy 40th Anniversary and urge it to keep going on and to further move and enhance its activities in the next 40 years.

Roberto Valent
Special Representative of the Administrator
to UNDP's Program of Assistance to the
Palestinian People







OFID in the Field

For OFID, develop cooperation is all about giving people the opportunity to shake off the shackles of poverty and build a more prosperous future, whether through education, a decent income, or simply access to basic necessities such as food, water and electricity. The following pages showcase a small selection of OFID-sponsored projects that have helped reverse the fortunes of disadvantaged communities across the developing world.

Benin: Defying the power of the sea

Coastal erosion has had devastating effects all over the world, disrupting important economic activities, such as fishing, tourism and commerce, and threatening the lives of people living along the shoreline. It was this risk that prompted OFID to help defeat the destructive power of the waves in Benin.

BY DAMELYS DELGADO



PHOTO: ROCHE ITEE

Every day, Marie watched from her window as the sea, coming ever closer up the beach, threatened to engulf her house. Her concern was no flight of fancy: since the 1960s, the shoreline had receded over 400m in the area east of Benin's port of Cotonou, her birthplace and home to her entire family. Over the years, Marie has seen countless houses destroyed and many neighbors, friends and acquaintances move away to escape the ever-present threat of the sea.

For decades, Cotonou, Benin's largest city and its economic capital, has faced the fury of the Atlantic Ocean. The situation worsened after 1961, following the construction of dams and deep-water ports that impacted not just the Cotonou coast, but the entire 121km of the Beninese shoreline.

Marie's fear is shared by millions of coastal dwellers around the globe. Two-thirds of the world's major cities—those holding 60 percent of a country's population and with higher levels of economic development—are located in sea-side zones. Coastline erosion is a global problem, as evidenced by the retreat of shorelines and the

loss of dune sediments through wave action, tidal currents, and high winds.

A research entitled "The vulnerability to climate change of Cotonou (Benin): the rise in sea level" elaborated by Krystel Dossou and Bernadette Glehouenou-Dossou, for the International Institute for Environment and Development in 2007, explained the phenomenon as the disruption upstream (dams) or shoreline (ports) of the coastal currents carrying sand. "In fact, the coast is subject to ocean swells of distant origin, with waves measuring 160—220m long arriving at intervals of between 10 and 16 seconds." The report also highlights that the construction of ports has diverted sediment and reduced the sandy deposits along the coastline.

Another report, made by UNESCO in 2012, indicates that the average rate of coastal deterioration is between one and two meters per year. It goes on to stress that this constitutes a major menace to West Africa. Furthermore, the report notes that erosion rates of up to hundreds of meters per year have been observed, as a result of the combined effects of human activity and the increase in sea level due to climate change.



Averting the fury of nature

For many years, the government of Benin has been struggling to protect its coastline against erosion by concentrating preservation efforts in critical areas. One of its flagship projects is the Cotonou east coast protection, which was co-financed by the government and a syndicate of Arab development funds, including OFID. Its main purpose was to stop the progression of damage to city beaches and to the commune of Sémé Kpodji.

Mourad Bouaouina, OFID's country officer for Benin, describes the project area as a sandy beach that has been permanently exposed to marine erosion since the construction of Cotonou Port, which stopped the migration of sand along the coastline. The area extends 7.5km along the beach, limited only by the existing headland "Epi de Siafato," which deflects the waves and reduces their erosive power. Due to the imminent risk of ocean invasion into an important residential and tourist area with substantial infrastructure, the OFID-sponsored project included the construction of seven ad-

ditional headlands, the rehabilitation of the "Epi de Siafato," and the revetment of some critical shoreline sections with protective rocks.

Bouaouina remarks that the completed works have already started showing their positive impacts on the shoreline. However, he emphasizes: "It is imperative to consolidate these gains for future generations."

The new rocked headlands have a length of 160–200m and are anchored 3–4m deep into the sea floor. Additional works comprising the consolidation of the newly created seven beach cells—the spaces between the headlands—using sand filling, are underway. At least 600,000 cu m of sand are to be injected into the beach cells to further stabilize the coastline and limit its erosion, directly benefiting Sémé Kpodji's 200,000 inhabitants.

Meanwhile, the risk has been minimized, and Marie is for now able to sleep lulled by the sea. We hope that this time, nature does not have the last word. ■

The construction of a series of artificial headlands along Cotonou's beach have helped to stabilize the coastline and protect it from further erosion.

Honduras: Increasing mobility through better public transport

Honduras has committed to the development of a modern and efficient public transport system in its sister cities of Tegucigalpa and Comayagüela. For the residents of those cities, this means shorter travel time, less pollution, better traffic conditions and improved public safety.

BY DAMELYS DELGADO

In some cities of Latin America, there is a widespread feeling of insecurity when using public transport. Very often, vehicles ignore the established stops. Once on board, you never know if you will get a seat, if you will arrive on time, or if you'll have to pay additional fees for unscheduled route changes. You may even have to pray that you won't get caught up in any violence. In Tegucigalpa, the capital of Honduras, commuters experience these feelings day in, day out on public transport, which accounts for 71 percent of the urban mobilization.

The metropolitan area of Honduras, the second poorest country in the region after Haiti, is made up of Tegucigalpa and Comayagüela, two cities separated by the Choluteca River. Together, they form the country's largest urban center with over one million inhabitants. The National Statistics Institute estimates that 48 percent of the population lives in poverty, and that these are the people most affected by the shortcomings of the public transport system.

Romulo Martinez, OFID country officer for Honduras acknowledges that the bulk of public transport users are low-income earners. They have no option but to spend long periods of time in uncomfortable and unsafe conditions while moving within the capital city.

According to Martinez, the mobility problem is exacerbated by the severe traffic conges-

tion in the two cities. "This adversely affects the efficiency of passenger and freight transport services and other economic activities, impacting the overall competitiveness of the cities and the country at large," he explained.

The National Commissioner for Human Rights reported in March 2015 that there was a violent death every five days on average on Honduran buses, accompanied by an equal number of wounded. The Central District, as the capital is also known, ranks fifth in crime, as described by diverse NGOs, such as Security, Justice and Peace, from Mexico, and Global Witness, from the UK.

The impact of violence on the economy has been extensively evaluated. The Global Peace Index, compiled by the Institute for Economics and Peace, one of the most influential think tanks dedicated to analyzing peace and to quantifying its economic value, ranks Honduras fourth in the group of the most violent countries in the region. In 2015, the Institute estimated the "national cost of violence" in Honduras to be over US\$8bn.

Rapid mass transport increases mobility and safety

Restructuring urban transport in the Central District has become an imperative. After 20 years of government studies, the best proposal

for improving mobility was that of a rapid mass transport system. The decision took into account the positive experiences of similar systems implemented in key cities in Colombia, Brazil and Guatemala.

Following its mandate, OFID joined with the Inter-American Development Bank, the Central American Bank for Economic Integration, and the Government of Honduras, to support the Central District Municipal Government in co-funding a public transport project that would benefit mostly the low-income populations lacking private means of transportation.

Officially named Trans 450, and popularly known as “Metrobús Tegucigalpa,” the system is one of the most important projects in the country. Construction of the new system started in 2010, with the first phase inaugurated in 2014. The project entailed the development of a main route devoted to the largest number of passengers—Boulevard Suyapa-Boulevard Centro-América corridor—and included the construction of close to 9km of dedicated bus corridors with accompanying signs, sidewalks and integrated traffic lights.

The project also helped to revitalize downtown Tegucigalpa and pedestrian areas through the construction of terminals, bus stops and stations with urban improvements and landscaping, as well as bicycle facilities in the city’s historic center.

The new rapid mass transport system is used by around 80,000 passengers per day, representing 20 percent of all public transport in the city. With a fleet of approximately 140 buses, this breaks down to a current average of almost 600 passengers per day per vehicle. Time saving per user is estimated to be 20 minutes per day each way, equivalent to a total 7.5 million hours saved a year. Fee reductions are also part of the new service, since as an integrated system there are no additional costs involved for users to transfer.

Another advantage associated with the new system is the better organization of traffic and the resulting reduction in congestion. What’s more, the use of modern buses with lower emissions, accompanied with better use of urban spaces, has contributed to a decrease of CO₂ emissions, air pollution and noise levels. The crime rate on the buses has also decreased.

The provision of an efficient transport structure offering a high quality of service is a commitment to the inhabitants of the capital of Honduras that could not be delayed any longer. Not even for a single day.



With its 9km of dedicated bus corridors, Tegucigalpa’s new rapid mass transit system has taken the sting out of city travel for tens of thousands of commuters.



PHOTO: PUBLIC TRANSPORT PROGRAM TRANS450

Albania: Highway to development

In Albania, a vital new road artery is raising expectations for the accelerated development of a country that has long been the least advanced in Europe.

BY DAMELYS DELGADO

Roads are intertwined with the concept of development. In fact, the history of mankind is based on the movement of human groups. Without roads, people are unreachable and progress is unattainable. The prospect of development becomes even more elusive if the topography is rugged, mountainous or difficult to traverse.

Such was Albania's plight during the 20th century. It was a situation that caused widespread poverty and forced a mass exodus after 1991, when the political environment changed and the population was able to leave the country to search for better opportunities. According to Professor Russell King, migration researcher at the UK's University of Sussex, by 2010, 1.4 million Albanians had emigrated looking for better opportunities, leaving 2.8 million people in the country. This equation means that 1 in 3 Albanians are living abroad.

The World Bank reports that Albania has been able to maintain positive growth rates in the last two and a half decades despite setbacks in the global economy. Financial challenges have not left the Balkan country unscathed, however, but have slowed its rate of growth.

A decent road network is of top priority. The lack of maintenance and investment over many

years has resulted in an underdeveloped road system. Courageous and adventurous travellers have filled many pages describing the road situation in Albania: authentic carriage roads strewn with loose rocks, ravines without protective fencing, and a few scattered hamlets nestled in splendid mountain scenery.

Today, Albania's road network is far below the standards of other European countries, as well as the standards of most of its neighbours. Of the 18,000km-long road network, only 35 percent is paved and about 80 percent is in bad shape. Aware of the constraints imposed by a limited road infrastructure, the government is determined to change the situation.

Since the launch of the Albanian national transport plan in March 2005, much has been done to align national laws and regulations on transport with those of the European Union and its neighbours in the Western Balkans. Additionally, in 2009, a specialized road authority was created to manage and operate the national road network. To reinforce the importance of improving overland connections, the government has required by law the involvement of the private sector in several projects, transportation among them.



Connecting the two main cities

During the last decade, the improvement of the Albanian transportation system has become an imperative. The national plan for the sector includes the creation of international transport corridors consisting of road and rail infrastructure. One of the strategic priorities is the pan-European road corridor, which stretches eastwards from the Albanian coast to neighboring Macedonia and Greece.

This key artery includes the connection between Tirana and Elbasan, Albania's two major cities. Tirana, the capital, with over 600,000 inhabitants, is the seat of the government as well as the country's economic and cultural center. Elbasan, with over 100,000 inhabitants and located in the heart of Albania, was one of the most beautiful cities of the Ottoman Empire.

Part of the pan-European corridor, also known as corridor 8, traverses Albania for more than 300km, ending at the port of Durres, which manages about 90 percent of Albania's international maritime traffic. A critical 27km-long road segment that crosses mainly mountainous terrain, was co-financed by OFID

jointly with the Abu Dhabi Fund, the Islamic Development Bank, the Saudi Fund and the government of Albania.

This road section, which was officially inaugurated in 2013, provides today the fastest link between Tirana and Elbasan, facilitated by the 2.5km-long Kerrabe tunnel, one of the most modern of the Balkan region.

OFID's Romulo Martinez, who is responsible for public sector operation in Albania, explains that the road, which is located in the geographic center of the country, is considered a key element for fostering not only Albania's domestic and international integration, but also trade exchange between eastern and western European countries.

The modern highway, funded by the partnership and built using the highest road construction standards applied in the Balkans to date, boasts two traffic lanes in each direction, two emergency lanes, and several flyovers and viaducts. Fully operational since June 2015, the highway has already reduced vehicle operating costs and travel time, and has also increased road safety, thus fostering trade and economic growth and confirming its importance for accelerating Albania's development. ■



PHOTOS: TIRANA-ELBASAN ROAD PROJECT/ALBANIAN ROAD AUTHORITY

Cambodia: Two villages benefit from renewable energy

In rural Cambodia power shortages are common and increasing as power supply cannot keep pace with demand. Meeting the needs of poorer communities requires providing services that are practical, culturally appropriate, affordable and sustainable.

BY ALESANDRA SOLANO

The Kingdom of Cambodia is home to more than 15 million people, 80 percent of whom make up the rural population. Despite a wealth of natural resources, it is one of the world's poorest countries; the direct legacy of a checkered political history.

In the 1970s, civil war laid waste to much of Cambodia's power infrastructure. With little left in the way of generation, transmission and distribution facilities, all but a fraction of today's rural population lives without access to electricity. The services that do exist are based mainly on diesel mini-grids but are unaffordable for poor communities.

The Cambodian government is making an effort to re-establish the electricity sector. However, till today there is no national electricity network. The country is eager to increase electricity generation capacities and reduce its dependence on imported fuels.

As the rural population continues to increase and poverty persists, Cambodia faces a major challenge to develop an adequate and reliable source of electricity in the years ahead. Renewable energy is seen as an especially useful option.

A step toward affordable energy

Working jointly with the Renewable Energy and Energy Efficiency Partnership (REEEP), OFID has supported a project in Cambodia to bring energy to underserved areas through the upgrading of existing mini-grids.

In the village of Chambak, old diesel gensets have been replaced with three new energy efficient ones. These new plants provide a 24-hour service to 1,000 households, which previously had up to only 14 hours of electricity per day, and have brought service to an additional 600 households without any access.

In the village of Char Chhuk, where electricity provision was confined to just 400 homes for eight hours daily, a rice husk-based gasifier was installed. The new equipment allowed for an additional 1,500 households to have access to electricity. The rice husk ash left by the plant is recyclable as fertilizer, so is contributing to food production in the community. The plant also includes an innovative wastewater treatment system that enables the re-use of the wastewater. The Char Chhuk plant can generate power from



PHOTOS: INNOVATION ENERGIE DEVELOPEMENT



The new infrastructure and equipment has enabled over 2,000 more households to connect to a reliable electricity supply.

two sources—diesel and rice-husk—and can fully operate utilizing only one source. The installation of both plants also generated jobs for locals.

The project has not only increased energy access in these areas but has also boosted economic activity and improved services, including telecommunications, food processing and conservation, and banking, among many others.

The biomass gasification plant in Char Chhuk is the first of its kind in Cambodia and serves as the best demonstration in support of a comprehensive clean energy, rural electrification policy and incentives. As such, the plant has paved the way for further opportunities in Cambodia and other frontier markets.

Dr Walid Mehalaine, Acting Head, OFID Grants unit said: “This project is a good example of how providing access to modern energy services through innovative solutions can transform for the better the lives of entire rural communities and foster local socioeconomic development in a sustainable manner. The project is also a good case to be replicated in other countries and regions.” ■

Project's main achievements

- Distribution and generation losses have been reduced from **35%** to **14%**.
- Energy generation is now **70%** renewables-based.
- The energy price for the distributor dropped from **US\$0.75/kWh** to **US\$0.43/kWh**.
- The service now runs for **24** hours a day, compared to only 16 hours per day previously.
- The number of customers gaining energy access has increased from **400** to **1,500**.



PHOTO: LMR GROUP/ALAMY STOCK PHOTO

Empowering smallholder farmers in Latin America

LAAD works with SME agribusiness to help create rural employment and promote exports in countries across Latin America

BY FATMA ELZAHRA ELSHHATI

Two and a half hours from Lima, Peru, are the farms of Pedro Camaiora, a Peruvian entrepreneur who has worked for over 30 years in agribusiness. After becoming an independent producer in 2008, Pedro became a regular customer of the Latin American Agribusiness Development Corporation (LAAD). Through financing small- and medium-sized agribusinesses, LAAD has helped to promote economic and social development in 17 countries in Latin America.

Since 2011, OFID has supported LAAD's operations in parallel with its partner the Austrian Development Bank. Under its private sector facility, OFID support has been used for on-lending to 22 agribusiness projects in Peru, Colombia and the Dominican Republic.

LAAD's strategy focuses on expanding the business of people working as second and third generation farmers. Since obtaining LAAD support, Pedro has invested in developing his own land and diversifying his crop. To date, he has received US\$2.5m in loans geared toward financing the purchase and installation of irrigation systems for his farmland. The systems have increased the efficiency and productivity of his farm, allowing Pedro to purchase more land.

The most recently acquired Agropecuaria San Pedro farm boasts over 1,000 hectares for the production of pecan nuts as well citrus fruits and avocados.

By providing financing to family owned agribusinesses, LAAD plays a central role in promoting employment and exports for rural communities. The growth of Pedro's agribusiness has been vital in supporting the local economy in the province of *Irrigacion de Santa Rosa*. In 2014 alone, his business helped create over 100 new full-time and seasonal jobs. Moreover, the profits generated from the exports of over 80 percent of his produce have served as an important income-generator for Peru.

In October, OFID's private sector team visited Pedro's farm. "LAAD is not a commercial bank," explained private sector officer Luiscela Moreno. "It is a unique financial institution that specializes in agribusiness and takes into consideration not only the financial criteria but the developmental impact of the projects presented to it."

LAAD works with farmers to restructure long term loans for SMEs affected by external factors such as volatility of commodity prices and climate change. Agribusiness SMEs, in particular, find it difficult to raise funds from local financial markets. LAAD provides many farmers with the flexibility to work around these difficulties, enabling their clients to continue with their business through difficult times.

"They understand the business," affirmed, Pedro, alluding to the unpredictable events, such as floods, that typically affect the harvest and output of smaller producers. "There are good and bad years, LAAD knows this and will allow us to reschedule the loan," he explained.

Smallholder farmers hold the key to alleviating poverty

Smallholders are the biggest investors in food security, serving as the main food providers in much of the developing world. However, despite the critical role smallholders play in poverty eradication, they often suffer from barriers to growth, including a lack of secure access to land, technologies, and financial services and markets. Investing in agribusiness SMEs, in particular, promises sustainable growth and food security in the developing world.

Providing access to finance for SME agribusinesses has a multiplier impact on local economies. According to the International Fund for Agricultural Development, agriculture and rural economic activities are major sources of employment in Latin America and the Caribbean. The region boasts over 14 million smallholder farmers, who collectively are responsible for more than half of agricultural exports and almost one-third of the labor force. Rural areas are host to the majority of the world's extreme poor. In Latin America approximately two-thirds of the rural population continue to live below the poverty line. With the right investment, smallholders are key for ensuring food security and lifting millions out of poverty. ■

LAAD's strategic focus on smallholders represents a major boost to food security and poverty eradication across Latin America.



PHOTO: WESTEND61 GMBH/ALAMY STOCK PHOTO



Mr Al-Herbish (fourth from right) and delegation were received at the Children's Cancer Hospital by Dr Amr Ezzat Salama (fifth from right), Chairman of the Board, and Dr Sherif Aboulnaga (third from right), Managing Director.

Al-Herbish on mission to Egypt

On a high-level mission to Cairo in November, OFID Director-General Suleiman J Al-Herbish was able to re-affirm OFID's support to Egypt's plans for development of its energy sector.

BY ANNA ILARIA-MAYRHOFER

The energy sector accounts for the lion's share of OFID's support to Egypt, with financing totaling over US\$650m provided for the construction and rehabilitation of power plants as well as in trade financing. The resources have gone a long way to boost generation capacity and alleviate electricity shortages.

During November's five-day mission, Al-Herbish held meetings with cabinet officials, including Dr Sahr Nasr, Minister of International Cooperation and Dr Mohamed Shaker, Minister of Electricity and Renewable Energy and Chairman of the Executive Office of the Arab Ministerial Council of Electricity.

The ministers briefed Al-Herbish on the status of ongoing OFID-supported projects and on the government's various strategies regarding the country's energy mix.

During the talks, Al-Herbish highlighted OFID's role in helping shape the Sustainable Development Goals and the importance of OFID's neutral stance with regard to the technologies used to help alleviate energy poverty.

At the headquarters of the Regional Center for Renewable Energy and Energy Efficiency (RCREEE), Al-Herbish inaugurated an "OFID meeting room" in recognition of OFID's sponsorship of RCREEE's

Arab Program for Sustainable Energy Youth (APSEY).

This internship program targets young professionals and post-graduate students of engineering, economy and law from the Arab Region. Afterwards, Al-Herbish had the opportunity to meet newly-graduated APSEY students from Sudan, Egypt, Libya, Tunisia, Morocco and Djibouti.

At a special panel discussion organized and hosted by RCREEE, invited speakers debated the use of renewables in Arab countries. Panelists included Al-Herbish, Dr Shaker, Dr Al-Twajjri, Julius Georg Luy, Ambassador of Germany to Egypt, and Dr Hassan Younes, former Minister of Electricity of Egypt. The session was moderated by RCREEE Executive Director Dr Mohammed Badr.

Afterwards, Dr Shaker presented Al-Herbish with the *Chevalier Arabe de l'Energie Durable* (Arab Knight for Sustainable Energy) medal for his role in championing the cause of energy poverty eradication.

Mr Al-Herbish (right) receives the *Chevalier Arabe de l'Energie* from Egyptian Minister of International Cooperation, Dr Mohamed Shaker.

Visit to OFID's 2015 Annual Award winner

During a visit to the Children's Cancer Hospital (commonly referred to as CCHE 57357), the delegation was welcomed by Dr Amr Ezzat Salama, Chairman of the Board, and Dr Sherif Aboulnaga, Managing Director, who extended their thanks for OFID's support and outlined the work of the hospital and its future plans. The hospital was the recipient of the OFID 2015 Annual Award for Development.

Al-Herbish spoke about OFID's role in poverty alleviation and, in particular, its support to initiatives that helped provide underserved populations with access to affordable health care.

OFID's most recent support to Egypt's health sector was a US\$27m public sector loan for the expansion and rehabilitation of Ain Shams University Specialized Hospital in Cairo.

At the conclusion of the mission, Al-Herbish met with Faiza Abou El-Naga, Counsel to the President and former Minister of International Cooperation. Discussions revolved around OFID's current level of cooperation with Egypt and means of further strengthening the partnership.



Social Fund for Development

A side mission was made by delegation members Khaled Al-Zayer, Senior Public Sector Operations Officer, and Dr Deyaa Alkhateeb, Director, Department of Information, to visit several beneficiaries of the OFID-financed Social Fund for Development (SFD) project.

SFD programs have made significant inroads in reducing poverty, boosting self-employment opportunities and enhancing incomes in Egypt. One half of OFID's US\$25m loan, approved in 2009, was allocated to providing financing,

technical assistance and training to micro- and small enterprises.

The remaining sum went to NGOs and microfinance institutions for on-lending to target groups, such as low-income families, entrepreneurs, small farmers and unemployed youth. An estimated 26,000 jobs were created as a result of the project.

To help build on the successes of the project, OFID approved a US\$40m loan at the December 2015 session of the Governing Board to help finance a second phase.



At the headquarters of the Regional Center for Renewable Energy and Energy Efficiency, Mr Al-Herbish met with staff and newly-graduated students from the OFID-sponsored Arab Program for Sustainable Energy Youth.

Learning from OFID's experience: BADEA to boost its private sector arm

A delegation from the Arab Bank for Economic Development in Africa (BADEA) recently made a working visit to OFID's Vienna headquarters to tap into OFID's experience in financing private sector operations.

BY ARYA GUNAWAN USIS

The visit, in late October, took place in the framework of the memorandum of understanding signed by OFID and BADEA in 2011. The agreement aimed at further enhancing the cooperation between the two institutions that dates back to 1977. Under the MoU, both institutions agreed to identify projects that could be jointly funded and executed, primarily targeting sub-Saharan Africa. The agreement also emphasized that the partners would fund private sector projects, with OFID taking the lead role.

The main objective of the recent visit was to explore OFID's experience in private sector financing. The knowledge gained from the meetings will be used by the Khartoum-based institution to boost its own private sector arm, which is still very much under development.

"We have been serving the private sector indirectly, by channeling loans through governments or other development institutions. Now we are going to provide loans to the private sector directly, without any sovereign guarantees, and in a larger funds allocation," explained Dr Hasab Elrasoul A Elbashir, Chief, Trade Finance and Private Sector, BADEA. Dr Elbashir was accompanied by Zein Eldine Belmahdi, Chief, Loans Division, and Khalid Elsaiegh, Chief, Information Technology.

Over a three-day period, the BADEA delegation had discussions with a number of OFID departments, including Legal, Loan Management, IT and Risk Management. "This was a very valuable and fruitful visit for us," Elbashir said.

Dr Hasab Elrasoul A Elbashir,
Chief, Trade Finance and Private Sector, BADEA.

Increased allocation for private sector

Until now, BADEA, which is owned by the 18 member countries of the Arab League, has focused heavily on lending to the public sector. According to figures published by the institution in 2014, it had financed only 43 private sector projects by end-2013. With a total value of US\$112m, these represented just three percent of BADEA's total net commitments.

In comparison, OFID's private sector facility, which was launched in 1998, had cumulative commitments of close to US\$2.5bn by end-September 2015, in support of 229 projects.

BADEA's intent to boost its private sector operations is reflected in its five-year plan, 2015–2019, which was approved

in April 2014 with an allocation of US\$1.6bn. From this sum, US\$450m—a 30 percent share—has been earmarked for the private sector. The remainder will be split between the public sector (US\$1.1bn) and technical assistance operations (US\$50m).

According to Elbashir, BADEA's decision to strengthen its private sector engagement is based on the potential growth of the sector in Africa. "We believe that private sector and trade finance are integral to the development of Africa. And we want to contribute more in this area," he stressed.

Some of BADEA's contribution will be carried out through partnerships with other institutions, most notably with OFID, whose role Elbashir described as remarkable in leading various initiatives, especially within the Arab Coordination Group.

Elbashir was also pleased to see that, after 40 years in the development business, OFID had earned the respect of its peers and was a partner other institutions could turn to for advice on best practices.

"I wish OFID all success. It deserves it," said Elbashir. ■





40 million women and girls worldwide have undergone some form of FGM. Without action, UN experts predict that an additional 86 million girls will be subjected to the practice by 2030.

OFID exhibition: A chance to dream

As part of its occasional exhibition series, OFID hosted in October an exhibit featuring artworks from Kenya's Kakenya Center for Excellence (KCE).

BY REEM ALJARBOU AND NADIA BENAMARA

The Center, which was the recipient of the 2014 OFID Annual Award for Development, is the first boarding school for girls in the east African country's Masai region.

Entitled "A Chance to Dream," the exhibition showcased photographs taken by OFID during a visit to the Center in April 2015, along with paintings done by the girls at an art workshop delivered by the visiting OFID team.

The exhibition was inaugurated jointly by OFID Director-General, Suleiman J Al-Herbish, and KCE founder Kakenya Ntaiya. Addressing guests that included friends of OFID and members of the Viennese diplomatic community, Al-Herbish described the art on display as illustrating a wealth of potential.

"The huge cultural revolution—to allow these girls an education—has not brought an end to Masai traditions; but it has brought new hope," he stated.

Ntaiya founded KCE in 2009 to empower and motivate young girls to become agents of change and to break the cycle of destructive cultural practices in her native Kenya.

Traditionally, Masai girls are denied an education and forced to undergo female

genital mutilation as well as early marriage and childbirth.

HE Michael Oyugi, Ambassador of Kenya, co-hosted the exhibition. He paid tribute to Ntaiya's indomitable will, passion and determination to empower

young girls caught in circumstances similar to those she faced earlier in her own life.

"Congratulations Kakenya, you are a true patriot, trailblazer and heroine and indeed your charity work is emblematic of the strength of women," he said.

Speaking of Kenya's commitment to education and the struggles it has faced in moving ahead with its national education strategy, Ambassador Oyugi pointed out the policy and legislative measures already put in place to promote gender equality and women's empowerment in Kenya. ►



Opening the exhibition: (from left) Li Yong, UNIDO Director-General; Suleiman Al-Herbish, OFID Director-General; Michael A O Oyugi, Kenyan Ambassador; and Kakenya Ntaiya, founder of KCE.



Gerald Wirth, artistic director of the Vienna Boys' Choir, conducts the Superar Choir and Orchestra.

◀ In particular, he highlighted the criminalization since 2011 of female genital mutilation. “This has contributed to the course that Kakenya Ntaiya and other great women have advocated for so long,” he affirmed.

Ambassador Oyugi also commended OFID’s demonstration of solidarity with Kenya throughout the years.

Referring to the all-female OFID team that conducted the April art workshop, which resulted in the paintings on display,

Ntaiya said: “Each woman that visits KCE leaves a strong impact on the girls. They look at them and see the possibilities in front of them. They want to know everything they can, and with each woman they meet, an inspiration is alive.”

Funds raised by the sale of the girls’ artwork are to be used to build a multi-purpose hall at KCE for cooking, dining and extra-curricular activities such as art or music, which currently take place on grass grounds that afford little shelter or shade.

“It rains from morning to evening during the rainy season,” said Ntaiya. “Our girls are forced into one classroom. It cannot take 183 girls.”

Funds provided by OFID through the Annual Award endowment have already been utilized by KCE for the construction of new housing for the 12 teachers who live onsite as year round caregivers to the students.

**To make a donation, please visit:
www.kakenyasdream.org**

OFID to boost export activities of SMEs in Burkina Faso

OFID’s first bilateral trade finance operation in Burkina Faso is a €10m loan to Coris Bank International (CBI), the country’s second largest private bank.

BY ARYA GUNAWAN USIS

The €10m facility is the third OFID loan to the West African nation’s trade sector. Two earlier transactions were carried out through the International Islamic Trade Finance Corporation, making the CBI deal OFID’s first bilateral trade operation in the country.

The loan agreement was signed in early December by OFID Director-General

Suleiman J Al-Herbish and the CEO and major shareholder of CBI Idrissa Nassa.

CBI will utilize the funds to provide sub-loans, particularly to small- and medium-sized enterprises, a sector with the potential to help the landlocked country maintain its strong growth of recent years. The sub-loans will be used for both import and export related trans-

actions in all sectors of the economy.

Recalling his visit to Burkina Faso some years ago, Al-Herbish expressed his pleasure that OFID was broadening support to the West African country and its 17 million-strong population. “Access to export markets can be very difficult for smaller producers, so I hope our contribution will help open some doors,” he said.

Nassa confirmed that CBI had high expectations for the cooperation. “We are delighted to partner with OFID, as it opens up more opportunities for CBI to support the growth of SMEs, one of the most important engines to move the economic wheels of a region,” he told the *Quarterly*.



Idrissa Nassa, CEO, Coris Bank.

He went on to reveal that CBI was planning to target the Burkinabé cotton industry. “We want to help SMEs that are seeking additional value from the cotton industry; for example, by producing oil from cotton,” Nassa said.

Burkina Faso’s main export goods are gold and cotton, while imports tend to focus on capital goods, petroleum products and food. The main export markets are China, Indonesia and Japan, and the main import markets are Côte d’Ivoire, France and Ghana. CBI offers its customers a full range of trade finance products, including bank guarantees, letters of credit, import financing, pre-shipment finance, among others.

Cotton has always been a key export commodity for Burkina Faso, ranking after gold as the country’s second-largest generator of foreign exchange earnings. To date, though, exports have been confined mostly to cotton lint, as the country has little in the way of processing capacity.

Based on CBI’s experience, Nassa emphasized that the effective nurturing of SMEs could bring great rewards. Citing examples of SMEs in various sectors that had received loans from CBI, he said: “These companies have grown from small-scale to middle-scale enterprises, from local players to regional players.”

Nassa pointed out that opportunities were wide open for SMEs to grow in Burkina Faso, but only if certain challenges could be overcome. “The SME sector is

important for generating employment and creating added value, but it is not well organized. In such an environment, banks like CBI that provide loans to SMEs must have adequate knowledge and understanding of their needs,” he stressed.

Out of a total 13 private banks operating in Burkina Faso, CBI is the second largest after Ecobank. The majority of the banks also operate at a regional level, including CBI, which has subsidiaries in Côte d’Ivoire, Togo, Mali and Senegal. Providing both wholesale and retail banking services, CBI has an 18 percent market share, 35 branch offices and about 400 staff. ■

OFID supports Nepal’s ambitious plan for water and sanitation sector

A recently-signed US\$20m loan agreement with Nepal will help provide piped in water supplies and safe sanitation services to 26 small, impoverished rural towns.

BY ANNA ILARIA-MAYRHOFFER

This latest commitment will further strengthen the government’s resolve to develop the water and sanitation sectors as a means of improving health, boosting income generation opportunities and supporting economic growth in the country.

The agreement was signed at OFID’s headquarters in Vienna by Suman Prasad Sharma, Finance Secretary of Nepal and OFID Director-General Suleiman J Al-Herbish.

Despite Nepal’s abundant water resources, only around 15 percent of the population has access to a piped-in water supply. The rest rely on conventional sources such as lakes, rivers and wells, particularly the population of the *Terai* or lowland regions in the south.

These constraints pose serious health risks to the population from waterborne illnesses and arsenic contamination, which is commonly found in many of the country’s groundwater sources.

“People are suffering because of this situation. Many must wait long hours for water and the quality is not good. Proper sanitation facilities are, of course, nonexistent,” Sharma stated.

The Nepalese government considers access to clean drinking water and safe sanitation a universal right and has launched a 15 year water supply and sanitation development plan aimed specifically at small towns.

The objective is to provide households with piped-in water and hygienic sanitation facilities. Expectations are to ►

A piped-in water supply will offer protection from waterborne illnesses and arsenic contamination which is found in much of Nepal's groundwater.



PHOTO: FRANS LEMMENS/LAMY STOCK PHOTO

► achieve 90 percent coverage after five years of implementation.

Nepal currently has 265 small towns, which have emerged as a result of the burgeoning population growth in urban centers. As many of these towns have developed in an uncontrolled fashion, the majority lack adequate social amenities. Water and sanitation are considered the most crucial.

The OFID loan will fund the third phase of two earlier projects co-financed by the government and the Asian Development Bank (ADB) that targeted 50 small towns, installing the relevant water and sanitation infrastructure.

The present project extends services to 26 additional towns scattered throughout the country. Financing is also being provided by the ADB and the Melinda and

Bill Gates Foundation, which is endowing a grant.

Sustainability of the present and earlier projects is key, with the government placing a strong emphasis on community ownership and participation in maintaining the new infrastructure.

Sharma explained that communities contribute to around 50 percent of the cost. "This gives them a strong sense of ownership, which gives them incentive to maintain the facilities,"

He went on to describe the gender and social inclusion aspects of the project, which seek to ensure that everyone receives coverage and to empower women, especially those who are heads of household.

"No one will be left out—there is no social hierarchy or discrimination—everyone is entitled to tap water and sewerage connections," stressed Sharma.

Referring to the longstanding cooperation with OFID, which he hoped to enhance even further, he commented: "After the big earthquake that struck Nepal earlier this year and the need for extensive reconstruction, this support has become even more critical." ■


Suman Prasad Sharma,
Finance Secretary of Nepal.



ICEP charity art auction raises record funds for projects in East Africa and Central America

For the second year running OFID opened the doors of its headquarters building to friends of ICEP—*Institut zur Cooperation bei Entwicklungs-Projekten*—for their 14th Annual Charity Art Auction.

By JUSTINE WÜRTZ

 On November 24, the 14th ICEP Charity Art Auction took place in cooperation with Sotheby's and OFID at the *Palais Deutschmeister*. Over 70 works by renowned contemporary artists were auctioned for charity. Proceeds from the evening—amounting to almost €70,000—will go entirely to ICEP's vocational training projects in East Africa and Central America.

Welcoming over 200 guests from Austrian business and society on behalf of OFID's Director-General, Saeid Niazi, ADG of Financial Operations, told attendees: "Your donations represent not only a cultural investment but also support of an important cause."



Saeid Niazi, Assistant Director-General, Financial Operations, OFID (left) and Stephan Chavanne, ICEP President



ICEP President, Stephan Chavanne, introduced a new film illustrating the NGO's development work in vocational training projects. The film highlights ICEP's focus on needs-orientated training and on the exchange of expertise between carefully selected training partners. "This secures the quality of vocational training in each project region and dramatically increases the chances of young people to find long term employment in the local labor market," explained Chavanne.

The auction was led by Sotheby Austria's Managing Director, Andrea Jungmann, who is also a member of ICEP's board of directors. Using her abundant wit and charm, Jungmann animated the audience to bid generously for the 72 ►



◀ artworks. All of the pieces had been donated to ICEP by artists and collectors. The catalogue comprised works from established Austrian and international artists, including Herbert Brandl, Xenia Hausner and Marc Chagall.

In an exciting bidding process, the highest price reached was €6,800 for the artwork 'True Love' by Xenia Hausner. "We are very happy about the outstanding result of this year's auction and the keen support of bidders to our ICEP vocational training program," said Chavanne.

A trusted partner since 2003 and recipient of four OFID grants totalling US\$660,000, ICEP approached OFID in 2014 to host their annual auction for the first time. The event was a resounding success, and raised more funds than any of the NGO's previous auctions. Hosting the event for the second time was an excellent opportunity for OFID to reaffirm its commitment to this respected Austrian NGO and long-term partner.

A foot on the job ladder

ICEP designs and implements vocational training programs catered to the needs of the local economy and significantly improving the chances of young people on the local labor market. The projects are conceived and realized in collaboration with local partners, local businesses and public administration. The educational and coaching structures are revised and strengthened in cooperation with companies.

ICEP carefully selects its training partners and maintains close personal contact with them, monitoring projects and controlling financial management to ensure sustainability. In addition, ICEP encourages the exchange of expertise between training centers to ensure quality vocational training across project regions.

Young people make up a large proportion of the population of developing



Sotheby Austria's Managing Director, Andrea Jungmann, encouraged the audience to bid generously.

countries and the demand for vocational training is high. Families are often keen to invest in their children's education in order to increase their opportunities. However, poorly trained teachers, lack of teaching materials, and failure of training to support the needs of the local economy, reduce the chances of youth getting a qualified job or successfully starting their own business. ■

NOVEMBER 5

Public sector loan agreements signed

Burkina Faso. US\$14m. Ouagadougou University Expansion Project. To build and equip student dormitories able to house 1,500 students and a new training and academic research unit, with the aim of providing improved youth training to respond to the country's growing need for a better-qualified workforce.

Uganda. US\$15m. Rural Electrification Project in Kayunga and Kamuli Service Territories. To provide electrical connections to nearly 13,000 households and provide electricity to schools, health centers, agricultural enterprises and other vital infrastructure.

DECEMBER 3

Public sector loan agreement signed

Belize. US\$12m. Reconstruction of Hummingbird Highway Project. To ease travel constraints and improving road safety for some 32,000 people by reconstructing an entire 85 km-long highway and building new bridges. This will provide a regional road network between the capital Belmopan and Dangriga town.

The Director-General welcomed Dr Ahmed Menesi, the new Libyan Governor to OFID.

DECEMBER 7

Public sector loan agreement signed

Morocco. US\$70m. Second Rural Electrification Project. To provide around 19,000 rural, low-income households, spread across 49 provinces, with reliable electricity services. This will help stimulate job creation and boost productivity in the agriculture sector, and in turn reduce poverty.

DECEMBER 10

153rd Session of the Governing Board

Public Sector loans approved

Bangladesh. US\$6m. Construction of Flyover Bridges in Dhaka. To boost socioeconomic development in the Bangladeshi capital through the construction of a flyover bridge that will ease traffic congestion and increase access to social services.



Mr Al-Herbish received a courtesy visit from Dr Mohammed Saleh Ali Al-Gheilani, Permanent Observer of the Office for the Cooperation Council of the Arab States of the Gulf to the United Nations (Vienna).

Belize. US\$11.78m. Airport Link Road. To build a carriageway, bridge and roundabouts, as well as upgrade airport access roads, to decrease traffic congestion in Belize City and improve connectivity, thus providing an easier, cheaper and safer means of transport.

Côte d'Ivoire. US\$11.5m. Expanding Girls' Access to Secondary Education. To construct and equip six secondary schools with hostels to accommodate around 9,000 girls, with the aim of raising enrolment and retention rates.

Egypt. US\$40m. Social Fund for Development (Phase II). To support the provision of funding to micro- and small enterprises (MSEs), targeting marginalized groups and businesses that will create the most jobs. The project is expected to help establish and expand about 7,500 MSEs, leading to around 23,000 employment opportunities.

Liberia. US\$20m. Upgrading of Gbarnga-Salayea Road. To pave an 81km earth stretch that runs through a major agricultural area. At least 142,000 people will benefit from year-round access to social services and marketplaces, which will in turn help improve livelihoods and reduce poverty.

Madagascar. US\$10m. Soanierana Ivongo-North Mananara Road (RN5) Rehabilitation. To upgrade a 75.6km earth road and build bridges and drainage works in the northeast region of Analanjirofo, populated by 2.6 million people. This will help ensure year-round travel to social amenities and jobs, and unlock an area with rich agricultural resources.



Mr Al-Herbish with Dr Franz Fischler, President of European Forum Alpbach, who visited to discuss matters of mutual interest.

Nicaragua. US\$10m. Caribbean Coast Rural Electrification. To provide electrical energy services to 22 off-grid households in high-poverty areas. The project is expected to enhance socio-economic development and considerably raise living standards in the targeted communities.

Niger. US\$15m. Tébaram-Tahoua Road. To upgrade a 92km earth road in order to facilitate the movement of goods and people and reduce transport costs. This will enable around 400,000 people to gain access to social services and jobs, as well as ease the transport of agricultural inputs and cash crops.

Senegal. US\$15m. Ourosogui-Hamady Ounaré Road Rehabilitation. This project will repair 52km of road to improve the populations' access to social infrastructure and open up areas with high agricultural potential, benefiting around 600,000 people.

Uganda. US\$14.3m. Vocational Education Project (Phase II). To help complete construction of nine vocational facilities, each with girls' dormitories, with the aim of increasing annual enrolments by over 800 pupils and providing accommodation for over 1,000 girls.

The Hon. Francis Kasaila, Minister of Transport and Public Works of Malawi, with Mr Al-Herbish.

Grants approved

ECOWAS Regional Center for Renewable Energy and Energy Efficiency.

US\$860,000. To provide communities, small enterprises and public buildings with access to modern energy services through the implementation of mini-grid schemes in Benin, Cape Verde, Senegal and Sierra Leone. Over 4,200 people are expected to directly benefit from the project.

Foundation for the Social Promotion of Culture.

US\$400,000. To improve the socioeconomic prospects of disadvantaged women in the Gran Asunción metropolitan area in Paraguay and indigenous women from small rural communities in Guatemala. This will include providing

vocational training courses and coaching, as well as building a vocational training center in Paraguay.

United Nations Children's Fund. US\$500,000. To support a project in Haiti that will improve water and sanitation infrastructure and services, and carry out hygiene promotion campaigns to reduce the incidence of cholera in high-risk areas.

United Nations Office on Drugs and Crime. US\$500,000. To support the second phase of an HIV/AIDS prevention, treatment, care and support program in Afghanistan, Nepal and Pakistan for women who use drugs, are in prison settings or have spouses who are drug users.



International Union for Conservation of Nature and Natural Resources.

US\$500,000. To provide safe, reliable alternative (solar, biogas) energy solutions to around 3,000 people in seven rural and marginalized areas in Palestine to improve livelihoods and living standards.

United Nations Development Program/Program of Assistance to the Palestinian People.

US\$600,000. To expand and upgrade the chemotherapy department at the Augusta Victoria Hospital and provide equipment and furniture to boost access to cancer treatment services in the occupied Palestinian territories, including Jerusalem.

DECEMBER 15

Grant agreement signed

United Nations Development Program/ Program of Assistance to the Palestinian People. US\$400,000. Youth Employment Creation in Gaza. To support early recovery efforts in Gaza through the creation of employment opportunities for youth professionals, with a view to scaling it up for an enduring impact.

DECEMBER 16

Grant agreement signed

Istituto per la Cooperazione Universitaria Onlus.

US\$500,000. Rural Electrification Project in Burundi. To enhance access to affordable and sustainable energy services in rural areas through the rehabilitation of two micro and two mini hydropower plants, photovoltaic reinforcement, extension of the rural grid and connection to the national grid, directly benefiting public institutions, commercial and farming activities, and over 8,000 households.

Meetings attended by OFID

OCTOBER 1-2

ISTANBUL, TURKEY

G20 High-Level Conference on
Access to Energy in Sub-Saharan
Africa G20 Energy Ministers Meeting

OCTOBER 4-9

VIENNA, AUSTRIA

International Bar Association's
Annual Conference

OCTOBER 6-11

LIMA, PERU

World Bank and International
Monetary Fund Annual Meetings

OCTOBER 16

PARIS, FRANCE

Oil and Gas Climate Initiative
meetings

OCTOBER 18-22

AMMAN, JORDAN

4th International Water Associa-
tion Development Congress and
Exhibition

OCTOBER 26-28

JEDDAH, SAUDI ARABIA

76th meeting of the Heads of Opera-
tions of the Coordination Group

OCTOBER 28-29

ABU DHABI, UAE

9th Trade Finance Coordination
Group Meeting

OCTOBER 30

VIENNA, AUSTRIA

Arab-European Forum
on Energy Education

NOVEMBER 4-5

SKHIRAT, MOROCCO

EBRD's 1st Southern and
Eastern Mediterranean Region
Business Forum and Business
Development

NOVEMBER 4-5

NEW YORK, USA

Goldman Sachs Asset
Management Symposium

NOVEMBER 8-10

DOHA, QATAR

6th Asian Ministerial Energy
Roundtable meetings

NOVEMBER 11-12

LONDON, UK

JP Morgan Asset Management
Global Investor Summit

NOVEMBER 14-18

MIAMI, USA

49th Annual Assembly of the Latin
American Banking Federation

NOVEMBER 16-21

BANGKOK, THAILAND

One Young World Summit

NOVEMBER 22-23

KUWAIT CITY, KUWAIT

Coordination Group Secretariat
and Arab Fund for Economic and
Social Development, Forum on
International Development

NOVEMBER 22-24

ROME, ITALY

Meeting of the Assembly of Parties
and the Board of Advisor's meeting
of the International Development
Law Organization

NOVEMBER 24

VIENNA, AUSTRIA

13th meeting of the
Vienna Energy Club

NOVEMBER 26-27

VIENNA, AUSTRIA

6th United Nations Industrial
Development Organization's Least
Developed Countries' Ministerial
Conference

NOVEMBER 30-DECEMBER 4

VIENNA, AUSTRIA

16th Session of the UNIDO General
Conference: "Sustainable industri-
alization for shared prosperity"

DECEMBER 6-8

PARIS, FRANCE

21st Session of the Conference of
the Parties (COP21)

www.ofid.org



153rd Session of the Governing Board

Meeting in its 153rd Session in Vienna, Austria, on December 10, OFID's Governing Board approved nearly US\$254m for new development operations in some 24 partner countries. The bulk of the funding (US\$154m) went to the public sector for activities in high priority areas, including education, energy and transportation. Five financing facilities totaling US\$87m were approved through the private sector window, three of them to support MSMEs in Asia and Latin America and the Caribbean; one for an agricultural production facility in Mozambique; and one for an electricity supply project in Zambia. Support to trade comprised a US\$10m facility to assist the import and export activities of corporates in Georgia. Fresh grant funding of US\$3.4m will co-finance a range of grassroots projects, ranging from electricity mini-grids to vocational training for women, and energy and health initiatives in Palestine, among others. The new approvals bring OFID's total cumulative commitments to over US\$19bn. Further details of public sector and grant approvals can be found in the *Diary*.



Governing Board Chairman
Abdulwahab A Al-Bader

Mr Askolani
Governor, Indonesia



Dr Ahmed Abdulkarim Alkholifey
Governor, Saudi Arabia

Bader Ahmed Al Qayed
Governor, Qatar



Dr Mahmoud Isa-Dutse
Governor, Nigeria



LOAN & GRANT
SIGNATURE

photo gallery

US\$1m for UNDP's Program of Assistance to the Palestinian People

Roberto Valent, Special Representative of the UNDP Administrator in Palestine, signed grant agreements totaling US\$1m for two projects aimed at enhancing access to cancer care in Jerusalem and creating employment for Gaza youth.



US\$14m to Burkina Faso to expand Ouagadougou University

Lassané Kabore, Director-General of Cooperation, Ministry of Economy and Finance, initialled the agreement for the project which will build a new research unit and dorms for 1,500 students.



Haiti gets US\$20.4m to boost renewable energy

Mr Al-Herbish and Ronald Decembre, Vice Minister of Economy and Finance, conclude the loan agreement for a project to rehabilitate the Péligre Hydroelectric Plant.

PHOTO: OFID/HELEN ABU JURJI





US\$500,000 grant for modern energy in Burundi

Andrea Vigevani, Secretary-General, *Istituto per la Cooperazione Universitaria Onlus*, signed the agreement for a project to rehabilitate four power plants.

PHOTO: OFID/HELEN ABU JURJI



Lao PDR obtains US\$15m to improve urban transport

Thipphakone Chanthavongsa, Vice Minister of Finance, signed the agreement in favor of a project to construct rapid transit bus-ways in the capital Vientiane.

Zimbabwe receives US\$20m for school construction

Patrick Anthony Chinamasa, Minister of Finance and Economic Development, concluded the agreement for a loan to support the construction of 12 rural primary and five secondary schools, ultimately benefiting over 10,000 pupils.

PHOTO: OFID/HELEN ABU JURJI



US\$15m for road upgrade in Rwanda

HE Claver Gatete, Minister of Finance and Economic Planning, secured the loan for a project to upgrade a 73km stretch of road that passes through key agricultural areas.

PHOTO: OFID/HELEN ABU JURJI



The full list of loan and grant signatures can be found on pages 61-62.

Event: **COP21: UN climate change conference**

Venue: Le Bourget, Paris, France

Date: November 30–December 11, 2015

by Rachid Bencherif and Namat Abu Al-Soof

The Paris Agreement at COP21: A pathway for sustainable development?

Following two weeks of intensive consultations, a landmark global climate deal for the post-2020 period was adopted by nearly 200 governments at the 21st session of the Conference of Parties (COP21), the supreme decision-making body of the United Nations Framework Convention on Climate Change, or “UNFCCC.”



**TOUS ENSEMBLE
POUR LE CLIMAT**

cop21.gouv.fr #COP21

UNFCCC is the international environmental treaty, adopted during the Rio de Janeiro Earth Summit in 1992 and ratified by 196 States (Parties). It acknowledges the existence of anthropogenic (human-induced) climate change and gives industrialized countries the major part of the responsibility for combating it.

The biggest achievement of COP21 was building a compromise to allow 195 countries to sign the Paris Agreement, marking the first time that most of the world has lined up behind a pact that seeks to limit emissions to prevent the worst impacts of climate change.

Heralding the landmark agreement, UN Secretary-General Ban Ki-Moon said: “Markets now have the clear signal they need to unleash the full force of human ingenuity and scale up investments that will generate low emissions and resilient growth.”

Climate change and sustainable development

Climate change is intertwined with sustainable development, as recognized by four of the recently approved Sustainable Development Goals (SDGs 12, 13, 14 and 15). It is a fact that the nega-

tive impacts of climate change are more severely felt by poor people and poor countries who contributed the least to the problem.

Poor nations and peoples are more vulnerable because of their high dependence on natural resources and their limited capacity to cope with climate variability and extreme situations. For example, the African agriculture sector, which concerns 80 percent of the population, is threatened by lesser productivity and an area reduction of arable lands.

Two main themes structured the climate talks. The first, which is a concern mainly for developed and emergent countries, is the “mitigation” of greenhouse gases emissions. The second is “adaptation” to the adverse impacts of climate change and concerns mainly developing countries.

Scientific evidence made all Parties agree on the necessity of setting long-term objectives for the mitigation of greenhouse gases emissions, while recent extreme climate phenomenon made all parties recognize the urgency of adaptation. However, it was the means of implementation that remained at the center of the debates, in particular the financial support, the capacity building and the technology transfer to be provided to developing countries.



French Foreign Minister Laurent Fabius, President-designate of COP21, delivers his speech during the Paris conference.

One of the main reasons that could explain the successful conclusion of COP21 is the recent paradigm shift in international negotiations. Utilizing a bottom-up approach, in contrast to the previous top-down approach adopted by the Kyoto Protocol, all parties were invited to submit ambitious plans to reduce or stabilize greenhouse gas emissions, and to outline the associated adaptation measures and the necessary means of implementation. Called the intended nationally determined contributions (INDCs), this new approach provided each Party the opportunity to take into account its specific national circumstances.

The main aim of the Paris Agreement is “to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty,” including by:

- Holding the increase in the global average temperature this century to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels
- Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience, in a manner that does not threaten food production



PHOTO: MIGUEL MEDINA/AFP

In addition, the deal commits countries to transparency on implementation of their INDCs and to a verification and review process. It legally binds countries to report on their progress.

In order to reach its objectives, the Paris Agreement emphasizes the “means of implementation,” which includes a decision regarding a new collective quantified financial goal from a floor of US\$100bn per year, which would take into account the needs and priorities of developing countries. The appropriate financial mechanisms of this funding commitment will be further defined at future climate ►

French Foreign Minister Laurent Fabius (center), flanked by French President Francois Hollande (left) and UN Secretary General Ban Ki-moon (right).

◀ summits, the first of which will be in Morocco this year.

The Paris Agreement does acknowledge the need to eradicate energy poverty in developing countries, particularly in Africa. However, this is to be achieved exclusively through the enhanced deployment of renewable energy. This challenging approach might put pressure on the recognized principle of “technology neutrality.”

The fundamental challenge in the implementation of the Paris Agreement is that the estimated aggregate greenhouse gas emission levels in 2025 and 2030, resulting from the in-

tended nationally determined contributions, do not fall within 2 °C scenarios but rather lead to a projected level increase of greenhouse gases by 2030.

These and other limitations need to be further addressed in order to make the most of the formidable opportunities offered by the Paris Agreement, especially with regard to the SDGs and poverty eradication. Subsequent COP sessions, moreover, should continue to be guided by the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. ■

OFID at COP21

OFID Director-General Suleiman J Al-Herbish headed a delegation to participate in the Energy and Africa Days of the Paris summit. During a high-level plenary session on December 8, Al-Herbish delivered a statement where he outlined OFID's commitment to placing energy at the core of its strategic framework, thus making the institution a “key partner” in the UN-led Sustainable Energy for All (SE4ALL) initiative.

In his statement, Al-Herbish spoke of OFID's wholehearted support of a “fair and equitable agreement” that would ensure climate-resilient development for the world's most vulnerable populations. “We at OFID hope that the agreement accelerates their access to basic services—such as modern energy—and does not constrain their economic and social growth by unsuitable climate responses,” he stated.

The Director-General also talked about OFID scaling up its support of projects that would provide lower carbon-producing energy sources to populations lacking electricity. He explained that since OFID's Ministerial Declaration announcement at the Rio+20 Summit in 2012, the institution had provided US\$1bn for energy access projects. Of these, over 40 percent were based on the use of renewables, he said.



PHOTO: OFID/RACHID BENCHERIF

Speaking at the Energy and Africa Days of the Paris Summit, Mr Al-Herbish gave OFID's wholehearted support to a fair and equitable agreement.

Al-Herbish noted how OFID's commitment to fighting energy poverty had been demonstrated only the day before when, on behalf of OFID, he signed a US\$70m loan agreement for the Second Rural Electrification Project that would provide reliable energy to over 720 villages in Morocco.

Al-Herbish and delegation also attended the launch of an initiative of Total SA, the “Coalition for Universal Energy Access” of which OFID is part. The OFID delegation also held meetings with representatives of Total to discuss means of future cooperation.

At the “Earth to Paris” event during Energy Day, the delegation attended the launch of the United Nations Foundation's Energy Access Practitioner Network's 2015 Energy Access Investment Directory and investment portal, which OFID helped sponsor.

OFID's delegation also met with representatives of other partners such as the United Nations Environment Program, SE4ALL and SNV Netherlands Development Organization to discuss progress of ongoing projects and future cooperation.



CONFERENCE WATCH

Event:	One Young World
Venue:	Bangkok Convention Center, Thailand
Date:	November 18–21, 2015

by Fatma Elzahra Elshhathi

PHOTO: OYW

Global minds gather to solve the global goals

This year's Annual One Young World (OYW) Summit was held for the first time in Asia, bringing together 1,300 delegates from 196 countries.

One Young World—an annual gathering of young leaders from all corners of the globe—mobilizes youth to engage to address the world's most pressing issues and transform commitments into action.

This year was of particular importance, with the summit agenda shaped by the newly formulated Sustainable Development Goals (SDGs) and upcoming Paris climate conference, COP 21.

The 2030 development agenda has placed youth at the forefront, recognizing their role as not only beneficiaries but essential in implementing the goals.

The connected generation

Thailand hosted this year's summit in its capital Bangkok from November 18 to 21. Counselors, including Kofi Annan, Professor Mohamed

Yunus, Fatima Bhutto and President Ameenah Gurib-Fakim of Mauritius, engaged with the young delegates to advise and help them put their ideas into action.

In his opening remarks, Annan sent an urgent message to the youth to not accept policy failures, particularly on the issue of climate change. "All nations need to work together to make sure the universe stays afloat," he affirmed, adding, "We all sink together or float together." By encouraging partnerships, OYW acts as a springboard for young people to share ideas and experiences and develop concrete plans to implement back in their home communities. Inspirational delegates addressed their peers and called for action on a wide range of topics, including human rights, education, environment, global business, leadership and governance, and peace and security. ▶

OFID delegates speak in plenary sessions



Fatma Elzahra Elshhati
Libya

Speaking about freedom of speech at the session on Peace and Security, Fatma Elshhati, a young communications professional at OFID, discussed her involvement in media advocacy in the MENA region. Referring to the 2011 uprising in her home country Libya, she said: "The optimism we had four years ago is fading with every attack against us and our freedom of opinion."

Together with fellow journalists, policy makers and academics, Fatma has campaigned for legal reform to change the laws limiting freedom of speech. "But," she argued, "to avoid conflict, it's not just those in power we need to persuade, mentalities need to change at the grassroots level, starting with the home." Fatma pointed out that journalists and bloggers had been hardest hit by the political intolerance. "When a journalist is attacked, it is not just one less voice, but dozens silenced," she said. "Attacking freedom of opinion destroys any chance for a real inclusive national dialogue. Our dialogue must be inclusive, it needs to be social; we need to make it personal. By encouraging each other to talk about social issues, we can do so."

Sasaenia Paul Oluwabunmi
Nigeria

Sasaenia, another of OFID's young professionals, addressed the Leadership and Government plenary. Sasaenia is the director of operations of *Salvage Africa*, a Nigerian NGO which mentors youth on the importance of leadership and integrity. He is also a UK Youth Ambassador for the ONE Campaign. Sasaenia spoke passionately on the issue of corruption in the extractives industry and motivated youth to call their governments to account. Citing his own country, Nigeria, as an example, he declared it "unacceptable" that unemployment and poverty were so high and most people still suffered from power cuts in a nation so rich in resources.

"So I am asking every youth here to contact extractive companies in their home countries and put pressure on your government to publish what royalties, levies and taxes are paid by oil and gas companies and how the money is being spent. We owe it to the next generation and ourselves to have a world that has integrity as its watchword and is free of poverty and indeed energy poverty. The future lies with us, and our unborn children are depending on us to take action."

Carlos Vargas
Venezuela

Carlos Vargas is the elected representative of the Venezuelan Student Movement in the Organization of American States. In a joint statement with fellow Venezuelan Mario Di Giovanni to the Leadership and Government plenary about corruption, Carlos spoke of his realization that "change starts within ourselves." He went on to stress the importance of "spreading the word" and mobilizing for action. "People are willing to act when they understand the reason," he said. "We as young leaders can create meaningful actions if we understand the value of it, we are coherent with ourselves, and we get this message out to all our generation."

Carlos highlighted the impact of social media in creating a common cause. "Today, thanks to technology and globalization, each of us holds in our hands a power to cause change; to cooperate as global citizens to eradicate corrupt practices from our world."

BY ALESANDRA SOLANO
PHOTOS: OYW

◀ One Young World empowers delegates to think socially, whether they are working for a multinational corporation or a local NGO. The Summit opened with a special session, chaired by Professor Muhammad Yunus, where young Thai leaders discussed the importance of responsible and ethical commerce.

“Poverty can be solved, and the solutions can be man-made,” stated Nicha Pittayapongsakorn, a representative of the organization Goody Truck, an alternative retail channel connecting low-income communities and manufacturers with the aim of reducing household spending in low income families and decreasing economic loss from overstocking.

A central theme at this year’s summit was the need to reduce inequalities and restore human dignity. The Human Rights plenary focused on the role of governments and businesses in protecting the rights of refugees and migrants. Delegate speaker Michele Schifino declared: “There are no borders for goods, there are no borders for business, there must be no borders for humanity.”

The Education plenary session highlighted the work of five young delegates in pursuing gender equality. Abeer Abu Ghaith, from Palestine, discussed her venture to empower and equip women and youth with the skills they need to work online, thus bypassing the need to cross borders and checkpoints. Abeer revealed that her business, MENA Alliances, had provided high quality outsourcing solutions and created employment opportunities for 300 young professionals, including women.



PHOTO: OYW

Mohamed Yunus led a special session where young Thai leaders discussed responsible and ethical commerce.

Beyond corporate social responsibility, youth want to ensure that businesses act with integrity. Dr Mazin Khalil, an enterprising young leader from Sudan, introduced his own business model in the plenary session on Global Business. Mazin’s business, Sudamed—providing socially conscious products and services—has had a major developmental impact employing 700 people in 9 countries. Khalil criticized multi-nationals for exploiting cheap labour in developing countries such as his own. “Global business has the responsibility to not hold back poor nations trying to overcome poverty,” he asserted. ▶

In addition to sponsoring delegates from under-represented and developing countries, OFID also sponsored a small group of young people drawn from its staff and their families.



PHOTOS: OYW

OFID-sponsored delegates made a significant contribution to the discussions and to the “Call on COP.”

◀ With COP 21 just around the corner, the Summit focused attention on the high-profile topic of climate change and the need for a binding agreement. During the Environment plenary, delegates searched for innovative solutions to combating climate change. With small island states particularly vulnerable, delegate speaker Bryant Zebedy exposed the effects of climate change in his home country, the Marshall Islands. “We are all victims of climate change,” he said. “We don’t want to be climate refugees one day. If islanders survive, we all will survive.”

Guided by the SDGs and aided by technology, “millennials” may just well be *the* generation to achieve the goals. In his closing remarks, Ahmad Alhendawi, UN Special Envoy on Youth, emphasized the importance of the delegates who he described as belonging to “the first generation that can eradicate extreme poverty, and the last generation able to reverse climate change.”

Call On COP

As a founding partner of One Young World, OFID believes in the transformative power of youth to drive development. To date, OFID has sponsored

121 delegates from under-represented and developing countries to attend the summit, including from its younger staff and family members.

Over 15 OFID delegates were invited this year to address their heads of government on mainstream media ahead of COP21. Those invited to give a “Call on COP” statement included OFID family members Pia Probst, Austria; Malak Al Mahdi, Iraq; and Lamia Al Gwaiz, Saudi Arabia.

OFID young professional Natalia Salazar also took part in the Call on COP to highlight how climate change is affecting her native Ecuador. Natalia urged President Rafael Correa to promote public-private-partnership for local action and to “bridge the north and south divide to find a common [binding] agreement on climate change.”

One Young World Counsellors including former UN Secretary-General Kofi Annan, Unilever CEO Paul Polman and Gary White, CEO and Founder of Water.org also called on world leaders to commit to a binding agreement. ■

ADDITIONAL REPORTING BY
SASAENIA PAUL OLUWABUNMI AND
NATALIA SALAZAR ALEKSEYEVA.



PHOTO: OFID/NADIA BENAMARA

BY NADIA BENAMARA



PHOTO: GABBY SALAZAR/NATIONAL GEOGRAPHIC CREATIVE/CORBIS

Can online technology help sustain Indonesian biodiversity?

Newly online, an open access database of Indonesian plants promises to boost the country's efforts to study and safeguard one of its most under-explored national treasures: biodiversity.

Indonesian forests boast some of the richest, most diverse plant populations in the world, but timber harvesting and oil palm production are impacting this biodiversity before it has been fully understood.

Conservationists—to date challenged by the archipelago's enormous size and spread—are pinning their hopes on the Xmalesia project as a model for efficient, sustainable biodiversity exploration.

Xmalesia trains local forest rangers and citizen scientists to collect, identify and disseminate plant data on a “live” informatics platform that is accessible to researchers around the globe.

The platform integrates digital photographs of plants as well as their leaves, fruit, seeds and flowers with metadata such as time and place of sample collection and DNA barcoding technology.

From the assembled data, conservationists expect to uncover the historical processes by which Indonesian forests were amassed; gain insight into how these forests might respond to future environmental changes and thus better manage them.

Xmalesia currently hosts some 2,000 plant samples collected from five Indonesian islands: Borneo, Sulawesi, New Guinea, Seram and Sumbawa.

“There are actually many people, both local and international, working on Indonesia's biodiversity, but they usually work alone and the data is scattered,” said Teguh Triono, Xmalesia's principal inves-

tigator and programme director of the Indonesian Biodiversity Foundation (KEHATI).

“By making a digital herbarium, anyone in the archipelago or around the world can share,” Triono added.

(<http://xmalesia.info/>) is primarily targeted to scientists working in Malesia—a floristic region that includes Indonesia, Brunei, Malaysia, Papua New Guinea, the Philippines and Singapore.

It involves scientists from the Indonesian Institute of Sciences, software engineers from Gunadarma University, and officers from the Agency of Conservation and Natural Resources.

Xmalesia's originator, Campbell Webb, a plant ecology professor at Harvard University's Arnold Arboretum, anticipates the project's expansion.

“One of the purposes of this project is capacity building and technology transfer,” said Webb, according to reporting by SciDev.Net. “I was very delighted to work with Indonesia's high number of young talents.”

Xmalesia was initially sponsored by the National Science Foundation of the United States. ■

UAE joins UN initiatives in push toward greener economy

In mid-October, the United Arab Emirates officially joined two global networks that seek to promote best practices in sustainable public procurement and eco-labeling as part of the United Nation's 10-Year Framework Programme on Sustainable Consumption and Production (10YFP).

Government spending currently accounts for 24 percent of the Emirates GDP. By partnering on the Sustainable Public Procurement (SPP) Program and the Consumer Information Program (CIP), the UAE hopes to gain and exchange knowledge vital to the implementation of its own Green Agenda 2015–2030.

“Participating in reputable international programs such as these will help us choose the best practices and policy models that will be most suitable in the national context,” said UAE Minister of Environment and Water, Dr Rashid Ahmad Bin Fahd on the announcement.

“As the largest consumer, the government’s purchase of green products and services will provide a great opportunity to drive markets towards the green economy,” added Bin Fahd.

“Eco-labeling is the most effective way to inform consumers about the environmental impacts of products and encourage them to make better choices every day.”

SPP, comprised of policy experts from 81 international organizations, is co-headed by the International Council for Local Environmental Initiatives and the Korea Environmental Industry and Technology Institute.

CIP consists of 52 partner organizations, including 21 governments. It assists government agencies and stakeholders in their efforts to provide clear, accurate and reliable information about a product’s impact on our planet and people.

The Emirates Green Development Council, established by the cabinet in January 2015, has been implementing the UAE Green Agenda 2015–2030 across federal and local agencies through 12 thematic programs over the course of the year.

One such venture is the *Environmental Goods and Services Program*, which aims to support economic diversification and job creation by facilitating market and consumer demand for eco-friendly products. ■

ASPA Summit further bolsters ties between Arab and South American states

Leaders of 34 countries, representing some 700 million people (or 10 percent of the world’s population) came together in Riyadh, Saudi Arabia for the fourth ASPA (Arab and South American states) summit November 10–11.

Chaired by King Salman of Saudi Arabia, the summit concluded with the issuance of a unanimously adopted communiqué—the Riyadh Declaration—calling for peaceful solutions to ongoing conflicts in the Arab world as well as a strengthening of economic ties.

ASPA is a bi-regional mechanism for cooperation and political coordination that has met every three years beginning in 2005.

Since then, trade between the Arab and South American states has risen from US\$6bn to approximately US\$30bn in 2014, according to a recent statement by Arab League Secretary General Nabil Al-Arabi.

In his opening summit address, King Salman proposed numerous initiatives for bolstering relations between the two blocks.

Commending South American support of Arab causes, particularly Palestinian issues, he emphasized the importance of cooperating in “the fight against terrorism and extremism and the spread of a culture of peace and dialogue.”

The King called on leaders to promote and protect mutual investments by setting up a “joint business council,” signing free trade agreements, avoiding double taxation, and working more closely in the science and technology sectors.

Also speaking at the summit’s opening ceremony, United Nations Secretary General Ban Ki Moon underscored the potential for cultural exchange as both regions strive towards peace and development.

“Arab and Latin American countries alike have made important progress under

the Millennium Development Goals,” said Ban Ki Moon.

Pointing out that there was much work ahead, he added: “One key to success will be through women’s empowerment ... Latin America has achieved notable gains in gender equality ... but too many women across the world continue to face systematic violence and other violations of their basic rights. The world will never achieve 100 percent of its goals without 50 percent of its people as full and equal participants in all realms.”

The Riyadh Declaration specifically advocates for an end to the four-year-long conflict in Syria, whilst condemning “all forms of terrorism associated to any religion, culture or ethnic group.”

Speaking to this issue, Jordanian King Abdullah said: “Our countries are blessed with promising and youthful populations. It is, therefore, our responsibility to create new and attractive job opportunities to meet their aspirations. In partic-



PHOTO: REUTERS/FAISAL AL NASSER

The Summit was chaired by Saudi King Salman bin Abdulaziz.

ular, it is incumbent on us to immunize and protect our youth against the poisons of terror and extremist ideologies, which certainly recognize no boundaries.”

The Riyadh Declaration further emphasizes the need to “achieve a just and comprehensive solution to the Palestinian conflict in accordance with the relevant resolutions of the UN.”

Calling for the immediate withdrawal of Israeli troops from all occupied Arab territories, it pledges to take all necessary

measures to create an independent state for Palestinians with East Jerusalem as its capital.

ASPA members agreed to support the use of nuclear power for peaceful purposes, calling it an “undeniable right for the signatory states of the non-proliferation treaty,” whilst promoting both regions as free from nuclear weapons.

The Declaration addressed environmental issues by welcoming the framework convention of the UN on climate

change. Member states also pledged to work together in the energy sector for their mutual benefit.

Venezuelan President Nicholas Maduro and Ecuadorian President Rafael Correa met with King Salman separately, on summit sidelines, to campaign for measures to support crude oil prices.

In opening the preparatory ministerial meeting for ASPA, Saudi Foreign Minister Adel Al-Jubeir spoke of how this mutually beneficial regional partnership had, and would continue to, support international sustainable development.

According to Al-Jubeir, the Saudi economy has contributed more than US\$120bn in aid and soft loans to developing and least developed countries over the past three decades.

Other OPEC member states were represented by: UAE Vice President and Ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum; Kuwaiti Prime Minister, Sheikh Jaber Al-Mubarak Al-Hamad Al-Sabah; Qatari Emir, Sheikh Tamim bin Hamad Al Thani and Iraqi President, Fuad Masoum.

The next ASPA summit will take place in Caracas, Venezuela in 2018. According to Ecuador’s national news agency, topics tabled until then include the creation of a southern investments bank, the UN 2030 challenge agenda and the formation of a permanent (ASPA) secretariat. ■



Arab and South American leaders pose for a group photograph.

PHOTO: AFP PHOTO/STR



At the top table... Dr Emmanuel Ibe Kachikwu (center), Minister of State for Petroleum Resources, Nigeria, and President of the OPEC Conference; Eng Ivan Orellana (left), Venezuelan Governor for OPEC, Chairman of the OPEC Board of Governors; and Abdalla Salem El-Badri (right), OPEC Secretary General.

Non-OPEC producers urged to join OPEC in stability drive

168th Meeting of the OPEC Conference convenes in Vienna

COURTESY OF THE OPEC BULLETIN



Dr Mohammed Bin Saleh Al Sada, Minister of Energy and Industry of Qatar, who was elected President of the OPEC Conference for 2016.

OPEC has appealed to non-OPEC producers to join forces with the Organization to help stabilize and strengthen the international oil market.

The call was made by both OPEC Conference President, Dr Emmanuel Ibe Kachikwu, Nigeria's Minister of State for Petroleum Resources, and the Organization's Secretary General, Abdalla Salem El-Badri, at the end of the 168th Meeting of the OPEC Conference, held in Vienna, Austria on December 4.

Addressing the customary press conference after the one-day meeting, Kachikwu said OPEC needed non-OPEC producers, who were responsible for the lion's share of global crude oil supplies, to join the Organization in a stability drive.

"We are looking to hold further meetings with non-OPEC producers to reach some common goals," he stated.

His comments were echoed by El-Badri who told the press briefing that OPEC had so far met with non-OPEC producers on two occasions.

"We invited them twice here to Vienna and we said why don't we have a joint effort to make a cut and help stabilize prices?"

"We had a positive response but everyone is now digesting how they can make such a move. Hopefully, next year, we will see just how much the producers can contribute to making a cut.

"We need to negotiate more with non-OPEC to see how we can reach a collective effort. All of us should contribute to the market," he maintained.

El-Badri pointed out that the problem with the price of crude oil was that it had dropped by 60 percent.

"Now everyone is starting to realize the effects of low oil prices on their economies and their welfare," he observed.

Kachikwu stated: "Everybody is watching the market."

Kachikwu, recently appointed to oversee Nigeria's oil operations by President Muhammadu Buhari, explained that, historically, the expectation of the world was that the only way

OPEC functioned was by cutting oil production volumes.

“But the world’s dynamics have changed. We now need to look at other parameters for maintaining the oil price. And we need to look at negotiations between OPEC and non-OPEC producers.”

He stressed that OPEC only accounted for 35–40 percent of global crude oil consumption, “so if we were to keep cutting output it would not solve any problem.

“OPEC cannot cut from its 35–40 percent structure to be able to stabilize the market. The market has to go on according to its natural dynamics,” he professed.

“Somehow, just staying and watching does have its yield. But I guess that as OPEC grows as an organization, it has got to look at cooperation and collaboration and cost efficiency. There are many ways one can influence pricing,” he said.

Kachikwu noted that what they had seen in the market over the past six months or so was that oil production volumes coming from non-OPEC sources were beginning to drop.

“We have seen a loss of some two million barrels/day from the non-OPEC side,” he said.

Asked whether OPEC still had its oil production ceiling of 30m b/d in force, Kachikwu said the Ministers did not consider it necessary to put figures into the communiqué.

“What we learned is that given the present position of the economies that are purchasing oil and the global economy in general, we decid-

ed to retain production at current levels.

“We will hopefully converge sometime between January and June to look at what the market potential holds. If we were to put a number to that, at the moment it would be the current production number. We did not go into the specifics during the meeting.”

Iraqi Oil Minister, Adil Abd Al-Mahdi, said after the meeting that during the protracted talks the Ministers had built a consensus on the best action to take.

“We had our differences and we had our respective points of view, but at the end we came to a conclusion,” he stated. “It showed just how strong the Organization is.”

Speaking to the OPEC Webcast, Abd Al-Mahdi said they all appreciated the work of the Organization and the effects of its policies.

“Yes, crude oil prices are down, but I think our strategy is a good one. We are defending the interests of our countries—the interests of producers and the consumers, as well as the interest of the Organization itself,” he declared.

Asked about oil market developments in 2016, the Minister said the report Member Countries had seen during the Conference had been somehow more optimistic for next year.

Meanwhile, El-Badri told the press conference that the Ministers could not put a number to the production ceiling now because the Organization did not know what the situation with IR Iran would be in the near future and when it would likely increase production. ►



Ali I Naimi, Minister of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia, who was elected Alternate President of the OPEC Conference for 2016.





Eng Mohamed Hamel, Algerian Governor for OPEC, who was elected Chairman of the Board of Governors for 2016.



Estevao Pedro, Angolan Governor for OPEC, who was elected Alternate Chairman of the Board of Governors for 2016.

◀ “We have to accommodate IR Iran one way or the other,” he said, referring to the fact that the Islamic Republic is planning to increase output in 2016 once economic sanctions imposed on the country are lifted.

“And because production is changing from time to time, we decided to postpone this decision until the next OPEC Meeting, when hopefully the picture will be clearer for us to decide on an appropriate (production ceiling) number,” added El-Badri, who stated that OPEC “is as strong as ever.”

Also on this subject, Kachikwu said: “We took cognizance of the fact that current actual OPEC production is above the 30m b/d production ceiling and decided that reducing from the existing actual level would not make much of an impact on the market.

“We had a lot of ideas on the table, but the fact that we arrived at the decision to maintain current actual production means that everyone correlates around that position.

“... the logic was simple. We are only 35–40 percent of the producers—there are still 60–65 percent of the producers out there.”

Kachikwu asserted that even if OPEC had cut its production by say five percent, there was not any evidence the reduction would have made a substantial impact on the market.

“IR Iran is just getting ready to come into the market, so five percent of what are you going to cut? We need to wait and see what IR Iran brings to the market,” he said.

“We have seen a drop in production of around 2m b/d, largely contributed to by non-OPEC producers, and so we felt comfortable that we just have to wait and watch at this time.”

Effect of low oil prices

Asked what effect low crude oil prices were having on some OPEC Member Countries, the OPEC Conference President said that when prices were poor it caused pain all over the world—not just in countries like Nigeria.

“In reality, the way we look at it in Nigeria is how we can utilize the opportunity of the pain caused by a reduced price regime to try and get efficiencies into the system, efficiencies in production, cost-management and transparency, in fact in everything.

“There is also the issue of efficiencies in the diversification of local economies because

this is something we should have done a long time ago.

“So yes, there will be pain, but in Nigeria we are putting a lot of energy into sitting down with the oil companies and looking at ways of reducing the high cost per barrel of oil production.

“The thing is that, in the past, all producers got so spoiled with higher prices that the cost of production rose through the ceiling. The current situation has given us the chance to take a good look at costs, at efficiency and at better management of our economies,” he contended.

Asked what would happen once IR Iran came back into the market with a 500,000 b/d or 1m b/d production increase, Kachikwu said that if that happened, OPEC would meet and look at the effects of such a move on the marketplace.

“It could be by that time that the market will have seen another contraction in oil production elsewhere,” he said. “At the end of the day, every producing country has the sovereign right to bring its resources to the market. OPEC’s position is that it will be glad to see IR Iran come back to the market and recover after the sanctions.

“At the appropriate time, we will review the impact of IR Iran’s re-entry and then decide what to do,” he stated.

A Conference communiqué stated that the Ministers had considered the Secretary General’s report, as well as the report of the OPEC Economic Commission Board (ECB).

They had also deliberated on the current status of negotiations at the COP-21/CMP-11 United Nations Climate Change Conference in Paris and underscored the importance for all OPEC Member Countries to be actively and positively engaged in the negotiations.

The Conference stressed that climate change, environmental protection and sustainable development were “a major concern for us all.”

Ministers emphasized the significance of continued dialogue with other oil-producing countries and the importance of maintaining the Organization’s energy dialogue with China, the European Union, the Russian Federation and other industry participants and international organizations.

It also welcomed the first high-level meeting of the OPEC-India Energy Dialogue, held in December. ■

Our vision

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

Our mission

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



Uniting against Poverty



Uniting against Poverty

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