

JULY 2010

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

OFID Quarterly



SPECIAL FOCUS ON FOOD SECURITY CHALLENGES

Boosting agricultural productivity: time for action

Water and food security: intertwined challenges • Feeding the hungry: the experts' view

Venezuela hosts 31st Ministerial Council • Venezuela's *El Sistema*: music of hope

OFID Quarterly is published four times a year by the OPEC Fund for International Development (OFID).

OFID is the development finance agency established in January 1976 by the Member States of OPEC (the Organization of the Petroleum Exporting Countries) to promote South-South cooperation by extending development assistance to other, non-OPEC developing countries.

OFID Quarterly is available free-of-charge. If you wish to be included on the distribution list, please send your full mailing details to the address below. Back issues of the magazine can be found on our website in PDF format.

OFID Quarterly welcomes articles and photos on development-related topics, but cannot guarantee publication. Manuscripts, together with a brief biographical note on the author, may be submitted to the Editor for consideration.



PUBLISHERS

**THE OPEC FUND FOR
INTERNATIONAL DEVELOPMENT (OFID)**

Parkring 8, P.O. Box 995, A-1010 Vienna, Austria

Tel: (+43-1) 515 64-0; Fax: (+43-1) 513 92-38

Email: info@ofid.org

www.ofid.org

EDITOR-IN-CHIEF Mauro Hoyer Romero **EDITORIAL COORDINATOR** Audrey Haylins

CONTRIBUTORS Taysir Al-Ghanem, Reem Aljarbou, Damelys Delgado, Steve Hughes,

Sam Ifeagwu, Anna Ilaria-Mayrhofer, Charles Jama, Silvia Mateyka,

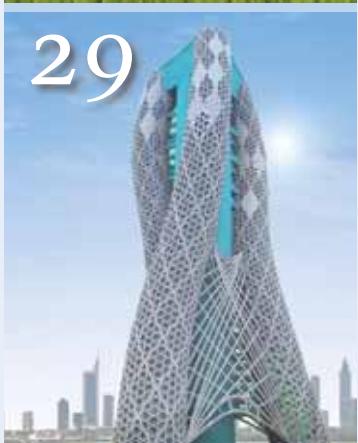
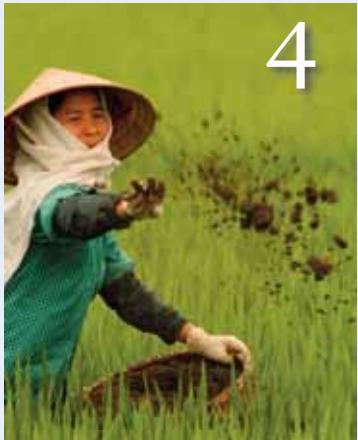
Verena Ringler, Abdul-Karim Sadik, Fatimah Zwanikken

PHOTOGRAPHS Rana Wintersteiner (unless otherwise credited) **PRODUCTION** Susanne Dillinger

DESIGN etage.cc/krystian.bieniek **PRINTED IN AUSTRIA** Stiepan Druck GmbH

CONTENTS

JULY 2010



Cover photo:
Peru: a woman farmer piles up
threshed wheat with a pitchfork.

PHOTO: IFAD/SUSAN BECCIO

COMMENT

Universal food access: a basic human right

2

SPECIAL FEATURE

Boosting agricultural productivity in the South: time for action	4
Feeding the hungry: the experts' view	9
Water and food security: intertwined challenges	14
Agricultural research: breaking the vicious circle	19
Raising the prospects of commodity producers	23
Conserving water and boosting incomes in Jordan's Yarmouk valley	26
The sky's the limit <i>Could multi-story greenhouses be the farms of the future?</i>	29

OUTREACH

Venezuela hosts 31 st Ministerial Council Session <i>OFID strengthens support for developing countries</i>	32
Wyclef Jean's NGO <i>Yélé Haiti</i> wins OFID Annual Award for Development	36
Venezuela's <i>El Sistema</i> : music of hope	38
Annual Report 2009 highlights record commitments	40
New horizons: OFID strengthens strategic partnerships with IFC and CAF	42
Exhibition marks Venezuela's bicentennial	44
Ghanaian student wins 2010 OFID Scholarship	46
OFID Diary	47
Meetings attended by OFID	49
Loan signature photo gallery	50
131 st Governing Board photo gallery	52

DEVELOPMENT COOPERATION

Second Development Cooperation Forum urges progress towards MDGs	54
---------------------------------------------------------------------	----

MEMBER STATES FOCUS

Doha energy conference calls for closer cooperation among Arab states	56
Nigerian President Umaru Musa Yar'Adua (1951-2010) <i>An appreciation</i>	58

OPEC

Venezuela victorious in OPEC's international quiz	59
---------------------------------------------------	----

Universal food access: a basic human right

The first United Nations Millennium Development Goal (MDG), adopted by world leaders in September 2000, committed the international community to reducing hunger by half by 2015. Today, 10 years after this lofty proclamation, we are, in fact, no closer to achieving what is arguably the most important of the MDGs. Worse still, it is further from our grasp than ever before. To the world's shame, the total number of chronically undernourished people on our planet exceeded one billion in 2009, the first time it has pushed beyond this watershed.

Many experts point to the 2006-8 food crisis and the 2008-9 financial and economic crisis as the catalysts for thrusting millions more into poverty and hunger. And certainly, lower household incomes, rising unemployment and higher food prices made life intolerably hard for the 2.5 billion people in developing countries who subsist on less than US\$2 a day.

The food and financial crises, however, were really just the tip of the iceberg. Behind these events lie long-term structural problems that have perpetuated chronic undernourishment and famine. These shortcom-

ings include poverty and gender inequalities; restricted access to land, credit and appropriate technology; water shortages; rapid population growth; and, most significantly, a systematic neglect of investment in agriculture and rural development across most of the developing world.

Indeed, it is the failure to prioritize such investment that has left many developing countries without the wherewithal to meet that first, vital MDG. These countries cannot compete efficiently in global markets. They are unprepared to cope with rapid climate change. And they are ill-equipped to rise to the enormous challenge of increasing food supply by 70 percent over the next 40 years, as the global population swells to over nine billion.

Given the overarching importance of agriculture – not just as a source of food, but also as a major source of income – it is no coincidence that by far the bulk of OFID's development assistance has gone to the rural areas, the bread basket of developing countries. As well as direct support to agriculture, such assistance includes investment in rural infrastructure, especially roads, and in projects

that promote private-enterprise development both on- and off-farm. Hand-in-hand with the financial resources OFID provides is its support to training, capacity building and institution strengthening. At the same time, OFID has consistently channeled funding to agricultural research, to help improve the yield potential of staple crops and transfer best-practice farming to developing country smallholders.

While these responses look to provide long-term, sustainable solutions to the question of food production, OFID is also quick to act in times of crisis and famine, regularly supporting the work of the World Food Program (WFP) whenever emergency rations have to be delivered to starving populations, as has been the case in the past two years.

Alongside WFP, OFID enjoys strong ties with other specialized agencies of the United Nations, including the Food and Agriculture Organization and the International Fund for Agricultural Development (IFAD). Indeed, it was OPEC Member Countries that provided a significant portion of the funding needed to establish IFAD back in 1976, channeling US\$861 million in pledged contributions through OFID (at the time called the OPEC Special Fund) towards the agency's initial capital and First Replenishment. To this day,

It is the failure to prioritize investment in agriculture and rural development that has left many developing countries without the wherewithal to meet the first, vital MDG.

IFAD remains one of OFID's key partners in the uphill battle against rural poverty and hunger.

In addition, OFID has contributed US\$84 million to the Common Fund for Commodities (CFC), an intergovernmental financial institution which seeks to improve the lot of commodity producers in developing countries. Working with the CFC, OFID is helping to develop improved production technologies and to secure markets for a host of small-scale

subsistence farmers in around 50 countries.

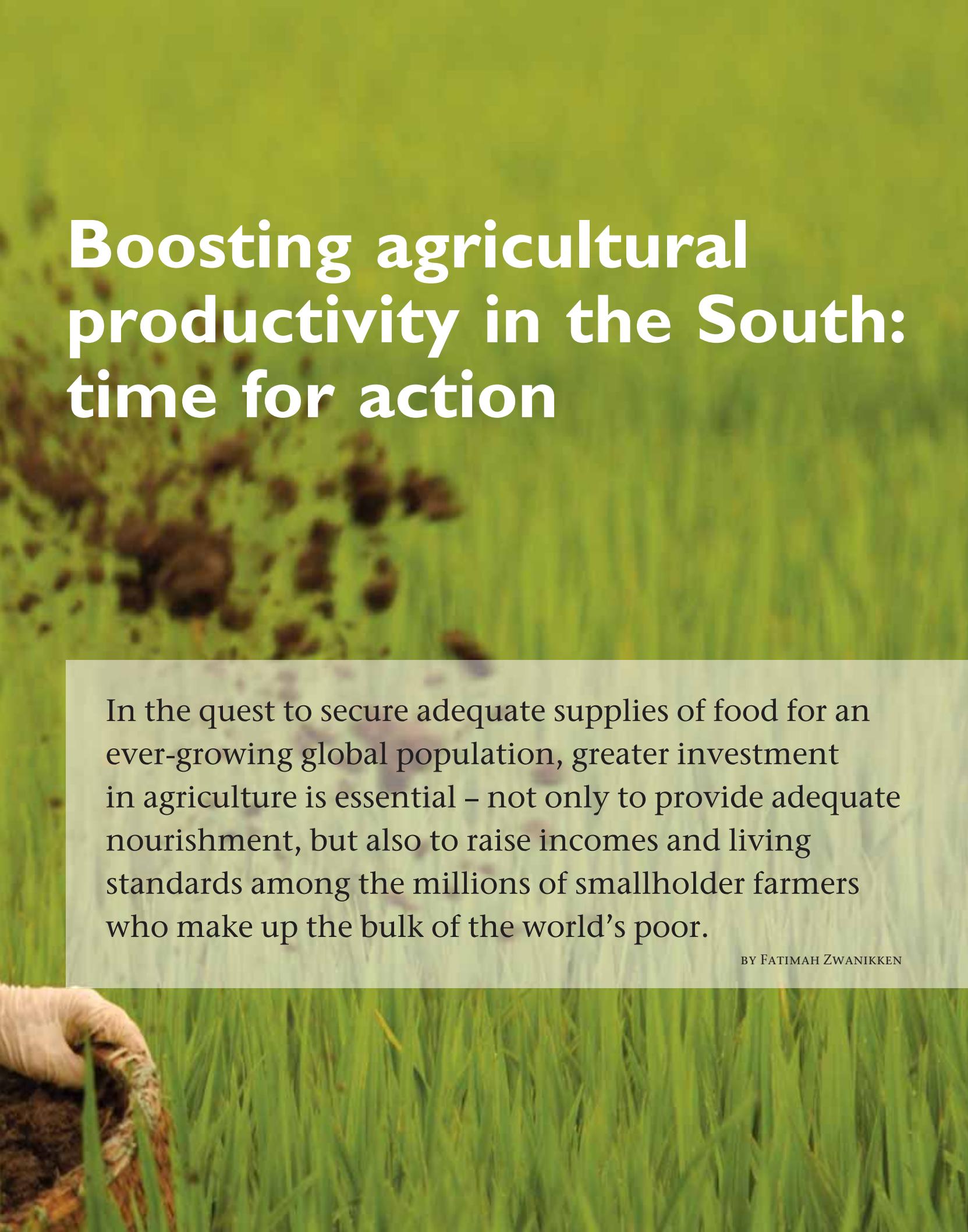
For OFID – and other institutions that place food security at the heart of their agenda – the fact that hunger continues to thrive is more than simply discouraging. It is a travesty. Thank goodness then that the recent food and financial crises have triggered a realization that agricultural development and food security are critical global problems requiring concerted global action.

The renewed pledges made in this regard at the July 2009 G-20 Summit and the November 2009 Third World Food Summit are a step in the right direction. But it takes more than pledges to fill empty stomachs. Just ask the billion-plus people who know what it is like to go to bed hungry every night. For many of them, 2015 might be too late. ■

SPECIAL FEATURE



Boosting agricultural productivity in the South: time for action



In the quest to secure adequate supplies of food for an ever-growing global population, greater investment in agriculture is essential – not only to provide adequate nourishment, but also to raise incomes and living standards among the millions of smallholder farmers who make up the bulk of the world's poor.

BY FATIMAH ZWANIKKEN

Of the 2.5 billion people in the world who live on less than US\$2 a day, three-quarters of them are dependent on agriculture for their livelihoods. Agriculture is the major employer, the largest sector of the economy and the top export earner in most developing countries. Growth in this sector thus has enormous potential for reducing poverty and hunger. Despite its importance, however, agriculture has suffered from systematic neglect over the past few decades, particularly in those very countries where its socio-economic role is largest.

The target of reducing by half – to no more than 420 million – the number of people suffering from hunger globally was initially set at the November 1996 First UN World Food Summit. This target was to be reached by 2015 and was later enshrined in the first UN Millennium

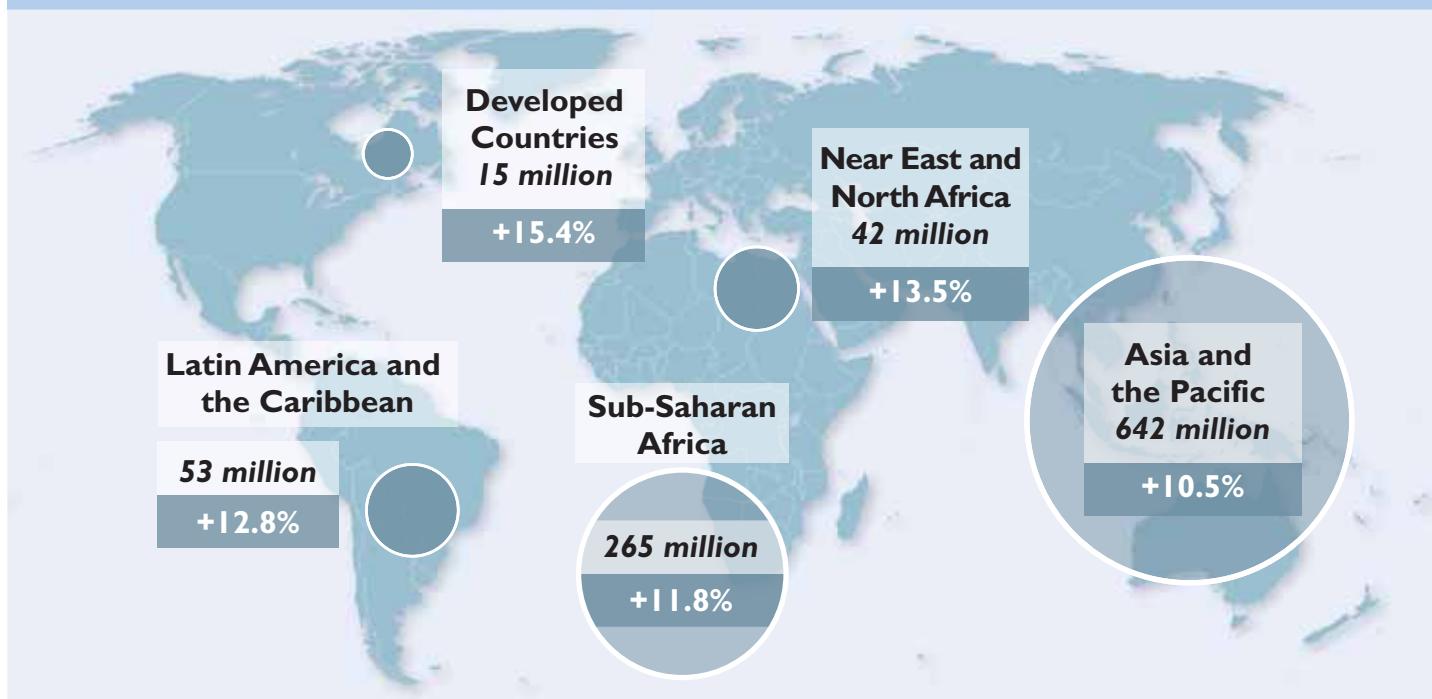
Development Goal (MDG1) in September 2000. Subsequent World Food Summits, in 2002 and 2009, recommitted to the goal. Progress, however, has been zero. Today, a record 1.02 billion people – or 15 percent of a world population of 6.8 billion – cannot afford their most basic food needs. Of this total, the majority, or 642 million, live in Asia and the Pacific, followed by Sub-Saharan Africa (265 million), Latin America and the Caribbean (53 million), the Near East and North Africa (42 million), and Developed Market Economies (15 million).

The record high number of undernourished in 2009 was the result of a combination of factors, including the 2006-08 food crisis and the recent global economic and financial crisis. Together, these events pushed millions more below the poverty threshold and into hunger and malnutrition. Worst affected

were the rural landless, female-headed households and the urban poor.

The dramatic rise in food prices since 2006 has exacerbated an already fragile food security situation, particularly in low-income countries (LICs), most of which are net buyers and importers of food. Food accounts for some 60-80 percent of household incomes in LICs, compared with just 10-20 percent in the advanced economies. While food commodity prices have declined substantially from their peak of mid-2008, they remain high by historical standards and are projected to rise further – between 20 percent and 50 percent by 2016 – due to structural changes in supply and demand. Food losses during harvesting, processing, handling, packaging and transport also contribute significantly to higher food prices and problems of food security.

Global hunger – increase in undernourishment 2008 to 2009



Source: FAO/APP

Underlying structural problems

The food and financial crises aggravated the long-term structural problems underlying chronic hunger and undernourishment. These include the following:

i) Lack of investment. Under-investment by both the public and private sector in agriculture and rural development in the South over the past three decades has been a major factor in the declining growth rate of agricultural productivity – from 3.5 percent in the 1980s to 1.5 percent today – and rising hunger levels. Similarly, Official Development Assistance (ODA) for agriculture declined from a peak of 18 percent in 1979 to 4.3 percent in 2008.

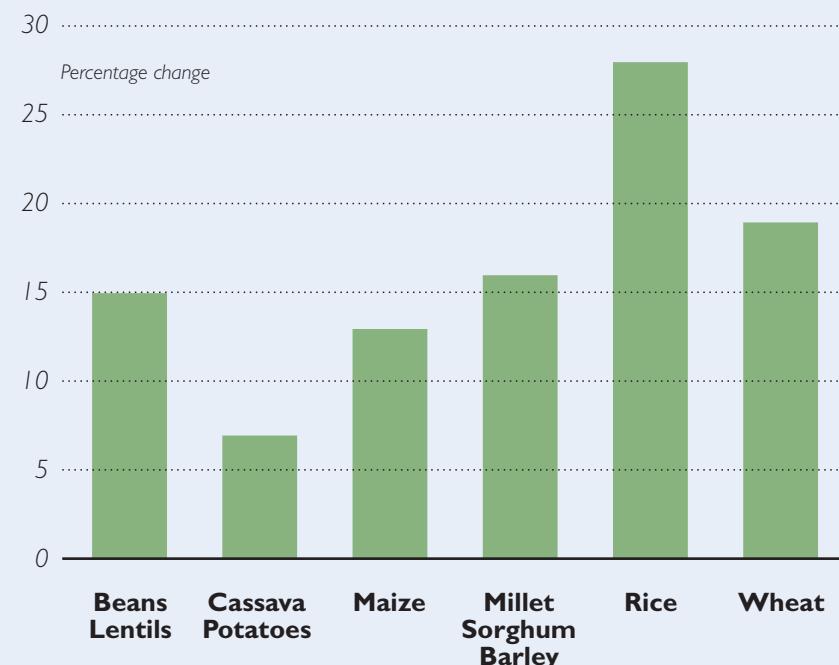
ii) Poverty. Poverty and its causes – including social exclusion, lack of choices, opportunities and access to land, water, seeds, capital, knowledge, technology and energy – are major factors underlying hunger. Hunger, in turn, exacerbates poverty by leading to physical impairment, illness and low levels of energy, thereby reducing people's ability to learn and work.

iii) The gender gap. Hunger tends to go hand-in-hand with gender inequality. Eight out of 10 people engaged in farming in Africa and six out of 10 in Asia are women, who are the sole breadwinners in one out of three households around the world. Women account for some 60 percent of the world's chronically hungry.

iv) Restricted access to fertile land. About 40 percent of the world's arable land is degraded and will continue to be affected by climate change. The limited new land available for agricultural production is thus an additional concern for food security.

v) Fresh water scarcity. Fresh water scarcity and drought, caused in part by

Domestic food price increases over two years to end-2008



Note: Data refer to median percentage increase in inflation-adjusted price, December 2008 compared with December 2006

Source: FAO

deforestation, are an increasingly important cause of hunger. There are many areas in the world where food production is very limited due to scarce water resources.

vi) Rapid population growth. Pressures on land and water resources are likely to mount as the world's population swells from 6.8 billion today to a projected 9.1 billion by 2050. Most of this growth will take place in the developing countries, especially the least developed among them. It is further expected that about 70 percent of the global population will live in cities by 2050, as opposed to 49 percent today.

vii) Climate change. Problems of food security are compounded by climate change, which is increasingly viewed as a current and future cause of hunger and poverty. By worsening the growing conditions for crops, climate change will constrain even more the productive capacity of agricultural land and undermine agricultural growth.

viii) War and civil strife. War, civil strife and migration are both a cause and a result of hunger and poverty. In most countries with a high prevalence of hunger and chronic undernourishment, war and violent conflict have given rise to widespread poverty, migration and food insecurity. ►

Identifying solutions

► To a large extent, the problems of food security can be resolved by helping the South attain modern, science-intensive and highly capitalized agricultural systems. Such systems should be supported by increased investment in agriculture and rural development, as well as in appropriate science and technology. Equally important would be conducive policies and regulatory and institutional frameworks, as well as enhanced market access.

According to the Food and Agriculture Organization of the UN, investment in primary agriculture and downstream services in developing countries would need to increase by an estimated 47 percent to US\$209 billion annually to meet the increase in global food demand by 2050. The bulk of this investment is expected to come from the private sector, particularly in the form of Foreign Direct Investment (FDI). The role of the public sector would be to assume responsibility for creating a broader enabling environment for FDI by improving macro-economic stability, creating conducive judicial and regulatory frameworks, and by strengthening physical and financial infrastructure, social safety nets and access to safe and affordable energy – the missing “ninth” MDG and a fourth factor of production. Measures should also be taken to boost investment in food and

agricultural science and technology. Without an enabling environment and access to energy, together with strong scientifically based commercial agricultural systems, agriculture cannot achieve its full production capacity, and many countries in the South will continue to struggle to increase food production.

Particularly attention should be paid to supporting the approximately 500 million smallholder farms around the world, which support about two billion people. Enhancing access for farmers to productivity-increasing farming technology and improved seeds and fertilizers as envisaged in the March 2010 *Montpellier Roadmap* could help them grow more and better crops, compete on global markets and increase their earnings. At the same time, such efforts would enable small farmers to rise to the challenge of increasing global food supply, while adapting to climate change and preserving the environment on which future food production depends. Ensuring that agricultural price increases are transmitted to smallholder producers also remains essential for raising rural incomes and creating the purchasing power required for broad-based growth.

Finally, world trade and global food and energy security policies should be made more coherent as we move towards

more effective forms of global governance. Progress remains to be made in delivering on the development dimension of the World Trade Organization’s *Doha Development Round* of multilateral trade negotiations, including special and differential treatment for LICs. Similarly, care should be taken to ensure that policies aimed at encouraging the production of food-based biofuels do not compete with the use of increasingly scarce resources for food production, such as land and water.

Taking action

The world food and financial crisis and concerns about global climate change have opened up a new era of opportunities. A first step in the right direction was taken in L’Aquila, Italy, in July 2009, when the Group of Eight (G-8) most industrialized nations committed to disbursing US\$20 billion to tackle the food crisis over the coming three years. April this year saw the establishment of a *Global Food Security Trust Fund*, and, in July, an *Investment Forum for Food Security in Asia and the Pacific* was held in Manila, the Philippines. Issues of world food security shall be further discussed at the UN Summit on the MDGs this coming September in New York. ■

Hunger Fact File

- Globally, 1.02 billion people do not have enough to eat – more than the populations of USA, Canada and the European Union combined.
- In developing countries alone, 907 million people are hungry.
- More than 60 percent of chronically hungry people are women.
- Sixty-five percent of the world’s hungry live in only seven countries: India, China, Congo DR, Bangladesh, Indonesia, Pakistan and Ethiopia.

- Of the 10.9 million children under five who die in developing countries each year, 60 percent of the deaths are caused by malnutrition and hunger-related diseases.
- One out of four children – roughly 146 million – in developing countries is underweight.
- The cost of undernutrition to national economic development is estimated at US\$20-30 billion per annum.

- Lack of Vitamin A kills a million infants a year.
- Iron deficiency is the most prevalent form of malnutrition worldwide, affecting an estimated two billion people. Eradicating iron deficiency can improve national productivity levels by as much as 20 percent.
- Iron deficiency is impairing the mental development of 40-60 percent of children in developing countries.

Source: FAO, UNICEF and WHO.



Feeding the hungry: the experts' view

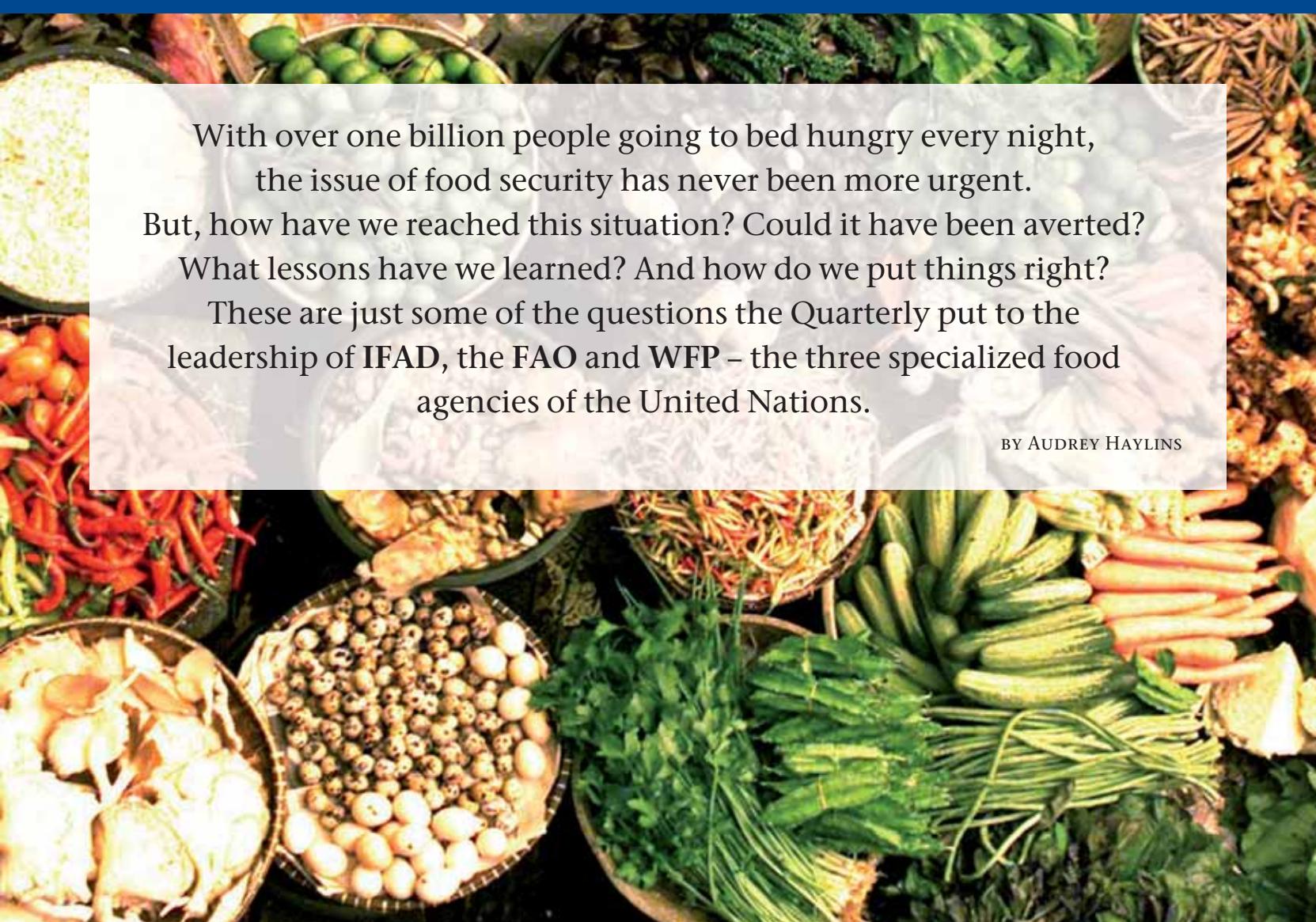
With over one billion people going to bed hungry every night, the issue of food security has never been more urgent.

But, how have we reached this situation? Could it have been averted?

What lessons have we learned? And how do we put things right?

These are just some of the questions the Quarterly put to the leadership of IFAD, the FAO and WFP – the three specialized food agencies of the United Nations.

BY AUDREY HAYLINS





Dr. Kanayo Nwanze

"The 2007 – 2008 food crisis was a wake-up call," asserts **Dr. Kanayo Nwanze, President of the International Fund for Agricultural Development (IFAD)**. And one, he quickly adds, that was a long time coming, given the long-term disinvestment in agriculture: "For two decades, many countries focused their efforts on infrastructure development and industrialization, forgetting that surpluses in agriculture are a prerequisite for successful industrialization."

Without diminishing the suffering caused by the crisis, Nwanze takes a pragmatic view, pointing out the "many good things" that have come out of it. These include, above all, a realization of the link between food security and political stability, as vividly demonstrated, he says, by the food riots that took place in 40 countries and, in some cases, brought down governments. Nwanze believes that it was this awareness that ultimately led to the US\$20 billion Food Security Initiative announced by the G-8 nations at the July 2009 L'Aquila Summit.

Nwanze is vociferous in his approval of the repositioning of sustainable agriculture on the global development agenda, but is eager to highlight specifics: "When we say that developing countries must grow their own food, we have to understand that we are talking

about *smallholder* agriculture." Globally, he says, there are some 500 million smallholder farms, the vast majority of them less than two hectares in size. "These farmers produce 80 percent of the food that is consumed by 80 percent of the population. We cannot ignore them." Moreover, he stresses, when we acknowledge the importance of smallholder farming, we must also acknowledge the pivotal role of women, who do the majority of the planting, the growing and the processing. "That the international community is finally recognizing these facts is music to IFAD's ears," Nwanze declares. "These are the very things we've been talking about for the past 30 years."

For Nwanze, the biggest challenge going forward is to keep agriculture and food security at the top of the international agenda: "to ensure that agriculture continues to receive the importance that it has generated as a result of the crisis, and not just in terms of advocacy but in concrete action." For now, he stresses, it is vital to grasp the momentum.

The solution, however, is complex: "It's not just about increasing productivity, but also about providing rural finan-

cial services and investing in rural infrastructure, as well as securing fair trade deals and market access," he argues. In this context, Nwanze talks about the need to build "vibrant local markets." It is time, he affirms, to move away from the mindset that sees smallholder agriculture as a subsistence activity. This, he argues, is simple poverty management. "We need to begin looking at smallholders as people who want to make money, as people who can be transformed into productive entrepreneurs."

It is this "value-chain" approach that Nwanze believes can eventually create sustainable wealth for rural areas, as farmers diversify and make the shift from primary to secondary producers. "As well as strengthening food security, we need to leverage the commercial and economic viability of smallholders so that they can learn how to invest in their own futures." In this process, capacity-building will be essential. "We have to help rural communities strengthen their institutions, organizations and governance structures so that they can dialogue with the private sector, which also has a role to play."

Nwanze is convinced that the youth should be considered as key stakeholders



PHOTO: IFAD/HORST WAGNER

in this transition. "It is vital," he says "to create opportunities for youth so that they can be gainfully employed and feel part of society. What we want to avoid is young people abandoning the countryside and migrating to the city because they have nothing to do." It is for this reason, he adds, that IFAD places youth – especially young women – at the heart of its activities.

Nwanze also remains very open-minded about the concept of overseas land acquisition and its implications for small farmers in developing countries. "There is no reason why this cannot be a win-win situation for all concerned," he argues, highlighting historical examples – such as the tea plantations in Kenya – of how such investments have been highly profitable to the economies of the host countries. He notes, however, that it is the responsibility of the international community to develop appropriate guidelines. "If it is possible to have such agreements in the mining sector, for instance, why not also in the agriculture sector?" he posits.

On the matter of where the world now stands with regard to the first Millennium Development Goal (MDG1) of reducing hunger and poverty by half by 2015, Nwanze admits that this is, in all likelihood, beyond grasp. He is quietly optimistic, though, that if we can maintain the current momentum and continue stressing the linkage between food security and political stability, the upward trend will at least be reversed. "We have no choice but to believe in the goal and continue working towards it," he concludes.

Women play a pivotal role in producing food in developing countries.

PHOTO: FAO/GIULIO NAPOLITANO



Dr. Jacques Diouf

"To solve the food insecurity problem once and for all, developing country agriculture needs US\$44 billion a year in Official Development Assistance (ODA) for investment in rural infrastructure, technology and modern inputs," asserts **Dr. Jacques Diouf, Director-General of the Food and Agricultural Organization of the United Nations**, who describes the dearth of such investment over the past 30 years as the "single structural cause" of the global food crisis.

To demonstrate his point, Diouf cites some telling statistics: ODA to agriculture, he reveals, has fallen dramatically in recent decades, from 19 percent in 1980 to about five percent today. Even the agriculture-based economies have failed to invest adequately in the sector. In 2004, for example, national governments applied just four percent of public spending in agriculture as a share of their agricultural gross domestic product, which is much less than the 10 percent that Asia spent in the 1970s to spearhead the Green Revolution.

In the lead up to the food crisis, Diouf identifies the ongoing global shift towards higher-quality diets as another long-term driver. This shift was especially evident in emerging economies, where rising incomes led to greater demand for meat and dairy products. As this grew, so did de-

mand for cereals as livestock fodder, causing global cereal stocks to fall to historically low levels, just as other factors – most notably high oil prices – kicked in.

"Unfortunately, most of the factors that led to the 2007 – 08 crisis are still present today," warns Diouf. "And what is certain is that similar crises are bound to occur again, unless sufficient resources are devoted to the agriculture sector in poor countries."

Diouf's shopping list is long and expensive: "We need to provide farmers with quality seeds, fertilizer, feed, animal vaccine and appropriate technology. But there is no point in increasing productivity if farmers cannot get their produce to market." This, of course, means providing the necessary infrastructure, from roads, grain-storage and cold-storage to, perhaps most importantly, irrigation. As Diouf quickly points out, "irrigation can increase yields by up to 400 percent."

Policy and structural changes are also vital, and here Diouf is loud in his condemnation of the global trade system. "One root problem that needs to be tackled is the fundamental injustice of the international agricultural system, which stacks the deck in favor of rich countries," he declares. "Agriculture subsidies provided by OECD countries – running at about US\$1 billion per day – together with high customs tariffs and technical barriers, distort trade, break the basic rules of competition and help to keep poor people in poverty." Diouf urges the resumption and completion of the World Trade Organization's Doha Round of trade negotiations in order to bring the trade system into balance. "But the Round has to put world food security at the heart of its negotiations," he warns.

Other policy issues that need to be addressed, according to Diouf, include that of land rights reform "to give farmers in developing countries greater security of tenure," and that of overseas land acquisition: "We need to see a positive outcome of the discussions to agree on an international code of conduct on private investment in agriculture that will ►

◀ ensure win-win situations with balanced partnerships among all concerned.”

Like Dr. Nwanze, Dr. Diouf feels that not enough emphasis has been placed on addressing gender issues in agriculture, or on understanding the huge contribution women make to food security and the elimination of poverty. In this, he is unequivocal: “Without the full economic participation of both women and young people in the productive activities of their countries, durable development cannot take place,” Diouf asserts. He also points out that farming is becoming increasingly knowledge-based and that “education and extension services are therefore key factors in the fight against hunger.”

Dr. Diouf reports that FAO is helping to define an improved global system for food security governance through the re-

formed FAO Committee on World Food Security. The Committee, he says, will act as “a global platform for the coordination of expertise and action in the fight against hunger.” It will consist of a high-level panel of experts that will provide objective and impartial research and analysis to help countries take appropriate decisions. And, with the relevant mechanisms at the national level, it will, according to Diouf, form a central component in the evolving Global Partnership for Agricultural and Food Security.

These efforts aside, Diouf stresses vehemently that world leaders and decision makers “must make hunger reduction an absolute priority and act quickly,” if there is to be any headway towards MDG1. To get them to do this, FAO is running a “1billionhungry” campaign*, which is aimed at getting one million signatures on a petition for presentation to the United Nations in September. “With a sufficient number of signatures, it will be difficult to ignore,” says Diouf.

* The petition can be signed online at <http://www.1billionhungry.org>

For Ramiro Lopes da Silva, Deputy Executive Director, the World Food Program (WFP), the food crisis will always be defined as the event that produced the “new face of hunger.” This, he explains, is due to the fact that food may be available, but people either cannot afford it, or cannot physically get to it. They include the rural landless, pastoralists and urban poor – people who, even before the crisis, were already spending 60 percent, sometimes 80 percent, of their household budgets on food.

Lopes da Silva argues strongly, therefore, that food *accessibility* is just as important as its *availability*. “It is not sufficient just to increase production,” he emphasizes, “we also need to have in place social protection measures, such as school meal programs, programs of support to mothers and children and food-based productive safety-nets.”

When asked to identify the main triggers of the crisis, Lopes da Silva believes that it was “the convergence of many factors at a single point” that made the situation so critical. Chief among them, however, was the growing demand for food, which in seven out of eight years before the surge in prices, had been higher than supplies. “This rising demand was triggered by a growing population, increased consumption of meat and dairy products and the expansion of biofuels production,” he says.

Lopes da Silva witnessed the impact of the crisis first hand: “As the then WFP Special Envoy for the Horn of Africa, I saw the livelihoods of millions of people across the region spiral steadily downwards, as this frightening confluence of factors – all beyond their control – pushed them closer to destitution,” he recalls. The result was more than 14 million people in the sub-region requiring urgent food aid and other humanitarian assistance.

At the height of the crisis in 2008, WFP faced the challenge of ex-

*Efficient irrigation
can increase yields
by up to 400 percent.*



PHOTO: FAO/ROSETTA MESSORI



Ramiro Lopes da Silva

panding its program of work from about 70 million to 100 million beneficiaries within a few months. "We achieved this only due to the great generosity of our donors," concedes Lopes da Silva. "Key among them was a record contribution of US\$500 million from the Kingdom of Saudi Arabia, which put it at the forefront of the large-scale, high-level, multilateral UN response."

Although primarily known for providing food 'aid,' WFP is aware that a long-term answer to the hunger problem is essential and has adjusted its strategies accordingly. "WFP has developed a toolkit of innovative solutions to combat and prevent hunger at the same time. This is why we speak about food *assistance* rather than food aid nowadays," Lopes da Silva explains. Examples of WFP's flexible food assistance tools include cash transfers, voucher projects, food-for-work projects and weather insurances. "Having these options available allows us to choose the right intervention at the right time," he says.

Lopes da Silva goes on to stress how important it is to acknowledge the "developmental impact" of a tool like food-for-work in helping the poorest and marginalized communities to build livelihood resilience. "Food-for-work supports by investing in assets such as watershed management, irrigation systems, terracing to prevent soil erosion, trees to arrest desert

expansion and storage systems to reduce post-harvest losses."

Another highly successful tool is the 'Purchase for Progress' or 'P4P program,' which offers smallholder farmers opportunities to access agricultural markets and become competitive players in the marketplace. "The benefits of such an incentive are two-fold, as we see both production and earnings increasing," says Lopes da Silva. He reports that, since P4P's launch in September 2008, WFP has contracted over 52,000 metric tons in food in 17 countries, including Sierra Leone and Liberia, two post-conflict countries, where the agency has never been able to buy food before. WFP has additionally identified 600 farmers' organizations, representing almost 760,000 farmers, who could be involved in the program. In total in 2009, WFP procured 2.6 million metric tons of food, with 82 percent coming from developing countries.

As the global agency that dealt with the sharp end of the food crisis and that is still working to absorb the repercussions, WFP welcomes the recent re-engagement of the global community in the battle

against hunger. For Lopes da Silva, it is a battle that is "winnable." Take the cases of China and Brazil, he says. "Just two decades ago, they were two of WFP's biggest recipients. Today, they are active supporters of our efforts to fight hunger."

With regard to MDG1, Lopes da Silva warns that "reducing poverty is not synonymous with cutting hunger and malnutrition." There are developing countries, he says, where incomes have increased substantially, but malnutrition has not declined correspondingly. This means there has to be more focus on strategies like therapeutic feeding for malnourished children; the development of new nutritious products within food assistance programs; and on meeting the needs of vulnerable populations like women and children. ■

Nutritious school meals help keep students healthy and at the same time encourage regular attendance.



PHOTO: WFP/REIN SKULLERUD



Water and food security: intertwined challenges

Although it is an essential component of the food security equation, water is a constantly dwindling resource. And nowhere is its dearth more critical than in the Arab and Sub-Saharan Africa regions, where farmers face huge challenges in trying to maximize yields, while managing limited land and water resources. In the following article, economic expert, **Abdul-Karim Sadik**, explores various aspects of this important issue and offers insight into sustainable solutions.



Water and land are vital resources for sustainable agriculture as a source of food supply. The main concern at the present time is whether the finite water and land resources in the world are capable of producing enough food crops to meet the projected 50 percent increase in population over the next four decades, reaching nine billion in 2050. Although, at the global level, available resources could support the production of food needed in the future, the challenge lies in improving food security in developing countries through domestically produced food crops, while adapting to the predicted negative impact of climate change on agricultural output.

Two regions of the world – the Arab region and Sub-Saharan Africa – face vast challenges in securing food for their growing populations. The Arab region, with its arid and semi-arid climate, is the poorest region in the world in renewable water resources, with a per capita share of less than 1,000 m³ per year, and depends largely on imports to feed a current population of about 335 million. Sub-Saharan Africa, with a more diverse climate and home to about 820 million people, has not been able to tap its considerable potential of water and land resources to supply the food needed from domestic production.

Food security

With mounting pressures of high population growth, averaging over 2.5 percent annually, and increasing scarcity of land and water resources, the two regions, notwithstanding some differences in natural resources endowments, and their uneven distribution, pursue a common objective to achieve greater food self-sufficiency.

Achieving food security in both regions remains of great concern. About 25 percent of the Arab population suffers from poverty, and the situation in

Sub-Saharan Africa is the most worrisome in the world, with over 30 percent of the population undernourished. Moreover, Sub-Saharan Africa is the only region in the world where food security is projected to worsen unless some drastic measures are taken to reverse the current trend. Reliance on imports is likely to raise the food bill as a result of the 2007-08 global food crisis, which resulted mainly from rapid and sharp increases in staple food prices, followed by an economic crisis that did not spare developing countries and had important implications for their overall economic growth and food security. These events, coupled with the imposition of restrictions – or an outright ban by some countries – on exports of staple food crops, renewed interest in agriculture and placed it back at the top of the development agenda in developing countries, including those in the Arab and Sub-Saharan Africa regions.

Agriculture

Global agriculture has been the main source of food for the population of the world, and its productive potential has met the growth in demand. Water for irrigation has played an important role in ensuring the required increase in food production.

The Arab and Sub-Saharan Africa regions have substantial arable land resources. Agriculture in both regions is predominantly smallholder farming and is largely dependent on rainfall. Low levels of irrigation, estimated at about 15 percent of cultivated area in the Arab region and only about five percent in Sub-Saharan Africa, keep agriculture in both regions vulnerable to erratic rainfall and weather conditions, exposing a number of countries to instances of drought, with serious consequences for agricultural output, including livestock production. ▶

Abdul-Karim Sadik is Economic Adviser at the Kuwait Fund for Arab Economic Development, where he has garnered 25 years experience in the field of development. Dr. Sadik's areas of interest include the economics of water, a subject he has researched extensively. He is the author and co-author of numerous published papers on the topic.

◀ Irrigation is critical to increasing productivity. The Green Revolution of the 1960s, which combined irrigation with new crop varieties, fertilizers, pesticides and mechanization, greatly enhanced food security in Asia and Latin America over recent decades. The Arab and Sub-

Saharan Africa regions, however, missed out on such achievements. It is estimated that about 90 percent of the increase in cereal production today is attributed to agricultural intensification, while about 10 percent is due to an expansion in irrigated land.

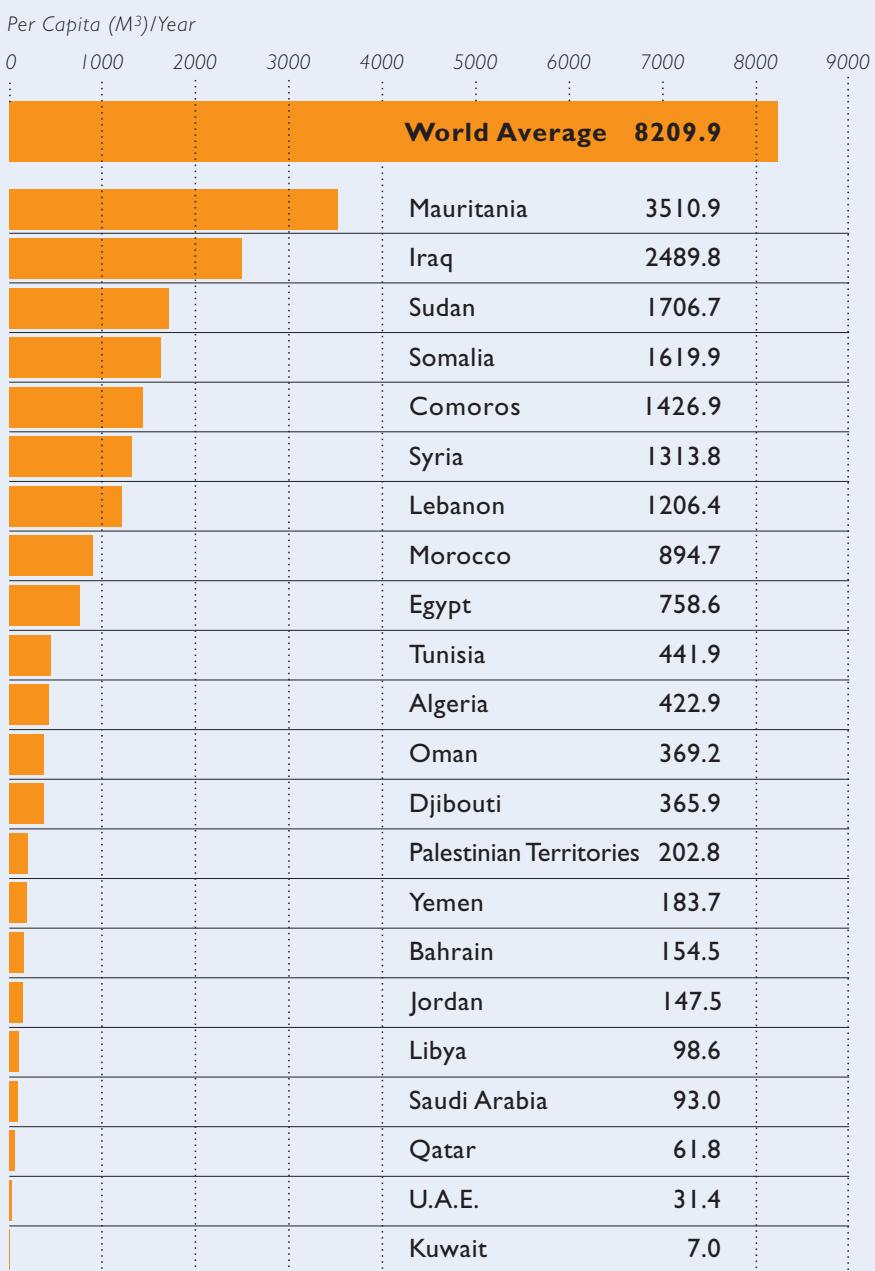
The success of the Green Revolution was built on drastic actions to increase crop productivity. While productivity is of crucial importance for increasing the availability of staple food crops, it is even more so in the Arab and Sub-Saharan Africa regions, where cereals are the main staple crop, providing over 50 percent of the food intake of the population, and where imports constitute about 50 percent and 25 percent, respectively. Improving cereal productivity is key to increasing food supply from domestic production.

Cereal productivity

The World Development Report 2010 shows that land under cereal production in the world decreased from about 707 million hectares to about 698 million hectares over the period 1990/92 – 2006/08, while cereal yields rose from about 2.85 tons per hectare to about 3.40 tons per hectare. In comparison, land under cereal production in Sub-Saharan Africa increased from about 71 million hectares to about 94 million hectares, with cereal yields rising from about 1.0 ton to about 1.2 tons per hectare over the same period. Various Unified Arab Economic Reports show that land under cereal production in the Arab region rose from about 28.5 million hectares to about 31.3 million hectares, and yields increased from about 1.3 tons to about 1.6 tons per hectare for the same period. While the increase in global cereal production was due entirely to an increase in yields, most of the increase in Sub-Saharan Africa was driven by an expansion of the cultivated area.

Low productivity in the two regions is a result of several factors, including: large dependence on rain-fed agriculture; low levels of fertilizer use; lack of access to improved seeds; inadequate extension services; and poor infrastructure. With the exception of Egypt and Jordan, average fertilizer use in Arab agriculture-based countries is much lower than the world average of about 118 kilograms per hectare, and is the lowest in the world at about only 11 kilograms per hectare in

Renewable water resources in Arab countries (2007)



Source: World Resources Institute (earthtrends.wri.org)

Sub-Saharan Africa, due mainly to high fertilizer prices and reduced subsidies.

Irrigation, with the application of the right quantity and quality of inputs, is critical to increasing productivity. In Egypt, for example, where agriculture is nearly 100 percent irrigated and fertilizer use is over four times the world average, cereal productivity is about 7.5 tons per hectare, surpassing that in most developed countries.

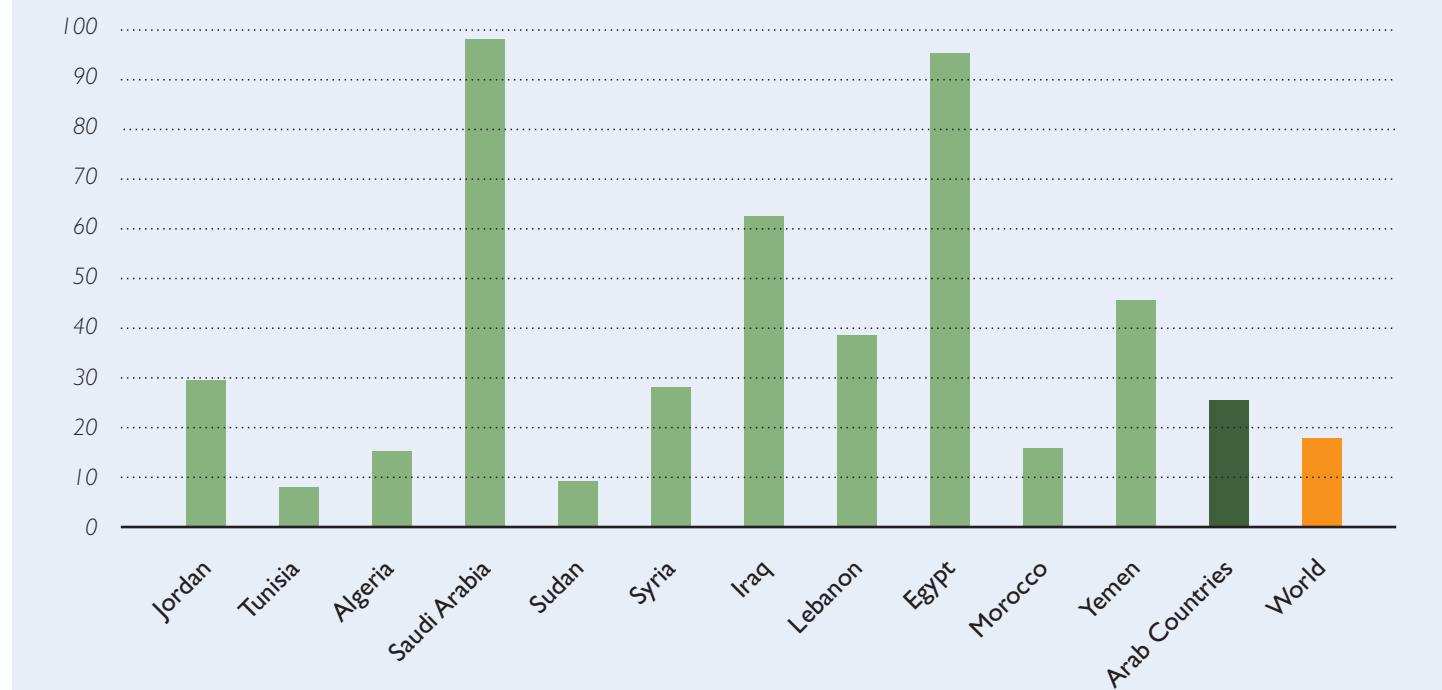
Increasing cereal production through the expansion of cultivated areas is unsustainable considering the already vast degraded areas which need restoration through water and soil management. The key to increasing cereal production is to improve yields substantially through the adoption of suitable technologies, improved crop varieties, increased fertilizer use and extension services, with the support of adequate research and best farming practices.

Despite water scarcity in the Arab region, irrigated food production has been maintained through unsustainable extractions of surface water and the overpumping of groundwater, undermining their potential and quality for further expansion in irrigated agriculture. Irrigation, which consumes over 85 percent of available water resources in the Arab and Sub-Saharan Africa regions, is already constraining meeting the rising demand for water in the municipal and industrial sectors. Most countries in the two regions face serious challenges in satisfying total demand for drinking water.

Past practices in irrigated agriculture in the two regions with heavy dependence on traditional irrigation systems and inadequate water policies resulted in low irrigation efficiency represented by water loss of over 50 percent. In view of the pivotal role played by water in food production, growing water scarcity and competition for ▶

Modern irrigation techniques could result in enough water savings to expand irrigated areas by at least 20 percent.

Irrigated area as a percentage of cultivated area in selected Arab countries (2005)



Source: Arab Organization for Agricultural Development

◀ water call for drastic measures to improve the efficiency of water use. It is estimated that by raising the irrigation efficiency to only 70 percent through the application of modern irrigation techniques, enough water could be saved to expand irrigated areas by at least 20 percent.

Low agricultural productivity in general and cereal productivity in particular, is a major constraint on the domestic food supply in the two regions. The situation is further exacerbated by the considerable post-harvest losses. Despite difficulties in assessing their real impact, cereal losses are commonly estimated to range between 20 and 50 percent of the harvested crops. Such sizable losses could be minimized by more attention and care to post-harvest operations, including packing, transport, storage, marketing and agricultural processing. Reducing post-harvest losses and improving productivity can greatly reinforce the strength of the pillar on which food availability stands.

Accessibility and affordability

Making products accessible to consumers is an essential element of food security. This requires adequate transport infrastructure and marketing facilities, not only to move products internally, but also to facilitate trade, by removing obstacles and barriers between countries at the regional level. The Arab and Sub-Saharan Africa regions can greatly enhance the achievement of their common objective through intra and inter-regional cooperation based on their comparative advantage in the resources for food security.

Bringing food to the right place and at the right time does not by itself ensure food security unless the marketed products can be purchased at affordable prices, competitive with those of similar imported products. In this respect, improving the efficiency of all elements in the food supply chain, including farming, marketing and distribution is vital, not only for relieving pressure on prices, but

also for improving the economic viability and sustainability of agricultural investments and strengthening justification for their funding.

In conclusion, the daunting challenge for the two regions is to adopt new approaches to the use of the natural supply of water and land resources to preserve their quality and increase their productivity, in addition to improving efficiency all the way from farms to consumers. This would require learning from past experiences to avoid failures and build on successes with full recognition of the paramount importance of investment, knowledge, research, technology and innovation in unlocking the potential of agriculture for enhancing self-sufficiency through domestic production of basic food crops, such as cereals. ■



PHOTO: IFAD

Drip irrigation gives the same yields as conventional irrigation, but only uses a fraction of the water.



Agricultural research: breaking the vicious circle

Saving water, time and money, low-cost zero-tillage planters have sparked a farming revolution in the dry areas.

PHOTOS: ICARDA

Resource-poor countries striving to build viable agriculture sectors find themselves confronted with increasingly challenging constraints, from harsh climates, scarce water resources and degraded soils to a multitude of crop and livestock pests. The role of science in adapting to this scenario has never been more important, as **Dr. Mahmoud Solh**, Director-General of the International Center for Agricultural Research in the Dry Areas (ICARDA), explains to the *Quarterly* in the following interview.



Dr. Mahmoud Solh

Today's younger generation would call it a "no-brainer": If you want to increase agricultural productivity in resource-poor conditions, you must invest in research to develop better, more sustainable farming technologies, higher-yielding varieties of seeds and hardier livestock.

This certainty notwithstanding, agricultural research has, until very recently, remained conspicuously absent from the global development agenda, a situation ascribed by Dr. Solh to the failure by developing country governments and international donors to recognize its true importance.

"Only now, in the wake of the recent food crisis, is the development community realizing that infrastructure investment on its own is not enough," states Dr. Solh. "In the quest for food security, the sustainable management of natural resources, along with the genetic ►



PHOTOS: ICARDA

Protected agriculture allows high-value crops, such as fruits and vegetables, to be grown in a controlled environment, leading to top-quality produce that fetches premium prices.

► improvement of plants, animals and even fish, are key elements. If you accept this, then you must accept that investment in agricultural research is absolutely crucial."

Dr. Solh heads ICARDA, one of 15 research centers sponsored by the Consultative Group on International Agricultural Research (CGIAR). Working in collaboration with governments and civil society organizations as well as private businesses around the world, CGIAR applies cutting-edge science to boost agricultural productivity, especially among poor smallholder farmers.

"Farmers are very smart," says Solh. "If they find a new technology that increases their income, then they will go for it." The bigger hurdle, he points out, lies in getting the technology to them, which is why effective extension systems and

technology transfer are so important. "We must strive to make this link through a proper research for development continuum. There is no point in doing all the research and then letting the results sit on a shelf," he stresses.

Sohl cites numerous examples of successful applications of technology, among them *conservation agriculture*, in which the concept of 'zero tillage' plays a key role. "It is a myth that soil needs to be plowed in order for crops to grow," declares Solh, quoting the case of the Americas, where there are some 110 million hectares of zero-tillage land. "This type of farming is especially useful in the dry areas, where water is at a premium, and brings with it so many advantages for farmers." Chief among these is conservation of moisture – because the soil is undisturbed, it retains whatever water is below the surface. ►

Boosting water productivity in the dry areas: a case study

In order to improve food security and rural livelihoods in the dry areas, farmers must be able to produce more food with less water. However, while improved water management technologies are available, adoption has traditionally been poor because of ineffective implementation and because farmers tend to believe such technologies are impractical.

Such was the situation facing ICARDA scientists when they launched the *Water Benchmarks Project* in 2004. Targeting three different environments – marginal rainlands in Jordan, rainfed cropping systems in Morocco and irrigated areas in Egypt – the goal was increase uptake of improved technologies and thereby improve water productivity and livelihoods.

Six years later, the project has been an unprecedented success and a major catalyst for change in both the original benchmark locations and satellite sites.

Key to this success was the use of an integrated approach, based on community participation. At each site, the local community was a full partner in planning, implementation, monitoring and evaluation. Farmers worked with scientists to test a range of “best-bet” technologies and select those that best meet their needs – often adapting the technologies to suit local conditions. This fostered a strong sense of community “ownership”, leading to the rapid adoption of techniques that were found to be effective and relevant.



Mechanized water harvesting

In the marginal drylands of Jordan, the project used a specially designed tractor-drawn plow to build micro-catchment systems for the harvesting and channeling of rainwater runoff. The resulting micro-catchment ridges provide fertile ground for growing fruit trees and fodder shrubs, giving farmers an additional source of income and improving livestock health and productivity. In the longer term, the improved vegetation cover and reduced grazing pressure will see degraded rangeland being progressively rehabilitated.

Raised bed systems

In Egypt, the project introduced the “raised bed” system to farmers who had traditionally practiced surface irrigation, whereby crops are planted in closely spaced furrows and the whole field is flooded. Under the new system, fields have broader, slightly raised “crop strips” and fewer furrows, thereby reducing over-irrigation. In tests, water consumption fell by 30 percent, with correspondingly lower pumping costs, while labor costs for land preparation, irrigation and weed control dropped by 35 percent. Yields were the same, or higher, than the conventional system, and farmers’ net income increased by one-third.

Supplemental irrigation

In Morocco, where agriculture is largely rainfed, yields are often compromised by the timing of the rains, which typically come four to six weeks after the optimal sowing date. A new technology package introduced under the Benchmarks Project has boosted yields and water productivity significantly by combined early sowing with supplementary irrigation. This method allows for a small quantity of water – the equivalent of a couple of showers – to moisten the soil sufficiently to ensure germination and early growth, thus allowing plants to take full advantage of the rains that follow.

Micro-catchment systems trap runoff water, creating fertile ridges for the growth of livestock fodder and other shrubs.

Source: ICARDA

◀ It also allows farmers to plant a new crop immediately after harvesting, rather than having to wait while the stubble is cleared and the land plowed – thereby saving both time and money. ICARDA, Solh reports, has successfully developed – for a fraction of the cost of its German prototype – a zero-tillage machine for planting that is already being used with impressive results in Iraq and Syria.

Yet another example is that of *protected agriculture*, where through the use of plastic greenhouses in Yemen, for instance, tomato yields have increased 18-fold. A similar project in Afghanistan has seen saffron production reach 10 kg per hectare, compared to 8.5 kg per ha in IR Iran, the original home of the spice. Says Solh: “Protected agriculture is especially useful in very conservative communities, where women are not allowed to work in open fields. Tending crops in an enclosed environment enables them to help support their families and make a contribution to the community.”

Together with better land management, sustainable water management practices are another important focus for scientists seeking to boost agricultural productivity where natural resources are limited. “Unlike farmland, what we have to remember with water,” says Dr. Solh, “is that it is a collective, not a private, property, and thus requires an integrated, community approach.” Local situations vary from country to country, and even within countries, so solutions have to be adapted accordingly. Working with farming communities in Egypt, Jordan and Morocco, ICARDA has thus developed a range of innovative techniques for optimized water use. These include micro-catchment systems, raised beds irrigation and supplemental irrigation, all of which formed part of a successful *Water Benchmarks Project*, implemented over the past few years with OFID co-financing (see case study, page 21).

Dr. Solh reveals that significant advances have also been made in relation to the development of seed varieties that can grow in harsh climates and that are resistant to disease and insect pests, some of which are highly virile and can wipe out an entire harvest. Leading the way in this area are CGIAR members: the International Maize and Wheat Improvement Center, the International Potato Center and the International Crops Research Center, among others. Also making an important contribution is the International Center for Biosaline Agriculture in Dubai, where scientists are working to develop and promote the use of sustainable agricultural systems that use saline water to grow crops.

Solh believes fervently that developing countries should develop their own research capacities by providing better incentives and building up a strong cadre of agricultural scientists. “This is why ICARDA and other CGIAR Centers work so closely with national programs,” he explains. “Although we provide technical

back-stopping and plan together, it is important that the participating countries are themselves the leaders of the work and take responsibility for the implementation of a project.” Equally important is the fostering of partnerships at regional, sub-regional and international level in order to make the best use of knowledge, experience and best practice. “Some challenges, like climate change, are far beyond the capacity of any one country or institution to tackle, so synergies are critical,” observes Solh.

Above all, Solh emphasizes the necessity of following an integrated approach to boosting agricultural productivity. First must come the political will so that “you are swimming with the stream and not against it,” then the science and technology, then the sustainable management of natural resources. He concludes, however, that it is “research alone” that can break the vicious circle between poverty and natural resource degradation and ultimately pave the way to food security for all. ■



PHOTO: ICARDA

Scientists are working to develop seed varieties that can grow in harsh climates and are resistant to disease and insect pests.

Raising the prospects of commodity producers



PHOTO: CFC

Since the early 1980s, when OFID marshalled substantial resources to meet the subscription fees of Least Developed Countries (LDCs) to the CFC, the CFC-OFID partnership has evolved into one of the most critical sources of donor assistance for commodity dependent developing countries (CDDCs). Over the past few years, OFID has been making a voluntary annual contribution to the CFC to help finance a wide range of projects – for key commodities such as coffee that generate income for producers, to food crops like rice that address food security.

Within the period 2005 – 08, when global commodity markets experienced extended phases of volatility and uncertainty, and new challenges such as the food crisis and the international financial collapse dominated the headlines, the CFC-OFID partnership responded swiftly to the immediate concerns of vulnerable commodity producing countries.

With smallholder farmers playing such a strategic role in developing country economies, all efforts to increase their productivity are vital – including securing their access to markets, both domestic and export. Here, **Charles Jama** of the Common Fund for Commodities, looks at the strategic partnership between the CFC and OFID, an alliance that has been benefitting commodity producers for many years.

The partnership's focus on sustainable agricultural development, food security and the vested economic interests of smallholder producers is seen as the most effective strategy for CDDCs to guarantee the efficient production and supply of food crops, and subsequently the alleviation of poverty through access

to open markets and income generation mechanisms.

Presently, under the cooperating partnership, CFC is implementing over 30 projects in beneficiary member countries, mostly in Africa, Asia and the Latin America-Caribbean region. Within the broad range of intervention measures ▶



Cassava is becoming a credible substitute for imported wheat flour in many African countries.

◀ supported, none are as crucial as those seeking to improve food production and counter the growing threat to food supply.

In promoting commodity development, the CFC engages other global and national sectors, including agricultural research institutions, public-private initiatives, local investment entities, national governments and other stakeholders. Ultimately, the aim is to improve the income-generation capacity of farmers and producers, while enabling them to participate in the market economy.

For example, an **organic banana** project, which came into operation in 2005, has created conditions for the emergence of an industry for the export of disease-free organic bananas and is currently establishing export market networks in the Middle East to meet rising demand for the product.

The project has benefitted rural growers in southern Ethiopia and central Sudan by increasing production capacity, improving post-harvest technology and arranging certifications that have facilitated marketing channels and export partnerships, including one with the leading multinational entity involved in global banana trade.

A similar project involving **vegetable exports** from the same region has also successfully linked up to sustainable markets in the Middle East and the European Union.

The Common Fund has financed cutting-edge applied agro-research to improve agricultural productivity and to curb plant diseases that can devastate farmers' output, harvests and economic survival.

Through collaborations with major research institutes, such as the International Institute of Tropical Agriculture, agro-processing and the vertical integration of the **cassava** sector has taken off and is now providing markets for new and diversified products such as flour, chips and snacks. Also, cassava flour is now rapidly becoming a credible substitute for imported wheat flour, especially in Madagascar, Tanzania and Zambia.

The cassava project's first phase, which covered mostly East and Southern Africa, was so successful that a follow-up phase two, involving about 9,000 farmers, who will be able to earn direct income from selling cassava as a cash crop, is already fully operational. The project has undertaken to imple-

ment broader application of market-oriented and profitable cassava production methods, the dissemination of appropriate and more efficient higher-scale processing techniques for *High Quality Cassava Flour* (HQCF) production and the related market expansion initiatives for cassava products.

It is almost certain now that the food security issue will dominate the global development agenda for some time, due to its potential for social dislocation, especially in net food importing countries in Africa and South Asia, where incidences of hunger and malnutrition are escalating.

For this reason, the CFC has also collaborated extensively with a vast network of partners to increased **rice** production, the main food staple in many African countries – again with OFID's financial support. With the Africa Rice Center and various local stakeholders, the Fund is one among a consortium of major international donors, including the Japan International Cooperation Agency, actively involved in propagating the *NERICA* rice variety in West and Central Africa. One of the key objectives of the project is to increase the rice quality to insure that its market share is competitive with imported rice brands, currently preferred by African consumers.

NERICA, the so-called new rice for Africa, is a hybrid combining the high yields of Asian rice with the hardiness and drought resistance of African varieties. It is cultivated primarily in drier upland areas instead of traditional wetlands paddy fields. Generally, the variety requires low inputs and is well-suited and adaptable to harsh and unpredictable weather conditions and climate.

The Common Fund's support measures for these types of food supply projects, where superior strains of rice such as *NERICA* are utilized, show that with better farming techniques and extension services, upgraded irrigation systems and expanded cultivable areas, the goal of doubling the continent's rice production to 28 million tons by 2018 may be realized.

For decades, weak infrastructure has hampered regional cross-border trade networks and agricultural sector development in Africa and in other regions.

However, the implementation of the **potato value chain** development project in Guinea and Senegal is changing the commercial terrain between the two countries and has yielded promising opportunities, so much so that it is now being considered as a model showcase for the production of seed potatoes elsewhere in Africa. Mainly due to its proximity to natural highlands, where the crop grows almost without the addition of agricultural inputs, Guinea has become a suitable supplier of seed potato to Senegal, while still maintaining its own strong, domestic consumption market.

The CFC project activities have enabled the two countries to establish strong regional and national coordination processes that are benefiting local seed production enterprises and market development and strengthening sustainable producer associations. Moreover, the project has been able to exploit the region's comparative advantage, thereby increasing incomes and consumption patterns and to some extent, through processing and value added substitute products, it has managed to de-commodify the seed potato sector allowing for speciality markets and the development of light agro-industry to blossom.

Across the board, in regard to food security and agricultural development, both the Common Fund and OFID are contributing significantly to poverty reduction and general economic improvement in producer member countries. However, many other projects that are also co-financed by both organizations across a variety of commodities have brought significant economic and social benefits as well.

In the Mediterranean Basin, where member countries are threatened by encroaching desertification, chronic drylands food shortages and water management priorities, the CFC and OFID have linked up with international agricultural

research institutions, such as the International Centre for Agricultural Research in the Dry Areas and private sector investment corporations, to boost the **olive oil** sector's small-scale and medium enterprises, and to elevate national capacities and standards in production, quality improvements and market development.

In Asia, **fisheries** form the basis of vast nutritional resources that can, mainly through environmentally-sustainable methods, be harnessed, not just as reliable food sources, but also as profitable options for setting up business enterprises and commercial livelihoods in member countries. Such is the case with CFC's **organic aquaculture** interventions and application of cost-effective seafood processing technologies in Malaysia, Myanmar and Thailand. Recently, with technical assistance for small-scale fisheries entrepreneurs in

Djibouti, Morocco and Yemen, new and profitable opportunities for commercial fishing companies and associations are opening up and being integrated into international trade.

Increasingly, emerging trade and economic development trends point to the distinct advantages of promoting South-South cooperation. In Asia, including China, many projects financed by CFC and OFID, such as those involving production of **certified fruits and vegetables, dairy, bamboo, tea, jute and kenaf** have incorporated a regional markets dimension. Direct outcomes indicate that these trading partnerships are essential and beneficial, especially around capacity building improvements, strengthening regional markets, export-oriented production for out-grower schemes and diversification for expanded product markets.



PHOTOS: CFC

In Asia, organic aquaculture offers strong potential for small entrepreneurs looking for a sound commercial venture.

Conserving water and boosting incomes in Jordan's Yarmouk valley

United in their quest to realize a food-secure and poverty-free world, OFID and the International Fund for Agricultural Development (IFAD) have been allies for over three decades. Together, they have co-financed 79 projects in 42 developing countries, including this water resources project in Jordan, which has brought a new lease of life to hundreds of small rural farmers.

Taysir Al-Ghanem of IFAD reports.

Jordan is a chronically water-scarce country, and less than five percent of the land is arable. For farmers, little or no rainfall means severely reduced cultivation and production – and increased hunger and poverty. Those who find other ways to supplement their incomes generally earn very little. To address these challenges, an IFAD/OFID supported project provided farmers with technical and financial assistance to promote soil and water conservation and boost agricultural production. It also helped more than 800 women develop small-scale business enterprises to increase family incomes.

About 20 percent of Jordanians live in rural areas where poverty is more prevalent than in urban areas – approximately 19 percent of the rural population is classified as poor. Because of the arid nature of the land, many poor rural people cannot grow enough crops to feed themselves and their families. Regular drought exacerbates the situation. During the drought of 1999-2000, wheat production dropped from 70,000 tonnes to just 9,000 tonnes, falling disastrously short of the country's yearly demand of about 650,000 tonnes.

Although agriculture remains a critical livelihood source for nomads, small-holder farmers and even those who do not own land, poor rural households have reduced their dependence on it due to chronic water shortages and deteriorating natural resources, reduced fodder subsidies and diminished livestock holdings.

There are serious concerns that increased climate variability will aggravate the situation by further diminishing water availability, bringing about additional threats to health, food security, productivity and human security. Jordan's ability to adapt to increased water scarcity induced by climate change will be crucial to sustaining its human development achievements and growth.

At a total cost of US\$33.1 million, including two soft loans of US\$10.1 million from IFAD and US\$5 million from ▶

Abu Ihab points proudly to the concrete canal that brings a steady supply of water to his fruit farm. With irrigation taken care of, he and his family can make more productive use of their time.



A bumper harvest. Since the water canal was installed, Abu Ihab has seen his pomegranate yields – and his annual income – more than double.



Now that time is no longer wasted collecting water, the family is working to develop the highly profitable syrup-making side of the farm business.

◀ OFID, the Yarmouk Agricultural Resources Development Project was launched in 2000. The project has supported almost 3,000 poor farming households by providing technical and financial assistance to promote soil and water conservation measures and improve agricultural production.

Khaled Hamed Mutlaq Al-Bis, known as 'Abu Ihab', is a 55-year-old smallholder farmer. He grows pomegranates on a narrow strip of farmland known as Ain Al-Ghadir in Jordan's northern Yarmouk valley. The pomegranate trees on his three-hectare farm were suffering from increasing water scarcity and decreasing productivity when the IFAD-supported project was launched in 2000.

"Now the situation is entirely different," says Abu Ihab. "My production has more than doubled and so have my sales of fresh fruits and pomegranate syrup."

Through technical support and microfinance services for soil and water conservation activities, the project has helped more than 2,600 resource-poor farming families improve their production, incomes and food security.

In this area alone, several water springs, including some that had completely dried up, were rehabilitated and linked to reservoirs and a network of downstream water canals, benefiting 618 farming families.

Under a first phase, the project built about 7,830 metres of canals through which water flows from a reservoir at the water source to plots belonging to farmers with water-sharing rights. The canals connect three water springs that pass through farming plots in the narrow valley where Abu Ihab and his wife and 10 children eke out a living. More canals are under construction in this area and others covered by the project.

Before the start of the project, much of the water from two springs that pass through his land was absorbed before it reached Abu Ihab's field. He and his family used to spend three days a week collecting water to irrigate his crops. Now, thanks to the cement canals, his water use and that of his neighbours has increased by 80 percent. In addition, he only needs to dedicate one day, instead of three days for irrigation. He now has more time to dedicate to making and packaging syrup

and selling both fresh fruits and syrup in the local markets.

"My annual income from this land has more than doubled from JOD2,000 (about US\$2,820) before the project to more than JOD5,500 now," he says.

The project has also provided technical and financial support to the target group, which encompasses the entire population of selected priority areas in the Yarmouk Valley, where poor farmers are in the majority. The project has enabled farmers to adopt soil and water conservation measures and to improve agricultural production practices. It has also promoted and funded credit for on- and off-farm enterprises, and has strengthened the capacities of project-area agriculture directorates to provide needed technical support and extension services. As a result of this component, some 2,480 households have also been able to increase their incomes and substantially improve their living standards. ■

OFID and IFAD – natural allies

Since their independent founding over 30 years ago, OFID and IFAD have forged a special partnership that transcends mere financial cooperation. The partnership is rooted in the common goal of enabling poor people, especially those living in rural areas, to secure a better life.

IFAD and OFID work together in designing, financing and implementing projects in some of the poorest and most vulnerable rural communities in developing countries. These joint initiatives benefit from a natural complementarity of roles. OFID generally supports rural infrastructure, including water supply and rural roads, as well as farming assets, such as agricultural equipment, animal restocking and private-sector agro-processing facilities. IFAD focuses on agricultural support services, including research and extension, rural financial services, community development

and the creation of local institutions; together with agricultural investments, such as installing irrigation equipment or developing tree plantations. The alliance combines the particular strengths of the partners to maximize the impact of their efforts.

Today, OFID is the third largest multilateral cofinancier, after the World Bank and the Asian Development Bank, of IFAD-supported projects. So far, the two institutions have co-financed 79 projects in 42 developing countries in Asia, Africa and Latin America. At a total cost of approximately US\$2.13 billion, including US\$985.7 million from IFAD and US\$454.2 million from OFID, these projects have helped millions of poor rural women and men chart a better future by supporting their income-generating activities both on- and off-farm.

The sky's the limit

Could multi-story greenhouses be the farms of the future?

By 2050, arable land the size of Brazil might be needed to feed a possible nine billion mouths, the vast majority of them in burgeoning metropolises across Africa and Asia. As agronomists wrestle with this conundrum, pioneers of vertical farming have come up with a unique solution – high-tech, water- and energy-efficient, multi-story greenhouses. Such “farmscrapers,” say their proponents, could be used in both urban and rural settings to maximize food production, while minimizing the risks and costs.

BY VERENA RINGLER



PHOTO: WWW.CHRISJACOBS.COM

In recent years, erratic monsoons, a fast-growing population and high grain prices have forced India to import more farm produce than ever before. In Australia this spring, locusts destroyed young canola, carrot and oat crops in a matter of hours. China has lost parts of its 2010 harvest to heavy rainstorms. And following droughts in Niger, half a million children are currently reported to be at risk of dying of starvation.

Some 15,000 years after its invention, agriculture today is a highly fragile, expensive, political and economically devalued business. Crops regularly fail due to severe weather events. Irrigation practices are responsible for spreading diseases

such as malaria and schistosomiasis. Then, there is the widespread use of agrochemicals. Farming is also costly, using large amounts of soil, water and energy. And it shows its political face when export-driven monocultures, trade barriers, or the uneven distribution of wealth, deprive people of access to farm produce. Moreover, in many parts of the world, agriculture’s low profit margins have devalued the sector in socio-economic terms.

The largest setback, however, is possibly yet to come. Agriculture might be rendered insufficient and unsustainable by 2050, when nine billion people are projected to live on planet Earth.

It is not all doom and gloom, though. Our technology is advanced enough to bring agriculture into the 21st century and make these troubles history, concludes Dickson Despommier, a public health microbiologist professor at New York’s Columbia University. For several years, he and his students have been refining and promoting an interdisciplinary concept called ‘vertical farming.’ In ‘farmscrapers’, greenhouses are closed, computer-controlled and stacked on top of each other. A whole eco-system is squeezed into one building. Production is high; resource use is low. Such a high-rise farm with 30 floors, the size of a Manhattan block, and located in any city centre, ►



Despommier's hi-tech "farmscrapers" are stacked, computer-controlled greenhouses powered by biomass, wind or solar energy and requiring minimal use of fresh water.

◀ would be powered by geothermic, solar, biomass, or wind energy. A farm tower like this could feed up to 50,000 people, calculates Despommier's study group.

Despommier's vision for the farming of tomorrow incorporates three 'i-words': first, his farmscrapers are indoors. This reduces external risks to a minimum and allows for secure, year-round crop production. Second, his high-rise farm schemes are intensive, aiming at maximum output with minimum input. While today, already 70 percent of the world's freshwater is used for agriculture, Despommier's plants would grow on hydroponic and aeroponic systems, i.e. nutrient liquid and mist. This would reduce freshwater demand by almost three-quarters. Third, vertical farms are integrated, which means animals and plants co-exist. Restaurant waste would be fed to animals. Plants would grow on the CO₂ and manure produced by the animals. Municipal waste water would be recycled by certain plants in a mechanism called 'living machine'. Temperature and light would come from solar, geothermic, biomass and wind sources. A farmscraper would possibly host fish, chicken or pigs, and all kinds of staple vegetables. Alternative energy sources would heat or cool the

farmscraper. No lettuce or tomato would travel 2,000 miles to its final destination any longer, but rather, be consumed just next door. In short, "vertical farming will change how cities behave," says Despommier to the *Quarterly*.

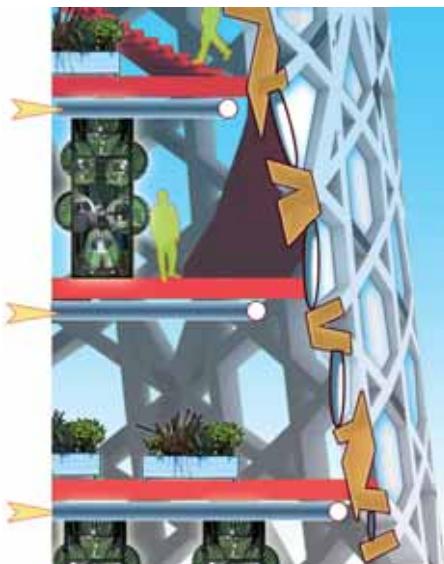
An amazing concept, thought Rahul Surin, a young architect in New Delhi, after a first encounter with Despommier at a conference some years ago. Yet it was not until he saw a mountain child being mocked for dreaming of becoming a farmer that Surin realized the extent to which modern Indian society ignored the culture of farming. Echoing the child's dream, Surin set out to combine futuristic architecture with futuristic agriculture. He devised a tree-like, helix-shaped vertical farm tower for Dubai's Zabeel Park. His 40-story indoor farm would be powered by wind and solar energy, and would produce food in an environmentally friendly manner. Surin submitted his 'Oasis Tower' for the Thyssen Krupp Elevator award. "I did not win," Surin says to the *Quarterly*, "but, I felt a winner when I saw that I had triggered a debate on advanced methods in agriculture and architecture." Surin predicts alternative and energy-efficient farming in urban areas to gain ground soon due to global warming.

"Urban, vertical agriculture is not distant anymore. All that is required is support," he says.

"Support" might indeed be the key-word, since the world is still waiting for its first realized vertical farm. First plans devised between Shanghai (Dongtan City) and Rotterdam (Deltapark) do not lack refined technology nor transnational cooperation. Rather, vertical farming waits for proper financing. "You first need the laboratory. You need prototypes. You license the technology. Eventually, you can go into mass production," says Despommier, who gives talks around the world and aims to secure large-scale funding from governments and companies to construct 20 prototypes globally. He believes that the richer countries should invest in research and development and then help trigger an agricultural revolution in poor countries. "For high-tech, high-efficiency farming, I would ultimately pick countries like Niger, Chad, Mali, Malawi, and other African countries where farming is failing, and where we might not see farming at all in 20 to 40 years due to the effect of climate change," says Despommier.

While many agricultural innovators share Despommier's vision of intelligent neighbourhood greenhouses alleviating

SOURCE: RAHUL SURIN, SYNTHESIS DESIGN STUDIO, INDIA



A typical 30-story farm could host fish, chicken and pigs as well as fruits and staple vegetables and would be capable of feeding up to 50,000 people.

water, food and energy shortages, they question the feasibility of the farmscrapers. The square meter price of a multi-story farm is still nine times higher than that of the world's most modern, operational greenhouse in Kent in the United Kingdom, according to Bernard Lehman, an agro-economist at Zurich's Swiss Federal Institute of Technology.

"Our main aim is less a multi-story setting. Rather, we optimize the 'cradle to cradle' concept, which means all waste is in fact food," says Jan de Wilt, a Dutch agro-engineer at the 'Innovation Network' think tank. He explains that slaughter waste can be used for energy generation, glasshouses can produce energy, and fish excreta can be used as a nutrient for tomatoes.

Henk van Latesteijn, a Dutch biologist at the 'Transforum' platform, underscores the positive interaction between metropolis and food production. He thinks production systems for metropolitan areas are badly needed, especially in poorer countries. "I am confident there will soon be a large-scale, transnational experiment for an integrated, water- and energy-neutral production system. This would be a Godsend to Sub-Saharan Africa," says Latesteijn to the *Quarterly*,

adding, "it matters less whether such a greenhouse is single-story or multi-story."

The farmers of the future agree that high-tech urban farm systems would liberate the developing world from a dependence on failing and frail agriculture. Water scarcity, droughts, hurricanes and rainstorms could well be separated from food supply.

Dickson Despommier ponders the possibility that portable high-tech farms would also alleviate some of the pressures caused by urban migration in developing countries. His ultimate dream is a 'MASH Unit' farm – a transportable farm that works like the 'Mobile Army Surgical Hospital' units used by the U.S. Army for six decades. A farm copying the hospital concept would be portable and quick to assemble, and would operate in any low-tech setting, for example, a disaster region. "I dream of uncoupling the right to water and food from political will," says Despommier.

The microbiologist stresses that he does not want to be the provider of food. Rather, he wants to be the provider of how to grow our food. ■

Verena Ringler is a winner of the 2010 European Young Journalist Award.

Further Reading

Dickson Despommier's book "The Vertical Farm: The World Grows Up" will be released in October 2010, see www.verticalfarm.com.

Transforum, a Dutch platform on metropolitan farming, is organizing an international fair in September 2010, see www.metropolitanagriculture.com

Further research into farming of the future, which sometimes takes the form of high-rise solutions, is taking place at Wageningen University (The Netherlands), the ETH Zürich (Switzerland), Cornell University (USA), the University of Stellenbosch (South Africa) and the Universities of Nebraska Lincoln and New South Wales (Australia), among others.



Newly elected Council Chairman, HE Gustavo Hernandez, Vice Minister of Finance of the Bolivarian Republic of Venezuela (center) flanked by Mr. Jamal Nasser Lootah, Governing Board Chairman (left) and Mr. Suleiman J. Al-Herbish, Director-General (right).

Venezuela hosts 31st Ministerial Council Session

OFID strengthens support for developing countries

Amid such problems as lack of education, water, food and energy, as well as crushing poverty in the developing world, OFID continues its efforts to make a difference. This commitment was reaffirmed at the 31st Session of the Ministerial Council of OFID, which held in Caracas, Venezuela, last June 17.

The one-day session was attended by the ministerial representatives of OFID Member Countries as well as the Board of Governors, who held their own meeting the following day (see pages 52-53). The Council assessed the results of OFID's

work in 2009 and made decisions to positively impact its performance. All the participants acknowledged the hospitality of the government of the Bolivarian Republic of Venezuela, whose support was critical to the success of the event.

OFID in an unprecedented context

One of the first items on the agenda was the election of the new Chairman and Vice-Chairman. This year, Mr. Gustavo Hernandez, Venezuela's Vice-Minister of Planning and Finance, was elected

Chairman. The Gabonese Republic was appointed Vice-Chair.

In his outgoing statement, incumbent Chairman, HE Dr. Seyed Shamseddin Hosseini, Minister of Economic Affairs and Finance of the Islamic Republic of Iran, remarked: "The volatility in the world returning to a stable economic situation, the unemployment and low economic growth rate in the developed countries and at the same time the difficult access of the developing countries to international financial resources and foreign investment are global future

challenges.” He further added: “The role of international financial organizations, multilateral banks and development funds is crucial in addressing the needs of least developed and developing countries in this process”.

HE Mr. Jamal Nasser Lootah, Chairman of OFID’s Governing Board, touched on the energy issue as well as the global financial and economic crisis. In spite of the crisis, and “the unprecedented economic challenges which the world has been facing and the increased financial demands being made on our institution, OFID was able to respond to these requests and successfully execute its program for 2009.” Nonetheless, the Board Chairman stated that “economic slowdown has increased global poverty levels.”

Increased support for energy and transportation

Mr. Suleiman J. Al-Herbish, Director-General of OFID, delivered his statement to the Council covering the accomplishments of the institution over the past year and its plans for the year ahead.

“As a direct result of last year’s crisis, OFID found itself confronted with an onslaught of challenges. As well as coping with the impact on our own investments, we were faced with appeals from our partner countries to shore-up banking systems and beleaguered economies. Combined, these developments served to place unprecedented pressure on OFID’s resources.”

With regard to operational matters, the Director-General reported that OFID had “continued diligently with its day-to-day business throughout 2009,” the second year of its 17th Lending Program. “A record US\$1.4 billion was approved in otherwise scarce development financing, as we sought to mitigate the impact of the credit crunch on our partner countries. The bulk of this went to core activities in the Public Sector, which saw an increase of 25 percent in commitments, mostly for transportation and energy projects”. ▶

*Outgoing Chairman,
HE Dr. Seyed Shamseddin
Hosseini, Minister of
Economic Affairs and
Finance of IR Iran,
addressing the meeting.*



*HE Dr. Ali Rodríguez
Araque, Governor of
Venezuela to OFID.*



*Mr. Yunes Alkhuri,
Director-General, Ministry
of Finance of the United
Arab Emirates.*



Mr. Jean Philippe Ndong Biyogho, Governor Ad Hoc of Gabon to OFID.



Mr. Omar Bougara, Algerian Governor to OFID (right), and Mr. Abdelmalek Zoubeidi, Alternate Governor.



HE Dr. Hamad S. Al-Bazai, Governor of Saudi Arabia to OFID (left), and Mr. Ahmed M. Al-Ghannam, Alternate Governor.

*HE Alfred T. Palembangan,
Ambassador of Indonesia
to Venezuela.*



Mr. Azez J. Hassan, Iraqi Governor to OFID (right), and Mr. Hisham A. Al-Jeborri, Chargé D'Affaires a.i., Embassy of Iraq, Caracas.

► Mr. Al-Herbish underlined the significance of greater operational growth in private sector and trade financing during 2009, both of which are relatively new operational windows for OFID. The Trade Finance Facility, in particular, saw a considerable boost in transaction volumes, posting an eight-fold increase in funded operations and a four-fold increase in guarantees. Heightened activity in the private sector came partly as a result of natural growth and partly in response to the financial crisis. In total, over US\$286 million was approved through this window – the highest commitment in a single year since the facility's inception in 1998.

In the area of grant financing, commitments rose by one-third to US\$39.5 million in 2009. As well as technical assistance programs, several large-scale projects were funded through the Special Grant Accounts for Palestine and HIV/AIDS. In January this year, OFID was

one of the first international donors to respond to the devastating earthquake in Haiti, providing US\$500,000 in emergency aid. As the reconstruction process begins, OFID is working with the Haitian government and the international donor community to help address the country's longer-term needs.

On the Energy for the Poor Initiative, Mr. Al-Herbish told the Ministerial Council that, in keeping with directives contained in the *Riyadh Declaration* of the Third OPEC Summit, OFID had pushed ahead with efforts to do more in the area of modern energy supply. He spoke of contributions in 2009 totaling US\$154 million and supplementing funding from partner institutions to improve access to electricity and natural gas in seven countries. Mr. Al-Herbish said that with the approval of OFID's 18th Lending Program (2011-2013) energy projects would play a more substantive role in the years ahead.

The Ministerial Council discussed a wide range of other issues, approving the 2009 Annual Report and OFID's Financial Statements for fiscal 2009. Other important reports endorsed were those on the Energy for the Poor Initiative and the 18th Lending Program; as well as the institution's three ongoing Special Grant Accounts – for Emergency Relief Operations, for HIV/AIDS, and for Palestine.

The Council also witnessed the presentation of OFID's *Annual Award for Development, 2010*, to the Yélé Haiti Foundation, a non-governmental humanitarian assistance group founded by Haitian singer, Wyclef Jean (see separate story, page 36).

The next meeting of the Ministerial Council will be in Austria, OFID's host nation, in June 2011. ■



HE Elias Jaua (2nd from right), Vice President of the Bolivarian Republic of Venezuela, and HE Dr. Seyed Shamseddin Hosseini (left), outgoing Chairman of the Ministerial Council, presented the Award to Mr. Hugh Locke (2nd from left), President of Yéle Haiti, in the presence of HE Mr. Jamal N. Lootah (center), Chairman of the Governing Board, and OFID Director-General, Mr. Suleiman J. Al-Herbish (right).

Wyclef Jean's NGO Yéle Haiti wins OFID Annual Award for Development

The Yéle Haiti Foundation was, in June, presented with this year's *OFID Annual Award for Development*, in Caracas, Venezuela. The presentation took place on the sidelines of the Ministerial Council meeting of OFID held in the Venezuelan capital (see separate story, page 32). HE Mr. Elias Jaua, Vice President of the Bolivarian Republic of Venezuela, and HE Dr. Seyed Shamseddin Hosseini, outgoing Chairman of the Ministerial Council, presented the Award to Mr. Hugh Locke, President of Yéle Haiti in the presence of HE Mr. Jamal N. Lootah,

Chairman of the Governing Board, and OFID Director-General, Mr. Suleiman J. Al-Herbish.

Yéle Haiti was set up by Grammy Award-winning musician, humanitarian and United Nations Goodwill Ambassador to Haiti, Wyclef Jean in 2005. The Foundation is a grassroots movement that builds global awareness for Haiti while helping to transform the country through programs in education, sport, the arts and the environment. Yéle's community service programs include food distribution and the

mobilization of emergency relief. Its fundamental mission is to create small-scale, manageable and replicable projects to contribute to Haiti's long-term progress. Each initiative is imbued with Wyclef's passion and profound wishes for the country.

Each of Yéle's projects is conceived to renew hope for Haitians to rebuild their nation. Yéle Haiti wants to project a new forward-thinking image that accurately reflects Haiti's youthful population and its unique and irrepressible spirit, which is an integral part of their

culture. At the core of every project is the notion that given a genuine opportunity to shape the future, youth will be enabled to take Haiti to the next level. This is signified through the name of the foundation, Yéle, which was coined by Wyclef in a song and means "a cry for freedom". In its first year of operation, the foundation provided scholarships to 3,600 children in Gonaïves, after the devastation of *Hurricane Jeanne*. In its second year of operation, Yéle almost doubled the number of scholarships provided, spreading them throughout Haiti and assisting with tuition in five regions.

At the OFID Award ceremony, Mr. Al-Herbish said the Award was in recognition of the Foundation's tireless efforts in promoting and enhancing the economic and social conditions of the people of Haiti. The Director-General added that such efforts were in accord with OFID's commitment and assistance toward raising living standards among the poorest segments of society, particularly youth. He urged Yéle Haiti to carry on with its noble work, saying "the various programs targeting youth are essential in providing long-term social and tangible means for rehabilitation."

In his acceptance statement, Mr. Locke thanked OFID for the recognition and pledged that the money would be used to further assist the various programs which renew hope for Haitians to rebuild their nation. He reiterated that "in the midst of the tragedy following the earthquake, having the work of Yéle Haiti recognized by OFID is a tremendous encouragement to us, because when you are working in the slums to provide food, shelter and water, you lose sight of the big picture." He highlighted the relationship between Yéle Haiti and a Venezuelan music education program called *El Sistema*, which provides music education to children from impoverished backgrounds. The *El Sistema* movement is spreading across the world and has been in Haiti since December, 2009. With high levels of illiteracy in



SOURCE: YÉLE HAITI

Haiti, Yéle Haiti is using music and entertainment to inform the public about social issues, while at the same time providing training to "at-risk" youth.

In practical terms, Yéle Haiti's efforts so far translate into over 3,000 new jobs, the enrolment of 7,000 children in school, more than 8,000 people a month receiving food and approximately 2,000 young people every month learning about HIV/AIDS prevention. Through its *l'Athletique d'Haiti* program, Yéle Haiti supports a tutoring scheme for 650 youth from disadvantaged communities.

The OFID Annual Award for Development was instituted in 2006. The first winner was *HUMANA People-to-People*, a Zimbabwe-based NGO. The second was an Austria-based NGO, *SOS Children's Villages*, and the third was the *Grameen Bank* of Dhaka, Bangladesh. Last year's award was given to *Bartolina Sisa* of Bolivia. The Award carries a prize of US\$100,000. The country of Haiti has been an OFID partner country since 1977 and has received assistance for over 15 projects in the country's public sector. Furthermore, OFID extended an emergency grant of US\$500,000 following the 2010 earthquake. ■

Through its education program, Yéle Haiti has so far sponsored the tuition of some 4,500 disadvantaged children and has also set up a school feeding initiative.



www.yele-haiti.org



El Sistema's multiple programs offer access to music in all its forms, including singing.

Venezuela's *El Sistema*: music of hope

BY DAMELYS DELGADO

Thirty-four years ago, a Venezuelan had the vision of using music as a means to divert poor children from drugs, violence and crime. José Antonio Abreu, founder of the National System of Youth and Children's Orchestras of Venezuela, better known as *El Sistema*, foresaw a project with global scope, which nowadays is emulated by 25 other countries.

In his own country, more than 350,000 children, teenagers and young people attend the 180 orchestral network centers located throughout this Caribbean nation. They participate in a music education program that goes beyond simple music lessons, sowing in youngsters' souls the seeds that lead to the pursuit of excellence. Mr. Abreu, Ph.D. in petroleum economics, composer and pianist, has always been a visionary: He recently said in a lecture in Norway that he dreams of a global system of orchestras.

Today, Argentina, Austria, Bolivia, Brazil, Canada, Colombia, Cuba, Korea, Costa Rica, Chile, Ecuador, El Salvador, Scotland, USA, Guatemala, Honduras, England, Jamaica, India, Mexico, Nicaragua, Panama, Peru, Portugal, Puerto Rico, Dominican Republic, Trinidad and Tobago, Uruguay and recently Haiti (through Yelé Haiti, see separate story on page 36) are implementing this education program in order to reduce levels of poverty, illiteracy, marginalization and exclusion among their youth populations.

In a recent interview given to EFE, the Spanish news agency, Mr. Abreu said: "Increasingly, states support the tremendous social impact of music education conceived in modern, open standards, with a firm purpose of training teachers." In his view "an awareness that the poorest children need better instruments, better teachers and better facilities" is emerging. He further said: "It has become so advanced

in Venezuela that the number of young children incorporated into the orchestral network is comparable or even exceeds the number of children involved in sports."

Music for OFID's delegation

On the occasion of the 31st Session of the Ministerial Council of OFID, held in Caracas, Mr. Suleiman Al-Herbish, accompanied by a large delegation from OFID, experienced firsthand the extraordinary fruits of this social and academic work. The delegation visited the *Center for Social Action through Music*, an impressive 14,750 m² building equipped, among other facilities, with music training areas, rehearsal rooms for instrumental and choral practice, a library, concert halls and a theater, chamber music rooms, an outdoor stage and workshops for the manufacture of musical instruments.

The visitors were received by Liliana Arvelo, Director in charge of the Founding Director's Office; Maibel Troia, Academic and Musical Director and Rafael Elster, Directorate's attaché.

In several concert halls, the OFID delegation was welcomed by choirs of boys and girls who sang like angels. The finale was a brief concert conducted by the young Christian Vásquez and performed by the Teresa Carreño Youth Symphony Orchestra, with a passion and talent that elicited loud applause from the delegation.

A complex system of musical education

The groups that make up *El Sistema* may be divided into orchestral and choral groups. Among the orchestral groups one can find various components: The Simón Bolívar Youth Orchestra of Venezuela, The Venezuelan Brass Ensemble, The Simón Bolívar Youth Symphony Band, Francisco de Miranda Youth Symphony Orchestra, Youth Symphony Orchestra of Caracas and Simón Bolívar Big-Band Jazz, one of the Simón Bolívar Conservatory of Music's youngest ensembles.

The Penitentiary Symphony Orchestras established in 2007 deserve special mention. Since their inception, more than 1,000 inmates in four penitentiaries have received music education through this program.

In addition, the Venezuelan model carries out a Special Education Program encompassing the Banda Rítmica, the Coro Infantil, the Ensamble de Percusión, the Ensamble de Campanas, the Cuarteto Lara Somos and the White Hands Chorus.

The White Hands Chorus is the flagship ensemble of the Special Education Program. It was formed by Prof. Naibeth García in 1999, and delivers music education to the disabled. It consists of two areas: one of physical expression, designed primarily for children and youngsters with hearing impairments, who wear white or colored gloves (depending on the work performed); and one of verbal expression, designed for children with sight, cognitive, and motor impairments; Down's syndrome; learning disabilities

and autism, as well as children without disabilities. The Chorus represents an example of the right we all have to participate in and enjoy equal opportunities.

Through the Lutherie Academic Center, El Sistema provides education about the manufacture and repair of musical instruments used by its orchestras and ensembles. As part of the academic program, there is the Simón Bolívar Conservatory of Music, which since its inception has educated over 150,000 youngsters. There is fun for all; young people from 2 to 16 have the opportunity to learn music at Montalbán Children's Academic Center.

Many awards and distinction for a great job

The various musical groups of El Sistema have performed at the most prestigious concert venues worldwide. At the same time, the work of Jose Antonio Abreu has received numerous awards and distinctions from the most venerated music

institutions. Although the biggest reward is the thousands of children enjoying a better standard of living, Mr. Abreu has been awarded prizes such as the UNECSO International Music Prize, UNESCO Goodwill Ambassador, UNESCO Artists for Peace, Chevalier de la Légion d'Honneur, Prince of Asturias Award for the Arts, as well as honorary doctorates and also memberships in various world recognized institutions of music. In Vienna, Mr. Abreu was named an honorary member of the Vienna Konzerthaus.

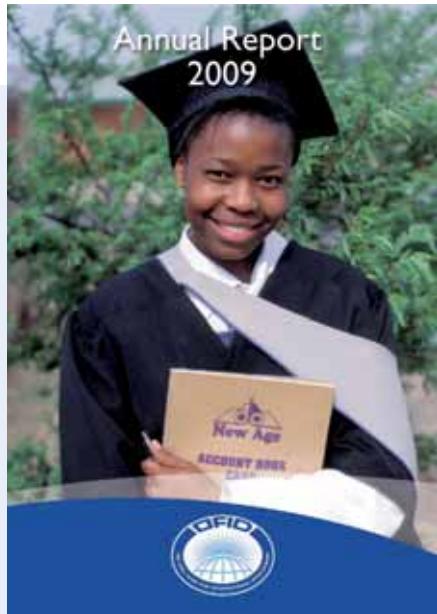
In addition, it is noteworthy that OFID is co-sponsor, along with the Vienna Konzerthaus, of the VORLAUT project, which was implemented in three Viennese schools in 2009, benefiting over 2,400 children. The VORLAUT project was inspired by El Sistema.

Today, the future of thousands of children around the world is written in clefs and notes in a song of hope. ■



The OFID delegation was overwhelmed by the passion and talent of the young musicians.

Annual Report 2009 highlights record commitments



In 2009, OFID approved a record US\$1,382.5 million in fresh financing for development, representing an increase of almost 70 percent over 2008. The resources were provided primarily as concessional loans and grant financing, with substantial amounts also going towards the private sector and trade operations. As of December 31, 2009, OFID's cumulative development assistance stood at US\$11.7 billion.

BY ANNA ILARIA-MAYRHOFER

These and other figures are published in OFID's 2009 Annual Report, which was released on June 17 following its adoption by the Ministerial Council. Published in English, Arabic, French and Spanish, the report details OFID's activities during 2009. It also gives an overview of operations since the institution's inception in 1976.

Commenting on the record commitments in 2009, OFID Director-General, Mr. Suleiman J. Al-Herbish, pointed out that OFID had stepped up its aid delivery to help partner countries mitigate the impact of the credit crunch, which had seen aid and investment flows dry up. The institution had also assumed "a catalytic role" in the global Energy for the Poor Initiative by channelling increased resources to help improve poor populations' access to affordable, clean energy sources. OFID would continue to push forward in this direction by adopting the Initiative as a

"central pillar" of its 18th Lending Program, which will be implemented during the period 2011 - 2013. The Director-General stressed that OFID would not have been able to realize its latest achievements without the dedicated support of its Member Countries, which had continued despite the challenges posed by the global economic crisis.

Public Sector Operations

In 2009, OFID approved 42 project loans worth a total of US\$664.7 million to 38 countries, thus helping to finance development operations in a range of sectors, with transportation (45 percent) and energy (23 percent) taking the largest share. Substantial resources were also directed towards the multi-sectoral, water supply and sewerage, agriculture, education and health sectors. In addition, US\$9.3 million supported a commodity imports program and US\$18.5 million was approved

in debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

Private Sector Operations

Through its Private Sector window, OFID approved US\$286.5 million in fresh commitments in 2009, which was shared equally between the financial and non-financial sectors. This reflects an increase of nearly 25 percent over the amount recorded in 2008. The funds will support activities ranging from micro-financing and telecommunications, to airport expansion and the construction of a container terminal, a sugar refinery and a phosphate production plant, among others.

Trade Finance Operations

Within the framework of the Trade Finance Facility, total approvals in 2009 for funded operations amounted to US\$364 million – an eight-fold increase

Commitments and disbursements in 2009 (in US\$ million)

	Commitments	Disbursements
1. Public Sector Operations		
– Project financing	664.687	362.419
– Program financing	9.300	9.300
– HIPC Initiative financing	18.500	15.400
Subtotal	692.487	387.119
2. Trade Finance Operations	364.000*	151.066
3. Private Sector Operations	286.500	122.569
4. Grant Operations		
– Technical assistance	6.750	4.911
– Emergency aid	3.050	5.384
– Research and similar activities	1.955	1.429
– HIV/AIDS Special Account	15.000	8.105
– Special Grant Account for Palestine	12.700	14.527
– Common Fund for Commodities	–	4.250
Subtotal	39.455	38.606
Total	1,382.442	699.359

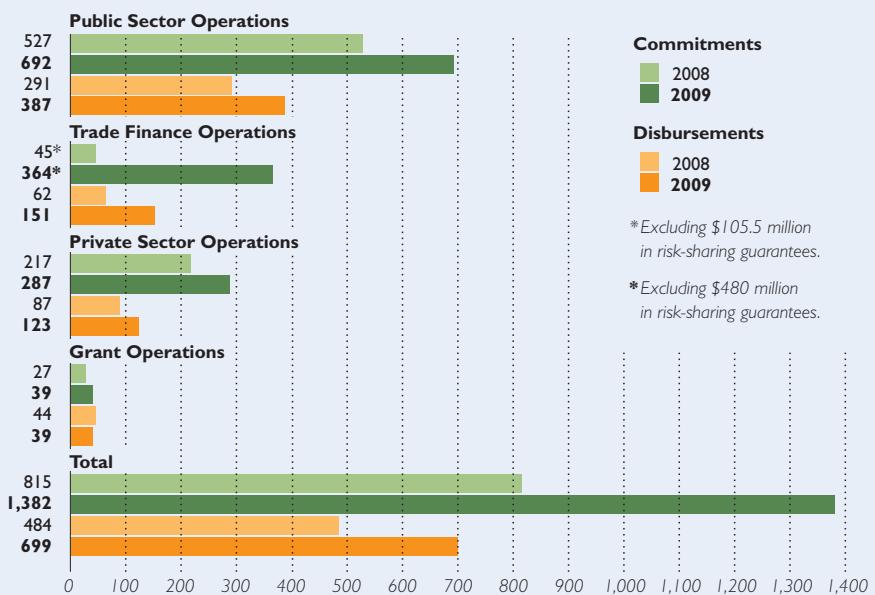
* Excluding \$480 million in risk-sharing guarantees.

over the previous year. Guarantees were issued for a maximum revolving amount of US\$480 million – a four-fold increase over 2008.

Grant Operations

In 2009, resources committed in grant financing totalled US\$39.5 million – an increase of one-third over 2008 – and supported 137 projects. Substantial approvals were made through the Special Accounts for HIV/AIDS and Palestine. Furthermore, 19 grants were provided as Technical Assistance for a diverse range of causes. These included a Guinea Worm eradication campaign, cancer treatment, training schemes for economically disadvantaged women and safe water supply and sanitation schemes. Research grants numbered 23, while US\$3 million was given in emergency aid following a spate of natural disasters. ■

Commitments and disbursements 2008 and 2009 (in US\$ million)



The 2009 Annual Report is available by post (in both digital and printed formats) or online at www.ofid.org.



From left: Mr. Said Aissi, Assistant Director-General, OFID; Mr. Lars Thunell, Executive Vice President and CEO, IFC; Mr. Suleiman J. Al-Herbish, Director-General, OFID; Mr. Jyrki Koskelo, Vice President, Global Industries; and, Mr. Walid Almurshed, Saudi Representative, IFC.

New horizons: OFID strengthens strategic partnerships with IFC and CAF

With the aim of broadening the scope and impact of its activities, OFID has recently reinforced strategic alliances with long-term partners, the International Finance Corporation (IFC) and the Andean Development Corporation (CAF).

Unleashing the power of trade and private enterprise

Together with the IFC, OFID, in June, joined the Global Trade Liquidity Program (GTLP), a World Bank initiative of US\$5 billion to provide financing to commercial banks in response to the financial crisis. The two Accession Agreements signed at the OFID headquarters for participation within the GTLP totalled US\$100 million, for funded and unfunded transactions of US\$50 million each.

Within the program, funded transactions will comprise lines of credit to commercial banks in emerging markets focusing on food and agribusiness finance. Unfunded transactions are related to risk-sharing in trade finance instruments with international trade finance banks. The agreements are aimed

at joining forces to leverage capabilities in creating further cooperation and opportunities for partner countries.

At the signing of the agreements, Mr. Al-Herbish, OFID Director-General stated that "OFID and the World Bank Group share objectives as well as concerns, and cooperation is essential for the effectiveness of our actions. OFID is prepared to do what it takes to align its strategies and harmonize its policies to make the most of what can only be scarce resources."

Mr. Thunell, Executive Vice President and CEO of IFC, said "OFID has been an early supporter of crisis response mechanisms and this agreement is only the beginning of a solid platform of further cooperation towards the developmental agenda."

Currently, GTLP participants include IFC, Canada, the African Development Bank, the Saudi Fund for Development, the Netherlands, the Commonwealth Development Corporation, and the UK.

OFID and IFC have cooperated on a number of other initiatives of mutual interest and recently signed a Master Cooperation Agreement aimed at streamlining their cooperation. Additionally, OFID has committed US\$15 million to the IFC-led Microfinance Enhancement Facility. OFID is also planning to commit US\$30 million to the Africa Bank Capitalization Fund which the IFC is also arranging.

Other transactions with IFC include OFID's participation of US\$20 million in the Export Trading Group (ETG), one of Africa's largest integrated agricultural supply chain operators. The facility amounts to US\$120 million and is syndicated by Standard Chartered Bank. OFID and IFC are both participating, with ETG will using the funds to finance the trade of soft commodities in several African countries, including Kenya, Malawi, Tanzania, Uganda and Zambia, as well as in India.

Strengthening outreach in Latin America and the Caribbean

A cooperation agreement finalized between OFID and CAF in Caracas, Venezuela, in June, seeks to develop and facilitate joint activities through financial assistance and other forms of investment to support the public and private sectors of Latin American and Caribbean countries.

The Memorandum of Understanding will contribute to poverty reduction by promoting financial and other investments in low-income communities in CAF partner countries, in the energy, mass transportation, water and environmental sanitation, education and health sectors. The broader objective, however, is to cooperate on many different aspects and the agreement is just a first step of collaboration and co-operation for progress in the region.

Commenting after the signature, OFID Director-General Al-Herbish remarked on the success of various projects already undertaken by jointly OFID and CAF. He said the association of both institutions had laid the groundwork for even

more joint work in the future and invited CAF to consider joining OFID in its Energy for the Poor Initiative.

For his part, Enrique García, CAF President, said "This agreement reflects CAF's interest in promoting strategic alliances which strengthen the capacities and opportunities of our two institutions in favor of Latin America, while allowing us to play a catalytic role by providing funds, products and experiences from other regions."

The two institutions are already involved in many projects in the region, including the Caranavi-Trinidad energy program in Bolivia. Currently there is an increase in joint CAF-OFID involvement in Paraguay.

CAF is a regional development finance institution established in 1970 with the aim of promoting sustainable development and regional integration through public and private sector financing and technical cooperation. CAF is comprised of 18 countries in Latin America, Caribbean, Europe and 14 private banks, and is a major source of regional multilateral financing. ■



Mr. Al-Herbish and Mr. Enrique García, CAF President, conclude the agreement with a handshake.

Exhibition marks Venezuela's bicentennial

BY SAM IFEAGWU AND SILVIA MATEYKA



Venezuelan Ambassador, HE Alí de Jesús Uzcátegui Duque, opens the exhibition, assisted by Mr. Al-Herbish.

The premises of OFID, on Vienna's Parkring, was the venue of an Exhibition on the Bolivarian Republic of Venezuela jointly hosted by OFID and the Embassy of the Bolivarian Republic in Austria and Permanent Mission to the International Organizations in Vienna. The one-month display began on July 6 with an attractive opening ceremony attended by a distinguished crowd, which included ranking state officials, eminent ambassadors and members of the diplomatic corps, along with other special guests as well as management and staff of OFID.

The exhibition, *Venezuela: a multicultural and multiethnic State*, came within the larger framework of celebrations marking the bicentennial of Venezuela's independence. The objective was to honor native Venezuelans who survived colonization, in large part, by withdrawing to Venezuela's most isolated provinces, "waiting for the day when they could again emerge and legitimately reclaim their right to the land they once inhabited," said an official brochure.

HE Mr. Alí de Jesús Uzcátegui Duque, Venezuela's Ambassador to Austria and Permanent Representative to Vienna-based International Organizations, informed guests at the opening ceremony of Venezuela's wish to share its culture (with its richness, complexity and joy) with the rest of the world. He said the exhibition was an exploration of "that deepest Venezuela," which presents the country as an immense geological mosaic of forested, soft wavy hills and sandstone formations of extraordinary beauty. The exhibition, he added, was, in part, a project jointly developed by the *Centre for Cultural Diversity* and the *Museum of Fine Art* of Venezuela, providing an up-to-date depiction of the men and women who live in the territory. The Ambassador also paid tribute to photographer Rafael Salvatore, whose pictures featured prominently in the exhibition.

In his opening, welcome address, Mr. Suleiman J. Al-Herbish, Director-General of OFID, described Venezuela as a truly multicultural and multi-ethnic nation. He commended the country for its role in OFID: This is also an opportunity to pay tribute to the instrumental role of Venezuela in the establishment of both OPEC and OFID, he declared. Mr. Al-Herbish said OFID welcomed the opportunities offered by this and similar exhibitions to display the rich cultural heritage of OFID Member States, all of which contribute to global understanding and inter-cultural dialogue.

The Director-General referred to the June 2010 31st Ministerial Council Session of OFID in Caracas, recalling, among other Council decisions, the approval of OFID's 18th Lending Program, which embeds the eradication of energy poverty (or as commonly known, *Energy for the Poor*),



Traditional Venezuelan folk dancers cut colorful figures at the opening ceremony.



The exhibition highlighted the multiethnic and multicultural aspects of Venezuela.

"as a major component which would engage OFID more in an area which is equally important to OFID's Member Countries and partner countries."

This was OFID's second exhibition on Venezuela, a Member State. This time, the display featured handicrafts, photographs and hammocks, among other items. According to experts, the various Venezuelan ethnic groups use a complex symbolic system to explain the origins of life. "It is time," say the experts, "to give this system of knowledge international visibility." The hope is that the OFID exhibition will engage visitors in a dialogue on multiculturalism.

Two centuries ago, as history relates, Venezuelan political leader Simón Bolívar employed the ideals of inclusion and participation to rally support for the successful establishment of a Venezuelan Republic. His promise was of a country based on democratic principles and the inclusion of all ethnicities. Since the en-

actment of the Venezuelan Constitution of 1999, the country has followed a process of cultural rebirth, in many ways in the spirit of Simón Bolívar. An important addition to the new Constitution was the recognition accorded to indigenous communities and peoples. Their cultures, customs, languages and religious practices were acknowledged as was their right to inhabit the land historically occupied by them to ensure their way of life and continued existence.

Indigenous groups comprise about two percent of the Venezuelan population. There are some 28 different indigenous groups, but only four – the Wayuu, Warao, Pemón and Añu – have populations in excess of 10,000 people. The Wayuu (also known as the Guajiro) make up more than half of Venezuela's indigenous peoples. Of the surviving indigenous groups today, the Wayuu are the most assimilated, having adapted to the modern economy. A community of

10,000 Wayuu live on the outskirts of Maracaibo, Venezuela's second largest city.

Located in the north of South America, the Bolivarian Republic of Venezuela is divided into six main regions. The land is fertile with a wide variety of mineral deposits. It is a major oil producing and exporting country, which plays a leadership role in Latin America and the Caribbean. The geographic area measures 916,445 km²; and the administrative divisions cover 23 states, a capital district and federal dependencies. The national capital is Caracas and Spanish the official language. The government is democratic, participatory, elective, decentralized and pluralistic, with revocable command. Venezuela's total population is estimated at 28.4 million, and life expectancy at birth is 74 years. The 5th of July is the country's National Day. ■



Mr. Pwazaga will study at the London School of Economics and Political Science.

Ghanaian student wins 2010 OFID Scholarship

As part of its drive to help developing countries achieve the Millennium Development Goals, OFID works to promote human capacity building in all its aspects, from basic education through to vocational training and beyond. The OFID Scholarship Program provides young people with the opportunity to pursue advanced academic study and prepare themselves for assuming leadership roles in their communities and countries. This year's winner is **Robert Pwazaga** from Ghana.

The OFID Scholarship Program aims at supporting highly motivated and academically outstanding individuals from developing countries for whom the cost of graduate study is beyond reach. The winner of the award receives a full scholarship of up to US\$100,000 towards the completion of a Master's degree in a field related to development.

Robert Pwazaga, the 2010 winner, has secured a place at the prestigious London School of Economics and Political Science to pursue a Master's degree in International Development. He already holds a Bachelor's degree in Geography

and Rural Development, from the Kwame Nkrumah University of Science and Technology in Ghana, and has conducted research on forest resource depletion for the Kassena Nankana District Assembly.

Mr. Pwazaga, who comes from a farming background, says that his interest in developmental issues stems from the bitter realities he has experienced in his life. "These have deprived me of everything except the ability to excel in school," he explains. Mr. Pwazaga aspires to return to Ghana upon completion of this degree and help work towards his country's development. "My desire is to

acquire advanced knowledge and analytical capabilities that will enable me to conceptualize the issues of underdevelopment and fashion appropriate policies for its elimination," he adds.

The Scholarship Award is currently in its fourth year with winners attending top academic programs in development-related fields. The Award goes to a student who emerges after a rigorous selection process. Around 3,000 applicants apply annually from developing countries around the world. ■

APRIL 5-8

Director-General heads high-level mission to Bosnia and Herzegovina

During the mission, Mr. Al-Herbish met with HE Dr. Haris Silajdžić, Chairman of the Presidency of Bosnia and Herzegovina, and delivered a statement on *Managing Transformation in Emerging Economies* to the Plenary Session of the Sarajevo Business Forum.

APRIL 7

Public sector loan agreement signed

Bosnia and Herzegovina. US\$6 million. Rural Livelihoods Development.

APRIL 15

Public sector loan agreement signed

Burkina Faso. US\$10 million. Debt relief under the HIPC (Heavily Indebted Poor Countries) Initiative.

APRIL 16

Participants from the OPEC Secretariat's Multi-Disciplinary Training Course visited OFID to receive an overview of the institution's mandate, activities and mission. The 30 attendees, all professionals from OPEC Member Countries, also met with OFID Director-General Al-Herbish, who briefed them about the co-operation between OPEC and OFID, as well as the history behind the creation of OFID by OPEC Member Countries.

APRIL 29-30

OFID hosts joint technical meeting

Representatives of the Development Assistance Committee of the OECD (Organization for Economic Cooperation and Development) and the Coordination Group of Arab Aid Institutions gathered for a joint technical meeting organized by OFID at its Vienna headquarters. The purpose of the meeting was to deepen dialogue between Arab and OECD donors and foster an exchange of information on strategic approaches and operational activities. Four themes were covered; namely, energy poverty, food security, agricultural development and the Arab Development Portal. Also in attendance as observers were representatives from the International Fund for Agricultural Development and the Inter-American Development Bank.

MAY 4

Research grants approved

The Colombo Plan. US\$100,000. This grant will support two priority programs of the Colombo Plan Secretariat that will hold in 2010-2011: Professional Development Program for Science and Mathematics Educators and Training Program on Operational Management of Microfinance Focusing on Non-Interest Based (Sharia) Microfinance in Asia-Pacific Region.

Lindau Foundation.

US\$100,000. This grant supported the participation of 45 young scientists from Arab and developing countries at the *60th Meeting of Nobel Laureates - 3rd*

Interdisciplinary Meeting, which held at Lake Constance on June 27 – July 2, 2010. The meeting brought together young researchers from around the globe, as well as 62 Nobel Laureates from the fields of physiology, medicine, physics and chemistry.

Arab Forum for Environment and Development (AFED).

US\$100,000. This grant will support the 3rd Annual Conference of AFED, which will hold under the theme *Water: Sustainable Management of a Scarce Resource*. The event will take place November 4 – 5 in Beirut, Lebanon.

MAY 6

OFID Director-General attends opening ceremony of children's home in Ukraine

Mr. Suleiman J. Al-Herbish, OFID Director-General, attended the opening ceremony of a children's home in the Kiev district of *Bortnitschi*. An initiative of Caritas-Spes, Ukraine, and car-

ried out in cooperation with Austrian NGO *Kleine Herzen* ("Little Hearts"), the facility will provide orphans with the chance to live in a stable, comfortable environment. The newly-completed home was funded with the assistance of a US\$100,000 OFID grant.

MAY 27

Grant agreements signed

World Health Organization (WHO). US\$3.5 million. OFID/WHO Joint Partnership on Prevention of Transfusion-Transmitted HIV/AIDS and Hepatitis Infections in Priority Countries.

United Nations Office on Drugs and Crime (UNODC). US\$3 million. OFID/UNODC Joint Program Effective HIV/AIDS Prevention and Care among Vulnerable Groups in Central Asia and Eastern Europe.

International AIDS Society. US\$350,000. Sponsorship of the 18th International AIDS Conference (AIDS 2010).



Children and staff at the Caritas-Spes children's home in Ukraine gave a warm welcome to the OFID delegation.

Public sector loan agreements signed

Bolivia. US\$10 million. Extreme Poverty Eradication Program – “Plan Vida.”

Botswana. US\$10 million. Kasane Airport.

Kenya. US\$12 million. Nonu Modogashe Road Upgrading.

Turkey. US\$30.72 million. Ankara-Istanbul Railway Upgrading (€24.972 million).

Yemen. US\$9.1 million. Vocational Training and Skills Development.

JUNE 7

Public sector loan agreement signed

Albania. US\$10 million. Secondary and Local Roads, Phase II.

JUNE 9

Public sector loan agreement signed

Rwanda. US\$10 million. Kitabi Crête Congo Nil Road.

JUNE 10

OFID intensifies cooperation with the IFC

OFID received a high level delegation from the International Finance Corporation (IFC) led by Mr. Lars Thunell, Executive Vice President and CEO; Mr. Jyrki Koskelo, Vice President, Global Industries; and Mr. Walid Almursi, IFC Representative in Saudi Arabia. Two Accession Agreements were signed for OFID's participation in the Global Trade Liquidity Program (GTLP). *See story, page 42.*

JUNE 15

OFID and CAF sign cooperation agreement

OFID and the Andean Development Corporation (CAF) signed a cooperation agreement aimed at stimulating, developing and facilitating joint activities (through finance and other forms of investment) to support the public and private sectors of Latin American countries. *See story, page 42.*

JUNE 17

OFID Ministerial Council holds 31st Session in Caracas, Venezuela

The Ministerial Council, OFID's highest policy-making body, adopted the Annual Report for 2009 and discussed a number of key issues.

See story page 32.

JUNE 18

31st Session of the Governing Board approves some US\$180 million in fresh financing for development

Project loans approved

Belize. US\$11 million. Southside Poverty Alleviation, Phase II.

Colombia. US\$30 million. *Transmilenio* System Expansion.

DR Congo. US\$6 million. Revitalization of Health Zones.

Côte D'Ivoire. US\$7 million. North East Abidjan Drinking Water Supply.

Cuba. US\$12 million. Havana Electricity Rehabilitation (Phase III).

Djibouti. US\$7 million. Geothermal Power Generation.

Dominican Republic.

US\$5 million. Border Region Rural Development (Supplementary Loan).

Egypt. US\$30 million. Giza North Power Plant.

Ghana. US\$7.5 million. Workshops Construction and Rehabilitation.

Grenada. US\$8.5 million. Agricultural Feeder Roads Rehabilitation (Phase II).

Nepal. US\$17 million. Urban Infrastructure Improvement.

Nicaragua. US\$4 million. National Program for Sustainable and Renewable Energy.

Niger. US\$10 million. Bella II – Gaya Border with Benin Road Rehabilitation.

Turkey. €20 million (US\$24.76 million). Samsun Light Rail Transport System (Supplementary Loan).

Grant approved under the HIV/AIDS Special Account

OFID/UNICEF Joint Project on Scaling up Assistance to Children Affected by HIV/AIDS in Africa. US\$3 million. This grant will support a joint project that aims to reduce mother-child transmission of HIV; providing pediatric treatments; preventing infection among adolescents and young people, and protecting and supporting children affected by AIDS. The beneficiary countries are Botswana, Cameroon, Kenya, Lesotho, Malawi, Namibia, Swaziland, Tanzania and Zambia.

Grant approved under the Special Grant Account for Palestine

United Nations Development Program (UNDP) – Program of Assistance to the Palestinian People. US\$3 million. In 2007, the Islamic Development Bank, in partnership with



Ms. Robin Gorna, Executive Director of the International AIDS Society, with Mr. Al-Herbish after signing the agreement.

the Palestinian Authority and the UNDP, initiated a Deprived Families Economic Empowerment Program (DEEP) to support chronically poor and the hardest-hit families in the West Bank, including Jerusalem and Gaza Strip, Palestine. The grant will support the expansion of its activities to benefit an additional 1,600 micro-enterprises and 1,600 poor households in Jerusalem over a four-year period.

Technical assistance grants approved

Carter Center. US\$500,000. This grant will support the final phase of an Onchocerciasis (river blindness) Elimination Program (OEPA) for the Americas that aims to intensify treatment efforts in all remaining endemic countries (Brazil, Colombia, Guatemala and Mexico), thus eliminating transmission of the disease. The OEPA strategy is to reach and maintain high treatment coverage with a semi-annual mass distribution of *Mectizan* tablets.

Foundation for the Special Promotion of Culture (FPSC). US\$400,000. This grant will support an FPSC project that aims at improving the livelihoods of over 100 household in the La Reina community in the San Ramon municipality of Nicaragua. This will entail the construction of housing units and latrines, as well as a community center, and improving access to potable water supplies. A reforestation scheme is also envisaged. A series of workshops will be held to train beneficiaries in the proper use and maintenance of the new equipment and facilities.

United Nations Educational, Scientific and Cultural Organization (UNESCO). US\$750,000. This grant will support UNESCO's aim to provide urgent humanitarian relief to the education sector in Haiti, with particular emphasis on three strategic areas: reactivation of emergency schooling and Technical and Vocational Education and training/skills development for youth affected by the earthquake, emergency support to national education authorities; and, psycho-social support through teacher training.

Research grants approved

Institute for Development Cooperation (ICEP). US\$200,000. This grant will support a Training of Trainers for Women's Empowerment program sponsored by ICEP. The program will provide basic entrepreneurial training to women in selected rural areas in El Salvador and Kenya.

Institute for University Cooperation (ICU). US\$150,000. This grant will help finance a scheme of the ICU, a non-profit NGO based in Italy. In cooperation with its Guatemalan counterpart, *Fundación para el Desarrollo Integral*, ICU will undertake projects aimed at improving health and nutrition among rural areas of the Cachiquel region in the Chimaltenango Department.

University of Vienna. US\$30,000. This grant co-funded a three-week International Training Course on Organic Agriculture in East Africa, which was held in Uganda in July. The course was an initiative of BOKU – University of Natural Resources and Applied Life Science within the University of Vienna. The beneficiaries are approximately 1,200 organic farmers working under the *GoOrganic* initiative.

JUNE 21

Public sector loan agreement signed

Lebanon. US\$8.4 million. Hilly Areas Sustainable Agriculture Development.

JUNE 29

Emergency assistance grant approved

Mongolia. US\$250,000. This grant, which was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC), helped procure essential relief supplies and bolster emergency operations for victims of the prevailing conditions caused by a *dzud* (extreme cold and heavy snowfall) in Mongolia.

Meetings attended by OFID

APRIL 7

KHARTOUM, SUDAN

Annual Meeting of the Arab Financial Institutions

APRIL 23

WASHINGTON DC, USA

G-24 Ministerial Meeting

APRIL 24-25

WASHINGTON DC, USA

Spring Meetings of the World Bank and International Monetary Fund including the Development Committee Meeting

APRIL 28

ROME, ITALY

International Development Law Organization Meeting

MAY 1-4

TASHKENT, UZBEKISTAN

43rd Annual Meeting of the Asian Development Bank

MAY 7

PARIS, FRANCE

Workshop on Energy Poverty organized by the International Energy Agency in cooperation with the United Nations Industrial Development Organization and the United Nations Development Program. Theme: *Towards Universal Energy Access: MDGs and Beyond*

MAY 9-12

DOHA, QATAR

67th Meeting of the Coordination Group

MAY 18-19

RIYADH, SAUDI ARABIA

Euromoney Saudi Arabia Conference 2010

JUNE 1

PUNTA CANA, DOMINICAN REPUBLIC

World Summit for the Future of Haiti. Theme: *Solidarity beyond the Crisis*

JUNE 5

OXFORD, UNITED KINGDOM

Oxford Energy Policy Club Meeting

JUNE 6-9

RIO DE JANEIRO, BRAZIL

33rd International Conference of the International Association for Energy Economics

JUNE 15

CARACAS, VENEZUELA

OFID Workshop with the Venezuelan Bank for Social and Economic Development and the Venezuelan Ministry of Popular Power for Planning and Finance

JUNE 22-23

BRUSSELS, BELGIUM

Round-Table Meeting with the Government of Mauritania, the European Union, the World Bank and UNDP

JUNE 27 – JULY 4

ABU DHABI,

UNITED ARAB EMIRATES

67th Meeting of the Coordination Group

LOAN SIGNATURE
**photo
gALLeRy**



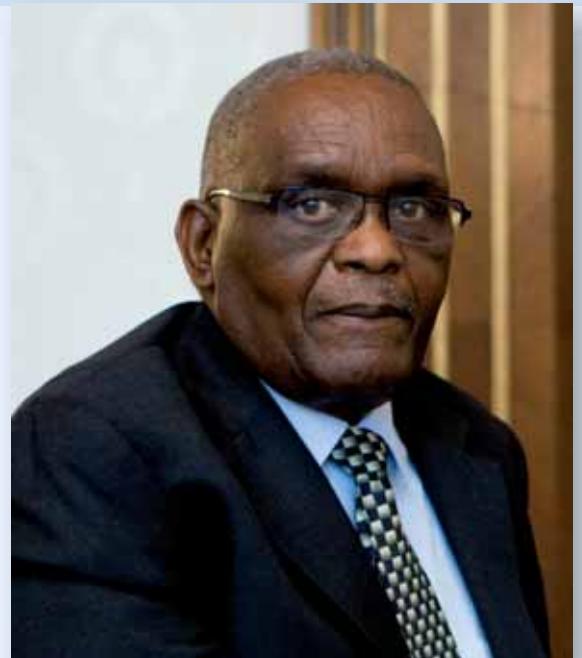
June 1

Concluding the US\$12 million agreement for a road upgrading project, HE Ukur Kanacho Yatani, Ambassador of Kenya to Austria, said that the loan was further “testimony that OFID is a valuable and timely partner in Kenya’s economic development.”



June 1

Mr. Başol Tütüncü, Economic Counsellor, Embassy of the Republic of Turkey, secured a US\$30.72 million loan to help upgrade the Ankara – Istanbul Railway.



June 1

HE Boometswe Mokgothu, Ambassador and Permanent Representative of Botswana to the United Nations in Geneva, signed a US\$10 million agreement to help finance expansion works at the country’s Kasane Airport.



June 9

Ms. Kampeta Pitchette Sayingzoga, Permanent Secretary and Secretary to the Treasury, Ministry of Finance and Economic Planning, Rwanda. The country secured a loan of US\$10 million for the Kitabi-Crete Congo Nil Road Project.

June 7

HE Ridvan Bode, Minister of Finance of Albania, thanked OFID for its ongoing support and flagged new areas for possible future cooperation. The latest US\$10 million loan will support activities under the government's national transport plan.



June 22

HE Dr. Nabil A. El-Jisr, President of the Council for Development and Reconstruction, Lebanon, shakes hands with Mr. Al-Herbish after signing the loan agreement. The US\$8 million credit will support a sustainable agriculture project.

The full list of loan signatures can be found on pages 47-49



131st Session of the Governing Board

Meeting on June 18, in Caracas, Venezuela, OFID's Governing Board approved some US\$180 million in new financing for development. The funds will support 14 projects in Africa, Asia, Latin America and the Caribbean. Energy and transportation projects represent almost 60 percent of the allocated funds, with the remainder supporting projects in the water supply and sewerage, health and agriculture sectors. Five grants totaling US\$7.65 million were also approved at the meeting.



Mr. Muniru Abiodun Alao,
Governor Ad Hoc of Nigeria
to OFID (left), and
Mr. Haruna Mohammed,
Alternate Governor Ad Hoc.

From left: Mr. Saeid Niazi, Assistant Director-General, Financial Operations; Mr. Jamal Nasser Lootah, Governing Board Chairman; Mr. Suleiman J. Al-Herbish, Director-General; Mr. Said Aissi, Assistant Director-General, Operations.



Mr. Mohamed Abdulbaki Mohamed,
Alternate Governor, United Arab Emirates.



Mr. El Boueshi M. Ellafi, Libyan Governor to OFID.

Second Development Cooperation Forum urges progress towards MDGs

With a UN High-Level Summit set to review progress towards the Millennium Development Goals this coming September, calls are growing steadily louder for more and better aid to support a final push in the lead up to the 2015 deadline. Here, the *Quarterly* reports from the Second *UN Development Cooperation Forum*, held recently in New York.

The Second biennial UN high-level Development Cooperation Forum (DCF) was held during the substantive session of the UN Economic and Social Council (ECOSOC), June 29-30, 2010. Organized by the UN Department for Economic and Social Affairs (UN-DESA), the Second DCF brought together high-ranking representatives from central and local governments in both North and South, UN agencies, multilateral, regional and bilateral development agencies – including OFID – UN system organizations, the private sector, academia and civil society.

Since the conclusion of the first DCF in 2008, several inter-linked global crises have dramatically changed the global development cooperation environment. The economic and financial crisis pushed an additional 64 million people into extreme poverty, and the number of chronically hungry worldwide has passed the one billion mark. With increasingly limited resources and competing demands, the need for an increased quantity and improved quality of development cooperation has become a matter of even greater urgency, especially for the world's poorest countries.

The discussions during the Second DCF were guided by a Report by the UN Secretary-General on *Trends and Progress in International Development Cooperation*. Paragraph 117 of the Report notes that most South-South development cooperation agencies do not participate in harmonization initiatives with other providers, except through some regional and country-led forums. The Report singles out “*the high degree of procedural harmonization among Arab contributors through the Arab Coordination Group, whose members usually co-finance projects*”, as an interesting exception. OFID is an active member of the Arab Coordination Group, and has made harmonization, cooperation and coordination the central elements of its philosophy and the driving forces of its mode of operation.

Based on the Secretary-General's Report, participants in the Forum engaged in the following five thematic policy dialogues: (i) promoting greater coherence: how can all policies be geared towards development goals; (ii) accountable and transparent development cooperation: how can we build more equal partnerships; (iii) South-South, triangular and decentralized cooperation; (iv) impact of multiple crises: allocating resources among competing needs; and (v) achieving the MDGs by 2015: an agenda for

more and improved development cooperation. In addition, several side-events were organized on pressing global challenges and trends in development cooperation, including: (i) South-South cooperation: Africa and new forms of development partnership, (ii) Enhancing official development assistance (ODA) for Least Developed Countries (LDCs) development and transformation, and (iii) A special policy dialogue on women.

The Forum concluded amid calls for a road map to reach the MDGs by 2015. To spur progress towards the MDGs, aid agencies are encouraged to set ambitious targets for 2011-2015 and to scale up disbursements. Particular emphasis should be placed on areas where attaining the targets would have a multiplier effect on reducing poverty and hunger, such as investing in women and girls. Moreover, aid agencies are encouraged to fully capitalize on the comparative advantages of South-South and triangular cooperation by providing cost-effective support and by enabling peer learning.

The Forum further stressed the need to ensure greater coherence between development cooperation and policies on trade, investment and technology



PHOTOS: UN PHOTOS 2010

Addressing the DCF, UN Secretary-General Ban Ki-moon (center) called for greater investment in the world's small farmers.

through more analysis and political engagement in order to foster a global partnership for development, the eighth MDG. In the same vein, the DCF was urged to identify best practices, to continue its regular assessments of development cooperation trends, to improve means to measure progress on issues relat-

ing to capacity development and mutual accountability, and to enhance its role in the aid architecture as a Forum for policy dialogue and norm-setting.

The conclusions and recommendations of the Second DCF served as an input to UN-ECSOC's Annual Ministerial Review (AMR). They shall be further considered during the UN High-Level Summit to review progress towards the MDGs, New York, September 2010, and the Fourth UN Conference on the LDCs, Istanbul, Turkey, 2011.

The DCF was launched in Geneva, in July 2007, as part of ECOSOC's High-level Segment in response to the growing complexity of the global aid architecture. By giving voice to a wide range of stakeholders and by offering policy guidance, the Forum aims at promoting an inclusive dialogue on development cooperation issues, and at bringing greater coherence to an increasingly fragmented development-cooperation landscape. More specifically, the DCF aims to enhance aid effectiveness to accelerate progress towards the UN Millennium Development Goals (MDGs), in line with the objectives of the *Paris Declaration on Aid Effectiveness* and *Accra Agenda for Action*. ■



Speakers pointed to the role of the DCF in addressing issues such as policy coherence, trends in development cooperation and mutual accountability, among others.

Doha energy conference calls for closer cooperation among Arab states

Under the patronage of His Highness Sheikh Hamad Bin Kalifa Al-Thani, the Emir of Qatar, and with the theme “Energy and Arab Cooperation,” the 9th Arab Energy Conference convened May 9 – 12 in Doha, Qatar. The Conference stressed the importance of continued scientific research as well as the promotion of technological and local innovation within the energy industry.

BY REEM ALJARBOU

The Doha conference brought together the Arab world’s leading energy experts to discuss and debate challenges and opportunities relating to global energy issues as well as cooperation between producers and consumers. Chaired by HE Abdullah bin Hamad Al-Attiyah, Deputy Premier and Minister of Energy and Industry of the State of Qatar, the Conference tackled topical matters such as: energy resources and their development prospects; energy consumption and conservation in Arab countries;

environment and energy for sustainable development; and the role of regional markets and energy institutions in world market stability. Other sessions covered international developments in the oil and natural gas markets; investment in oil and natural gas projects; prospective technology developments; and Arab cooperation in the energy sector.

The Conference started with keynote addresses by HE Abdullah bin Hamad Al-Attiyah, and was followed by opening statements by ministers and heads of delegation. During the conference, innovative solutions to the complex challenges associated with the region’s economic growth path were highlighted. The various panels presented an opportunity for the experts and participants to focus attention on the agendas most pressing to them as the drivers for energy development in the Arab world.

Oil and energy ministers called for concerted efforts to step up cooperation in the field of energy, with specific emphasis on research in renewable energy. HE Mr. Al Naimi, Minister of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia, called on the Arab petroleum-producing states to continue to play a positive role for the stability of the petroleum market and industry and in their efforts in nurturing international cooperation. He also urged “it is imperative for the Arab states to pursue cooperation and perhaps integration in the field of oil

industry and policies as well as research on environment-friendly advanced technologies".

Sheikh Ahmad Abdullah Al Ahmad Al Sabah, Minister of Oil and Minister of Information of Kuwait, stressed the importance of closer cooperation between the Arab countries in the promotion of joint Arab action in the field of energy. He urged that "Arab States should continue to promote scientific research and benefit from advanced technology to increase energy efficiency and rationalize its use and preserve it for as long as possible to achieve the objectives of sustainable development."

The Director-General of OFID, Mr. Suleiman J. Al-Herbish, delivered a presentation on "Opportunities and Challenges in Energy for Sustainable Development" as part of the third technical session on Environment and Energy for Sustainable Development. Mr. Al-Herbish highlighted OFID's activities regarding energy poverty alleviation as underscored in the Riyadh Declaration of the 2007 OPEC Summit, and later by the Energy for the Poor Initiative as proposed by the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz Al Saud. Mr. Al-Herbish discussed OFID's financing activities world-wide and



PHOTO: REUTERS/MOHAMMED DABBOUS

Saudi Arabia's Oil Minister HE Ali Bin Ibrahim Al-Naimi (right) listens during the Ninth Arab Energy Conference in Doha. To his right is HE Dr. Chakib Khelil, (then) Minister of Energy and Mines of Algeria.

within the Arab world, focusing on energy poverty and emphasizing the importance of progress in the area and on continued challenges.

The same session included presentations from various experts highlighting the impact of biofuels, as well as environmental and climate change issues within

the Arab world. Mr. Al-Herbish stated that it was difficult to fathom that "over 1.5 billion people had no access to electricity and that 2.5 billion people still relied on biomass as their principle source of energy." These facts, he said, made the reduction of energy poverty a dire necessity for social, human and economic development "and, therefore, should be added as the ninth Millennium Development Goal."

A key theme discussed throughout the conference was the need for further private sector investment as an imperative for the future development of energy resources within the region.

The Conference was sponsored by the Organization of Arab Petroleum Exporting Countries (OAPEC), the League of Arab States, the Arab Fund for Economic and Social Development, and the Arab Industrial Development and Mining Organization. The conference brought together national delegations, heads of international agencies, and experts representing corporations, non-governmental organizations, academia, and oil and energy research institutions.

Arab Energy Conference: origins and objectives

The idea of instituting an Arab Energy Conference (AEC) began with a decision adopted by the Ministerial Council of OAPEC in 1977. The first AEC was held in Abu Dhabi in 1979. Consultations with the Arab Fund led to an agreement that the two organizations would jointly sponsor the Conference, thereby ensuring the representation of all Arab countries and highlighting the nexus between energy and development. The objectives of the AEC are to establish an Arab institutional framework for oil and energy issues with stronger coordination. Additionally, it aims at assessing existing resources and identifying ways to meet future Arab energy requirements. The AEC also evaluates the impact of international energy policies on the Arab countries. The Conference is the key regional event emphasizing the relationship between energy and development.



Nigerian President Umaru Musa Yar'Adua (1951-2010)

An appreciation

*'kalu - Inna lillahi wa
inna ilayhi raji'un'*

The people of Nigeria and friends of Nigeria woke up May 6, 2010, to the solemn announcement of the death of Federal Nigerian President and Commander-in-Chief of the Nigerian Armed Forces, HE Mr. Umaru Musa Yar'Adua. The President passed away, Wednesday, May 5, following a period of illness and hospitalization in Saudi Arabia.

The government announcement said Yar'Adua had died at the Presidential Villa in Abuja, Nigeria, with his wife, Hajia Turai, at his bedside. The news spread quickly across the country, with many Nigerians expressing shock and grief. Yar'Adua was only 58. Nigeria declared seven days of mourning during which the national flag flew at half mast.

Yar'Adua was, last November, admitted to the *King Faisal Specialist Hospital and Research Centre* in Jeddah, Kingdom of Saudi Arabia, where he spent several months before returning home for what was expected to be recuperation. In accord with the Constitution, Acting President HE Dr. Goodluck Ebele Jonathan assumed office as President.

Reactions to the death of President Yar'Adua began to pour in early. In his homage, Dr. Jonathan said Nigeria had lost a crown jewel and that "even the heavens mourned with our nation today." Jonathan described the passing of the President as sad, unfortunate and regrettable. Also reacting, the Governor of the Nigerian State of Ondo, Mr. Olusegun Mimiko, said

the President's death was a sad loss. He described the late President as an apostle of democracy, who had maintained a firm belief in the rule of law and fair-play.

US President Barack Obama led tributes from world leaders. Mr Obama praised President Yar'Adua's "profound personal decency and integrity, his deep commitment to public service, and his passionate belief in the vast potential and bright future of Nigeria's 150 million people."

OFID Director-General Mr. Suleiman J. Al-Herbish paid a courtesy call on the Nigerian Embassy in Vienna, Austria, to deposit his personal condolences. The departed President's wife, Hajia Turai, had visited OFID headquarters just a few months earlier.

And in Jos, central Nigeria, the resident correspondent of the British Broadcasting Corporation (BBC), Caroline Duffield, said President Yar'Adua would be fondly remembered as a quiet and softly-spoken man, whose integrity had been widely respected.

Nigerians remember Musa Yar'Adua for – among other accomplishments – his gentle but firm approach to the country's Niger Delta difficulty. The President brought the militant fighters to the negotiation table with a general amnesty.

Yar'Adua was Nigeria's 13th head of state. He had earlier served as Governor of Nigeria's Katsina State, 1999 to 2007, where his primary health care delivery system and his primary education policies became models with national appeal. Yar'Adua was born into an aristocratic family in Katsina and his father, a former minister in Nigeria's First Republic, held

the royal title of *Mutawalli* (custodian of the treasury) of the Katsina Emirate; a title Musa Yar'Adua inherited.

Yar'Adua's election to the Nigerian presidency in 2007 marked the first transfer of power from one civilian president to another in Nigeria since independence in 1960. Yar'Adua came to office promising reforms, including the reform of the power sector and the electoral system. He made progress in banking restructuring, but analysts say he made the most progress of his tenure tackling the unrest in the Niger Delta. Various Nigerian media assert that ill-health prevented further progress with the President's peaceful policy toward various other challenges.

Yar'Adua attended Nigeria's "Ivy League" Barewa College Zaria where he obtained his Higher School Certificate, 1970-1971, moving on to the prestigious Ahmadu Bello University in Zaria, 1972 to 1975. After his BSc in Education and Chemistry, he returned in 1978 to attain an MSc in Analytical Chemistry. He was a university chemistry professor before moving into politics.

The late President was director of several companies, including *Habib Nigeria Bank Ltd.* 1995-1999; *Lodigiani Nigeria Ltd.*; *Hamada Holdings*; and *Madara Ltd.* In his "impressionable," formative years, he was said to have been "exposed" to radical ideas of how society ought to be organized, evolving to embrace independent thinking. His biographers refer to Richard Buckminster Fuller: *You never change things by fighting the existing reality. To change something, you build a new model that makes the existing model obsolete.* Yar'Adua was married and had nine children. ■

Venezuela victorious in OPEC's international quiz

Students from OPEC Member Countries and host country Austria displayed some impressive knowledge in OPEC's international quiz, but none could better a perfect performance from Venezuela's Luis de la Hoz.

BY STEVE HUGHES

The OPEC Secretariat's press room is normally reserved for delivering serious messages about market stability or demand and supply. Ministers and officials make speeches that move the markets, and studious journalists huddle over laptops or hurriedly relay messages to editors down mobile phones. Apart from the odd jostling for position among camera crews and roving reporters, the atmosphere is more academic than adrenalin-fuelled. It's no library, but situated in the basement of the new OPEC headquarters, there's a definite air of gravitas about the place.

Recently though, the press room underwent something of a transformation. At more than one stage in proceedings, it was filled with whoops, whistles and chants. At other times, it was engulfed by tense silence. And when the final scores were read out, there was an eruption of emotion. A Venezuelan flag was unfurled in a celebration more akin to something at the recent football World Cup in South Africa. There were even tears of joy.

The reason for the rumpus? An inundation of students from around the world, drawn to the Secretariat for the OPEC international quiz. Ten competitors – all under 18 years of age – repre-

sented nine OPEC Member Countries (Ecuador, IR Iran, Iraq, Kuwait, SP Libyan AJ, Nigeria, Qatar, Saudi Arabia and Venezuela), as well as host country Austria, in a grand finale that lived up to months of preparations.

After two rounds of questions about OPEC and its Member Countries (the most populous Member Country anyone? Or the world's highest waterfall?), 10 became four, as the six lowest scoring students bowed out. Students representing Ecuador, the SP Libyan AJ, Nigeria and Venezuela were left to be grilled by quiz master Dr Eric An – a Vienna-based communications teacher and musician – about the oil industry in the third and final round. LNG, LPG, 'sweet and light' and CCS were just some of the phrases and acronyms being flung about.

The competition, which was broadcast live on the OPEC website, was enjoyed by an audience that included ambassadors, Austrian dignitaries, local press and other students from both Austria ▶



HE Abdallah Salem El-Badri, OPEC Secretary-General, with quiz winner Luis de la Hoz from Venezuela.



The quiz was fiercely contested by all participants, who secured their places in the final after winning qualifying rounds in their home countries.

◀ and overseas. All were treated to an impressive display of knowledge from the contestants, but in the end, 17 year-old Luis de la Hoz from Venezuela proved unbeatable, sweeping to victory after answering all of his questions correctly.

"I feel very proud of representing my country," said Luis, who hails from western Venezuela and hopes to be a systems engineer when he finishes studying. "It's been a huge experience for me. I studied a lot for this, but my teachers and family and friends helped me too. My mother was very proud – she cried when I won."

Kehinde Olatunde, 16, from Nigeria took second place and Jose Andres Yanchapaxi, 18, from Ecuador took third, but all contestants – many of whom were visiting Europe for the first time – were win-

ners in their own right; all had won qualifying rounds in quiz-related competitions in their own countries.

The grand finale was the culmination of a fun and culture-filled two days for the contestants. After being welcomed to Vienna by OPEC officials, they were given a guided tour of the Austrian capital and were received in the city's majestic *Rathaus*. After the quiz, contestants were awarded prizes, souvenirs and certificates by OPEC's Secretary General, Abdalla Salem El-Badri, and were treated to a rousing performance by the VORLAUT children's choir, a joint project sponsored by OFID and the Vienna Konzerthaus, Caritas Vienna and the Vienna Boys' Choir. The project aims to support children from marginalized groups in

Vienna by integrating them into musical activities to enhance their overall capabilities.

The quiz was just one of many activities being held this year to mark OPEC's Golden Jubilee. Other activities include exhibitions, soccer matches, anniversary stamps and a range of special publications. It highlighted the power of bringing together people from different cultures – something that OPEC and sister organization OFID have long championed – as well as the dynamism, energy and enthusiasm of people like Luis; the prospective leaders of tomorrow. ■



50 Years of accomplishment, dialogue and cooperation

OPEC, the Organization of the Petroleum Exporting Countries, is observing this year its 50th year of existence: a golden anniversary. From modest beginnings in Baghdad, Iraq, in September 1960, the Organization has grown from its original five founding nations to a prominent group of 12 Member Countries: Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

This is clearly an Anniversary of success, pride and joy.

The OPEC Fund for International Development (OFID), established in 1976 by the Member Countries of OPEC to foster South-South Partnership with fellow developing countries worldwide with the aim of eradicating poverty, seizes this opportunity to wish OPEC many more years of success and prosperity.

OFID congratulates Members Countries, their Sovereigns and Heads of State, as well as HE Dr. Abdalla Salem El-Badri, OPEC Secretary-General, and his Management and Staff in Vienna, Austria.

We join the celebrations marking this milestone, which stands testimony to the Organization's steadfast commitment to the provision of adequate, economic and reliable petroleum supplies to world markets, as well as to consumer-producer dialogue, and to sustainable development through OFID and the development assistance channels of its Member Countries.

A handwritten signature in black ink, appearing to read 'Suleiman J. Al-Herbish'.

Suleiman J. Al-Herbish
Director-General, OFID



Parkring 8, A-1010 Vienna, Austria
P.O. Box 995, A-1011 Vienna, Austria
Telephone: (+43-1) 515 64-0
Fax: (+43-1) 513 92-38
www.ofid.org