

APRIL 2014

OFID Quarterly

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

Gearing up for more effective development cooperation



From Monterrey to Mexico City:
A global quest for development results

OFID hosts Palestine exhibition
Space Time Dignity Rights

Togo: A promising journey ahead

Environmental healing: Iraq pursues
restoration of Central Marshes

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.

The contents of this publication do not necessarily reflect the official views of OFID or its Member Countries. Any maps are for illustration purposes only and are not to be taken as accurate representations of borders. Editorial material may be freely reproduced, providing the *OFID Quarterly* is credited as the source. A copy to the Editor would be appreciated.



Uniting against Poverty

COMMENT

| | |
|-----------------------------------------------------|---|
| Closing in on a new, effective development paradigm | 2 |
|-----------------------------------------------------|---|

SPECIAL FEATURE

| | |
|--------------------------------------------------------------------------|----|
| From Monterrey to Mexico City: A global quest for development results | 4 |
| OFID and the road to Mexico | 10 |

| | |
|------------------------------------------------------------------------------|----|
| OFID IN THE FIELD | 14 |
| The miracle called Rwanda | 16 |
| Accelerating economic growth in post-conflict Sri Lanka | 18 |
| Bolivia takes a stand against poverty <i>Progress beyond expectations</i> | 20 |

NEWSROUND

| | |
|------------------------------------------------------------------------------------------------|----|
| Cooperation with China goes from strength to strength | 22 |
| Jordan takes steps to secure energy future with groundbreaking wind-farm project | 24 |
| Space Time Dignity Rights <i>Empowering Palestinians to shape their own environment</i> | 26 |
| Preserving a legacy: The Glaser Collection at the Austrian National Library | 30 |
| Support to water sector increases five-fold in 2013 | 33 |

| | |
|--------------------------------------------------|----|
| OFID DIARY | 35 |
| Meetings attended by OFID | 37 |
| 146 th Session of the Governing Board | 38 |
| Loan signature photo gallery | 40 |

CONFERENCE WATCH

| | |
|------------------------------------|----|
| Abu Dhabi Sustainability Week 2014 | 42 |
|------------------------------------|----|

PERSPECTIVES

| | |
|-----------------------------------------------------------|----|
| Understanding the human dimension of Palestine's struggle | 45 |
| Togo: A promising journey ahead | 48 |

MEMBER STATES FOCUS

| | |
|-----------------------------------------------------------------------|----|
| Environmental healing: Iraq pursues restoration of Central Marshes | 50 |
| Qatar looks to boost investment and entrepreneurship | 52 |

OPEC

| | |
|------------------------------------------------------------|----|
| OPEC Secretary General addresses MENA Conference in London | 54 |
|------------------------------------------------------------|----|

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

EDITOR Audrey Haylins

CONTRIBUTORS Reem Aljarbou, Nadia Benamara, Sam Chukwudi, Damelys Delgado, Mahmoud Khene, Souhad Khriesat, Arya Gunawan Usis, Justine Würtz

PHOTOGRAPHS Abdullah Alipour Jeddi (unless otherwise credited)

PRODUCTION Susanne Dillinger

DESIGN etage.cc/krystian.bieniek

PRINTED IN AUSTRIA Stiepan & Partner Druck GmbH

This publication is printed on paper produced from responsibly managed forests.



Closing in on a new, *effective* development paradigm

When the Global Partnership for Effective Development Cooperation holds its first high-level meeting in Mexico this April, it will bring together some 1,300 development leaders to review progress in making development cooperation more effective.

Its overarching aim will be to have the concept of development effectiveness—and all that it entails—embedded in the post-2015 development agenda.

Expectations are high, but tempered nevertheless by the difficult road traveled thus far in trying to identify an international system of development that delivers sustainable and truly transformational results.

Yes, there has been progress; substantial in some countries. But the truth remains that, despite decades-long efforts, substantial aid flows and myriad conferences, the world continues to be plagued by the perennial challenges of poverty and inequality.

Attempts to solve this conundrum have resulted in a global aid architecture that is constantly evolving, as new systems are defined, modified and replaced, and as new actors and challenges come to the fore.

As an essentially political exercise, development cooperation has become increasingly complex over time, sparking intense and often divisive debate.

The 2000 Millennium Summit represented an unprecedented watershed in this ever-shifting narrative. Endorsed by 189 world leaders, the resulting Millennium Declaration defined a shared vision of development and a bold agenda for joint action.

The Millennium Development Goals (MDGs) gave focus to this new vision, uniting developing countries and aid donors in a clearly defined quest with measurable and time-bound targets.

Since then, with progress towards the MDGs proving difficult for many, the development paradigm has continued to evolve.

At the heart of this new repositioning is the realization that greater attention must be paid to the *quality* of aid delivery, as measured by its actual impact on the ground. In other words, its *development effectiveness*.

Between 2003 and 2011, a series of high-level meetings, held in Rome, Paris, Accra and Busan, identified

and honed the principles guiding this new concept of development cooperation.

The process, it was agreed, would be results-oriented, with developing countries taking ownership of their own development programs. Partnerships would be inclusive, and all stakeholders would exercise transparency and accountability to each other.

The effectiveness debate has broadened discussions far beyond the traditional top-down notion of official development assistance and the language of “donors and recipients,” “rich and poor.”

It acknowledges crucial drivers such as the private sector, trade and foreign direct investment, and new, key actors, such as civil society organizations, parliamentarians and local government.

And it emphasizes the growing importance of South–South and triangular cooperation.

As a development finance institution of 38 years' standing—and one of the first multilaterals with a South–South mandate—OFID has been closely involved in this long and winding journey.

As a direct actor, it has made a substantial contribution in its own right. But it has also helped to leverage additional resources through its wide partnership network, including the sister institutions of its Member Countries.

As development cooperation enters this new stage of evolution, OFID looks forward to working with these agencies and the GPEDC to achieve greater development effectiveness.

To date 160 governments and 45 organizations have signed up to the Global Partnership and its principles. Among them are OFID and fellow members of the

so-called Coordination Group, a policy and operational alliance of Arab bilateral and multilateral funds, the Islamic Development Bank and OFID.

With an outreach that extends to over 130 countries and collective commitments of some US\$53.6bn between 2008 and 2012 alone, the Group is a significant player in the global development arena. As such, it is also a full member of the GPEDC Steering Committee.

Many of the GPEDC indicators are already standard working practice for the Group, which approaches development cooperation from the unique perspective of a set of countries that are themselves developing.

Since its establishment in 1975, the member institutions—some of which date back to the 1960s—have pioneered the concepts of South-South partnership, coordination and harmonization, practicing them long before the same principles were embraced by the aid effectiveness movement.

Long-established features of the Group's work include Partner Country sovereignty and ownership, an untied and predictable flow of aid, responsiveness and flexibility, and mutual accountability, among others.

Through its practice of sharing initiatives, synchronizing programs, and pooling knowledge and resources, the Group has thus made appreciable progress towards maximizing development effectiveness.

It is preparing to share this extensive experience at the forthcoming high-level meeting of the GPEDC, which it views as a unique opportunity to help shape a new and *effective* development architecture to steer the post-2015 agenda.

Perhaps, at last, we can find the right formula to banish poverty from our world once and for all. ■



From Monterrey to Mexico City: **A global quest for development results**

This April, global leaders will converge on Mexico City to attend the first high-level meeting of the Global Partnership for Effective Development Cooperation. Billed as a major milestone in the fight against poverty, the gathering will reaffirm the importance of effective development cooperation in meeting the MDGs and help shape the framework underpinning the post-2015 development agenda. Here, **Mahmoud Khene** summarizes the journey from global consensus to more effective action.

Development cooperation has become a permanent feature of post-World War II international relations. As a modern concept of diplomacy, it represents a critical means of supporting the socio-economic development of nations. It also serves as an important instrument of global security and stability by narrowing the divide between a few rich nations and the many who are impoverished.

Since its emergence, the international aid architecture has undergone dramatic change, reflecting the prevailing political, cultural, geo-strategic and socio-economic contexts in which aid has been delivered.

Today, the system continues to redefine itself, as it seeks to adapt to contemporary realities and better reflect the emerging new order. Gone is the old, dualistic pattern of development cooperation, which was characterized by a top-down hierarchy of aid transfers from the North to the South, from donors to recipients, and from the rich to the poor.

It remains to be seen, however, whether the dynamics of this transitional phase will ultimately lead to convergence, or if disagreement will prevail.

Turning the first corner

At the dawn of the new millennium, world leaders reached a historic consensus by endorsing the Millennium Declaration, which defined a shared vision of development and a bold agenda for joint action to lead the world on a sustainable path.

The challenge thereafter has been to translate shared commitments into tangible results for the benefit of the people. For a long time, development debates tended to a quantitative perspective that examined the volume of aid flows, with little attention given to the true effects of these transactions on the ground.

While the global picture pointed to a constant decrease in poverty in developing countries, the extent to which this trend could be attributed to the influx of external resources remained untested.

The 2002 International Conference on Financing for Development held in Monterrey, Mexico, proved to be a game-changer.

The conference convened with the aim of identifying the financial implications of the “Internationally Agreed Development Goals” and to explore ways of mobilizing the additional resources required to meet these and the more specific goals contained in the Millennium Declaration—the so-called Millennium Development Goals (MDGs).

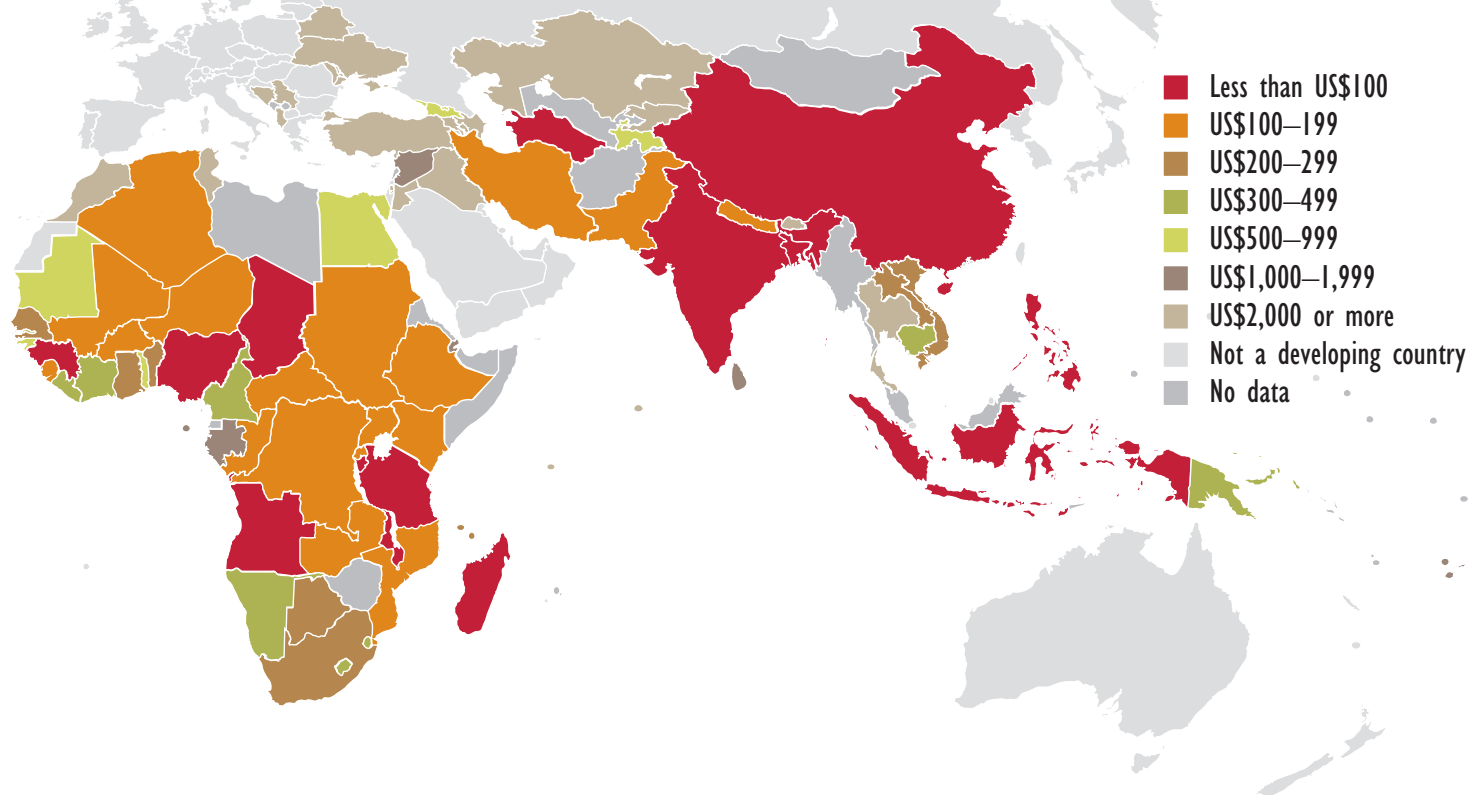


In the process, however, it broadened the debate by bringing the quality dimension into the development equation. Both sides, recipients and donors, acknowledged the need to elevate aid delivery to higher standards in order to achieve more tangible results where it mattered.

While recognizing that the volumes of aid and other development resources had to increase, the Monterrey Consensus thus also emphasized the need to improve aid effectiveness and to support partner country efforts to strengthen governance and enhance development performance.

And so aid effectiveness became the focus of a series of high-level forums organized by the Working Party on Aid Effectiveness and hosted by the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC).

Official Development Assistance per poor person, 2011



SOURCE: DEVELOPMENT INITIATIVES BASED ON DAC AND WORLD BANK DATA (2013)

The overarching aim of these forums was to establish commonly accepted norms and evidence-based frameworks to improve the quality of the assistance provided.

During the first forum held in Rome in 2003, donor and partner countries agreed to harmonize donor practices at the international and regional levels and to align aid delivery with national development strategies, institutions and procedures.

What the forum did not adequately address, however, was the contribution of partner countries to aid effectiveness. In addition, there were concerns that country ownership could potentially be undermined by the suggested harmonization measures.

Hence, the Paris Declaration, adopted at the 2005 High-level Forum on Aid Effectiveness, recognized both the necessity to engage recipi-

ent countries on an equal footing with donors and the relevance of country ownership to the success of development efforts.

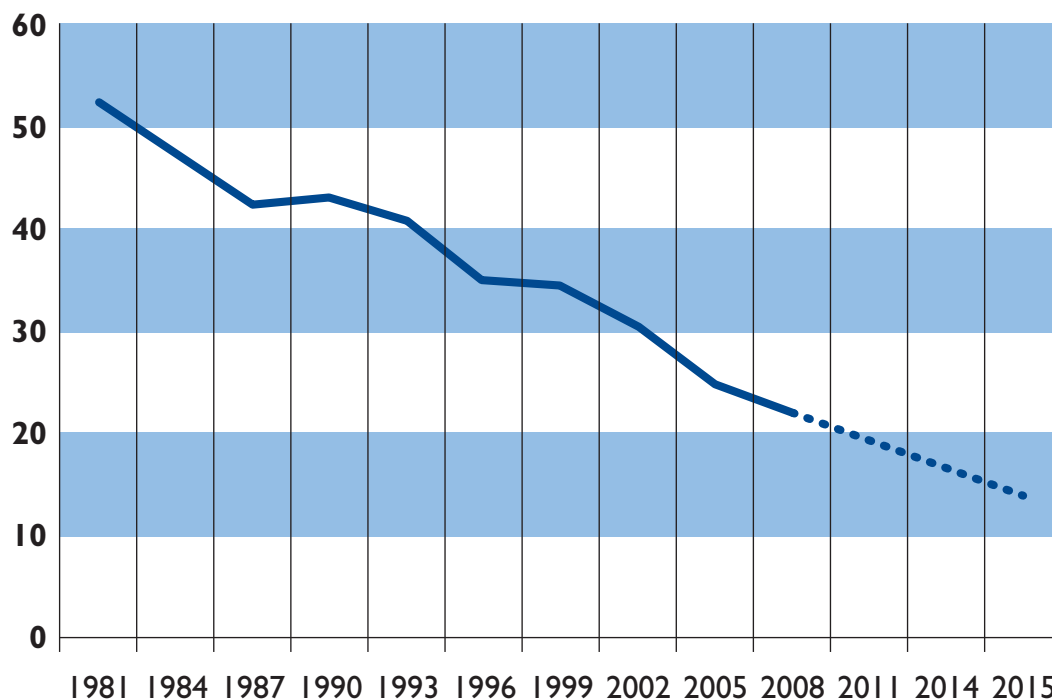
The Declaration identified, moreover, five key development cooperation principles—alignment, harmonization, managing for results, mutual accountability and ownership—as essential for achievement of the MDGs.

But beyond general principles, the Paris Declaration laid out a practical, action-oriented roadmap to improve the quality of aid and its impact on development.

A unique feature of the agreement was the commitment from both developing countries and donors to hold each other to account for implementing the principles of the agreement at country level through a set of specific indicators, with targets to be achieved within a five-year timeframe. ►

The challenge has been to translate shared commitments into tangible results for the benefit of the people.

Percentage of total developing country population living on or under US\$1.25 per day, 1981–2015



SOURCE: OECD (2013), IN DEVELOPMENT COOPERATION REPORT 2013, OECD PUBLISHING.

◀ Notwithstanding some methodological and other shortcomings of the subsequent surveys, this exercise proved a useful tool for partner countries to hold development partners accountable for key commitments made under the Paris Declaration.

In 2008, donors meeting at the Third High-Level Forum in Ghana agreed in the Accra Agenda for Action to increase the predictability of aid, improve coordination amongst themselves, and align aid more closely with developing countries' objectives.

Even more importantly, the time seemed finally ripe to reach out to a wider circle of key development stakeholders and engage representatives from the private sector and civil society organizations in debates on topics such as gender equality, transparency and conditionality.

The acknowledgement of these development actors in their own right—albeit not yet fully endowed with negotiating powers—reflected the gradual shifting of the traditional North-South development paradigm towards a more inclusive, more representative, and ultimately more legitimate model of development cooperation.

Busan: The advent of a new era

By now, the global development cooperation system was experiencing fast and deep changes, spurred in particular by the growing weight of new actors such as Brazil, China, India and Turkey.

Developing countries were increasingly reaping the fruits of years of cooperation with other more advanced nations of the Southern hemisphere.

“South-South Cooperation” was not a new concept—as evidenced by the establishment of OFID and other bilateral and multilateral institutions of its Member Countries as far back as the 1960s—but there was a growing perception of its impact and success on the ground, as it gained in influence and scale.

The high-level forums of Rome, Paris and Accra led OECD/DAC donors, partner countries and other stakeholders to agree on the common principles of aid effectiveness. In so doing, they helped to harmonize to a certain extent a global aid architecture previously characterized by fragmentation and division.

Yet, with the surge of emerging actors, alternative forms of cooperation, and global

challenges such as health pandemics, climate change and economic downturns, this traditional model shaped by OECD/DAC donors came under increasing pressure to adapt to a more complex environment.

In parallel, more and more voices were calling for a broadening of the debate to embrace the effectiveness of development cooperation rather than merely aid effectiveness. They argued that this would better reflect the ongoing discussion between recipient countries and donors on “policy coherence for development.”

A more comprehensive approach, it was felt, would capture more than just the narrow notion of official development assistance and take into consideration other critical factors such as debt relief, trade regulations and foreign direct investment, to determine whether their combined effects would nurture development.

As the monitoring results of the pledges made in Paris and Accra started to trickle in, it became clear that only little progress had been made and no noticeable results achieved. Moreover, recipient countries seemed to have performed relatively better than aid providers on mutual commitments.

Under the circumstances, and despite the fact that the system of clear standards and regular reviews should be regarded as a milestone achievement in itself, questions were raised about the credibility and willingness of donors.

Efforts would need to be made to rebuild trust among all parties, foster political support for—and ultimately revive—the development effectiveness process.

The fourth and last high-level forum was thus held in Busan, South Korea, in 2011. It addressed an increasingly complex and transitioning development cooperation architecture.

The Busan meeting succeeded in delivering on some of the challenges, but also to a certain extent ushered in a new era in international development cooperation.

Negotiating status was granted to new and key non-traditional development actors, most of whom participated for the first time in the process. As a result, the discussions focused on broader issues, including support for South-South and triangular cooperation, acknowledgement of the vital role played by civil society organizations, as well as recognition of the developmental role of the private sector, parliamentarians and local government.

The meeting also fostered crucial development drivers: human rights, gender equality

and women empowerment, ownership, and the strengthening of countries’ systems.

The Busan Declaration engaged traditional and newer development stakeholders in the restructuring of development cooperation around four basic principles—ownership of development priorities by developing countries, focus on results, inclusive development partnerships, and transparency and accountability to each other.

It thus introduced two new dimensions into the global monitoring framework—the need for transparent practices as the basis for enhanced accountability, and the different and complementary roles of all actors.

Beware the legitimacy trap

Among the most prominent outcomes of Busan, however, was the establishment of the Global Partnership for Effective Development Cooperation (GPEDC).

This new Partnership replaced the 2003 Working Party on Aid Effectiveness and serves two purposes. It ensures accountability for the implementation of commitments at the political level and provides a forum for the exchange of knowledge.

Inclusive and representative in nature, the Partnership adopts a multi-stakeholder structure with a focus on country-level implementation with limited bureaucracy, otherwise referred to as a “global light, country focused” approach.

Unfortunately, the new structure suffers from what some critical observers perceive as a lack of legitimacy, given that certain emerging countries have not yet fully embraced it.

This is a sore sticking point. In order to reduce the fragmentation of the current aid system and to ensure the implementation of the Busan principles, it seems evident that adherence by the widest possible range of development actors is a prerequisite.

Ultimately, the successful pursuit of the post-2015 development agenda will depend on the capacity of the international community to overcome past rifts and seek synergies among all stakeholders.

The upcoming high-level meeting in Mexico City, and the hopes and expectations it carries, will prove instrumental in this regard. ■

A full report on the GPEDC High-Level Meeting will be published in the July issue of the Quarterly.

*...more and more voices
were calling for a
broadening of the debate
to embrace the effective-
ness of development co-
operation rather than
merely aid effectiveness.*



OFID and the road to Mexico



Scheduled for April 15–16 in Mexico City, the First High-Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC) heralds a new era in international development. OFID and its Member Countries have played a key role in the preparations.

BY ARYA GUNAWAN USIS

The success of the GPEDC meeting in Mexico, which is expected to be attended by some 1,300 delegates, representing more than 160 countries, business communities and civil society organizations, will hinge on the contributions made by the various parties.

One of them is OFID. Together with the United Kingdom, two of its Member Countries, Indonesia and Nigeria, are first co-chairs of the Steering Committee, which has led the consulta-

tion process among the stakeholders to define the concept and direction of the Mexico meeting.

As an institution, OFID has also been delegated to coordinate and represent the position of its sister development agencies that make up the Coordination Group (CG). The CG of Arab National and Regional Development Institutions, the Islamic Development Bank Group and OFID comprises 16 institutions and their subsidiaries



Members of the Coordination Group gathered for a final preparatory meeting at OFID ahead of the Mexico high-level gathering.

Since its establishment nearly 40 years ago, OFID has played an active role in the global development dialogue, promoting the importance of South-South cooperation by lending its voice and experience from the unique position of an organization whose Members are themselves developing nations.

Starting in 2002 with the Monterrey, Mexico, International Conference on Financing for Development, OFID has participated in all the high-level meetings that led to the birth of GPEDC.

The others include Rome, Italy (2003), Paris, France (2005), Accra, Ghana (2008), and finally Busan, South Korea (2011). All of these gatherings were organized by the Organization for Economic Coordination and Development (OECD).

At the Busan conference, the CG published a Statement of Resolve, which stipu-

lated—among other things—their commitment to supporting the emergence of a new model of cooperation that focuses on strategies and programs prepared and fully owned by Partner Countries.

Preparatory meetings

Post-Busan, and in the lead up to Mexico, OFID—both independently and as part of the CG—has been involved in a series of meetings and workshops designed to discuss and find common ground on issues pertinent to the Global Partnership.

In October 2013, OFID headquarters in Vienna played host to a coordination meeting between the CG and the UK Department for International Development. Justine Greening, the UK Secretary of State for International Development, is the third co-chair of the GPEDC Steering Committee.



Mr Mauricio Escanero, Special Envoy of the Government of Mexico for the GPEDC High-Level Meeting.

This was followed by regional gatherings, including the Arab-DAC Dialogue on Development, which held in Kuwait in January 2014, between the CG and DAC (the Development Assistance Committee of the OECD). The Kuwait meeting re-emphasized the importance of documentation and the dissemination of information on successful development initiatives.

In February 2014, OFID took part in the 5th Steering Committee Meeting of GPEDC in Abuja, Nigeria, where the CG was confirmed as a full member of the Committee.

At this time, OFID was also given the mandate to represent and coordinate the participation of the CG in the high-level Mexico meeting.

CG's first report

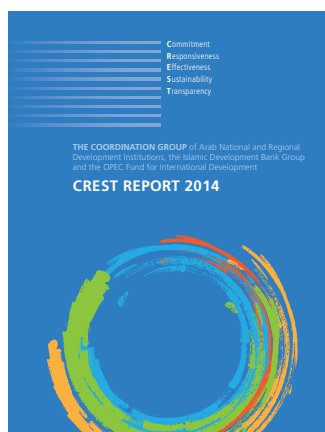
Most recently, on March 3–5, the CG convened again at OFID headquarters for a final preparatory meeting before departing for Mexico. The opening session was attended by Mr Mauricio Escanero, Special Envoy of the Government of Mexico for the GPEDC High-Level Meeting.

The gathering addressed two primary subjects. The first related to the Arab Development Portal, a knowledge-sharing platform currently being developed by the CG. The purpose of the portal is to allow CG members to exchange information, including lessons learned and best practice.

Knowledge-sharing is expected to be one of main topics of discussion at the Mexico conference. The CG is prepared to contribute its views on this, as well as on the subject of South-South cooperation. ►

A group photo of participants at January's Arab–DAC Dialogue on Development in Kuwait.





◀ The second item discussed at the March preparatory meeting was the proposed content of development effectiveness report by the CG on its implementation of the principles of the Busan Partnership and GPEDC.

The report, titled CREST (Commitment, Responsiveness, Effectiveness, Sustainability and Transparency), will be distributed at the Mexico conference and is the first of its kind in the name of the CG.

In an opening address at the preparatory meeting, OFID Director-General, Suleiman J Al-Herbish conveyed to Mr Escanero, the expectations of OFID and the CG with regard to the content of the communiqué that was being drafted for the Mexico conference.

Mr Al-Herbish raised two points. The first related to the necessity of a set of deliverables that would lay out a clear agenda for action by all actors in the wake of the Mexico conference until the next high-level meeting.

The second highlighted the need to maintain a balance across all three pillars of sustainable development—namely, social, economic and environmental—and not to allow one pillar to dominate the others.

The Special Envoy responded by saying that inputs from the Director-General, as well as from

other parties engaged in the various preparatory meetings, including the one hosted by OFID, would be taken into consideration to further enrich the draft communiqué.

A challenge in data consolidation

The preparatory meeting was marked by a dynamic discussion, particularly in relation to the challenges involved in the accurate collection of data, a theme that was highlighted in the opening speech of Mr Al-Herbish.

“I wish to emphasize the need for our institutions to develop and harmonize our data and information,” Al-Herbish said.

There was general agreement that the consolidation and interpretation of data was not an easy undertaking, as consolidation often meant looking for common denominators. Such practice tended to dilute somewhat the specificities of each institution, which would otherwise warrant greater attention.

Despite the challenges, however, concrete steps have been taken in the form of the Arab Development Portal and the CREST Report. These, and the other presentations planned for Mexico, should guarantee a continuing prominent role for the CG and OFID in the GPEDC. ■

The Coordination Group in a nutshell

The Coordination Group, or CG, is a policy and operational alliance among a number of Arab national and regional funds, the Islamic Development Bank and OFID, as well as their subsidiaries and special programs. Independently, some of these institutions have been involved in the development arena for more than five decades.

The CG institutions believe that development is about transformational processes driven by governments and non-government economic and social agents with the view to raising countries' welfare, reducing poverty and promoting sustainable development.

The CG's working modalities fit well with the principles and indicators of the GPEDC. The CG believes that Partner Countries belong in the driving seat and recognizes the reforms engaged by them. Further, it believes that the Group should enhance the quality of its services and measure its performance in a spirit of mutual accountability.

The CG institutions operate not only in the public sector; but also support private sector investment, trade, capacity building and making good budget deficits and balance of payments disequilibria.

The total commitments of the Group for the period 2008–2012 were about US\$53.6bn. In 2012 alone, commitments reached a record US\$13.2bn.

Members of the Coordination Group

- Abu Dhabi Fund for Development
- Arab Fund for Economic and Social Development (AFESD)
- Arab Gulf Program for Development
- Arab Monetary Fund
- Arab Trade Financing Program
- Arab Investment & Export Credit Guarantee Corporation
- Arab Bank for Economic Development in Africa
- Islamic Corporation for Development of the Private Sector (part of the IsDB Group)
- Islamic Corporation for the Insurance of Investment and Export Credit (part of the IsDB Group)
- Islamic Development Bank (IsDB)
- International Trade Finance Corporation (part of the IsDB Group)
- Kuwait Fund for Arab Economic Development
- OPEC Fund for International Development
- Qatar Development Fund
- Saudi Export Program (part of the SFD Group)
- Saudi Fund for Development (SFD)

Armida Alisjahbana



Ngozi Okonjo-Iweala



Justine Greening



A tale of three ladies

Three topics will be high on the agenda of the GPEDC meeting in Mexico: knowledge-sharing, national resource mobilization and the private sector. Leading the debate on knowledge-sharing is Professor Armida Alisjahbana, Indonesian State Minister for National Development Planning and GPEDC co-chair.

"Knowledge sharing is one of the real manifestations of the Busan Partnership's principles. It is important in strengthening the capacity of partner countries," Professor Armida told the *Quarterly* in a written interview.

She described the Mexico conference as crucial, since it would help to determine the post-2015 development agenda and serve as a forum for all parties to reaffirm their commitment to work on collaborative innovation.

"And knowledge-sharing is a pre-requisite of the increased innovation," Minister Armida stressed. In a broader context, Professor Armida spoke of the importance of the commitment and interaction of all development actors in enhancing development effectiveness.

"Partnership becomes the main foundation of the international development process, because the increasingly complex development challenges cannot be tackled by a group of countries or a group of organizations alone," she said.

The role of national resource mobilization in poverty alleviation was advocated by Dr Ngozi Okonjo-Iweala, co-chair from Nigeria.

At the 5th Steering Committee meeting of the GPEDC in February 2014 in Abuja, Nigeria, Dr Ngozi who is also the country's Finance Minister said that GPEDC plays an important role in helping developing countries boost domestic resources and collect more taxes to fund their own development.

"This is what my continent is so keen about. Through work on improving our tax administration in Nigeria, we're collecting five times more now than we were ten years ago. But there is so much more potential here," she explained.

Dr Ngozi also emphasized the significance of the Mexico meeting, describing it as a major opportunity for global development leaders to show how the GPEDC represented a key forum to support implementation of the new post-2015 development goals.

The third co-chair, Justine Greening, UK Secretary of State for International Development, has placed her emphasis on the strategic role of the private sector. In an article on the GPEDC website prior to the Mexico conference, Ms Greening elaborated on how the private sector and governments can work in partnership to achieve the best development outcomes.

According to Minister Greening, the GPEDC "will make it easier for businesses, governments and civil society around the world to work together to support development. For example, we will develop a roadmap to enable businesses and governments to partner more effectively."

She further wrote that the private sector had been a core driver of development for decades, but that often the development community had seen these skills and potential as something separate to its own efforts.

The Mexico conference will mark the end of tenure for the three co-chairs of the Steering Committee. These positions will be handed over to new co-chairs who will be selected from GPEDC's stakeholders.

Minister Armida admitted that she had fond memories of the challenges that she had to deal with during her tenure. "It has been a challenge to conduct the consultation process with stakeholders, particularly those representing governments," she disclosed, pointing out that the majority were middle-and low-income countries that did not as yet have an organized forum. "This has required a more proactive approach from the co-chairs. It is different from the group of developed countries, who are more organized as they already have a forum such as the OECD," she explained.



An aerial photograph of a lush, green mountain landscape with terraced fields. The terraces are carved into the hillside, creating a series of flat, rectangular plots of varying sizes. The vegetation is dense and vibrant green. In the lower center, a small, light-colored structure, possibly a hut or a small building, is visible on one of the terraces. The overall scene conveys a sense of agricultural development and land management in a mountainous region.

OFID in the Field

OFID enjoys close ties with its 120-plus Partner Countries, actively supporting their choices and encouraging them to take control of their own future. This *modus operandi* has led to strong alliances that are built on foundations of equality, solidarity and mutual respect. OFID feels privileged to accompany its Partners on their development journey and takes satisfaction in their progress. Here, **Damelys Delgado** traces the recent achievements of Rwanda, Sri Lanka and Bolivia—just three of the countries where OFID has been active for well over three decades.

The miracle called Rwanda

Two decades after one of the darkest chapters in its history, the Republic of Rwanda can proudly claim to be the third most favorable nation in which to do business in sub-Saharan Africa. Extensive government and economic reforms have transformed hope into concrete potential.

Miraculous is the best word to describe Rwanda's growth of the past decade. Today, the country is unrecognizable from the one that emerged bruised and bloodied from the civil war and culminating 1994 genocide that claimed up to one million lives and destroyed the entire social and economic fabric.

After the conflict, Rwanda set about rehabilitating its devastated infrastructure and restoring social norms, and ultimately embarked on a strategy of long-term development.

Its development goals are spelled out in Vision 2020, a national plan that seeks to transform Rwanda from a low-income, agriculture-based economy to a knowledge-based, service-oriented economy by the end of the current decade.

Launched in the year 2000, the Vision envisages real growth of eight percent annually, to be achieved through deepening reforms—including in the business environment—and investing

in major infrastructure such as energy, transportation and information and communication technologies. Other goals are to increase agricultural productivity and invest in the skills development needed for economic modernization.

Progress has been phenomenal, with the country having the tenth fastest-growing economy in the world since 2000. This growth, which has helped lift over a million people out of poverty, has been driven by the agriculture sector.

From 2008 to 2012, the sector grew at six percent per year, sustained by the higher-than-expected expansion of food production, thanks to scaled-up public investments such as the crop-intensification program.

Government policies have also been geared towards ensuring that the benefits of strong economic growth are broadly shared. This principle of inclusive development is embedded in Rwanda's Second Economic Development and Poverty Reduction Strategy (EDPRS 2), covering the period 2013-2018.

The Strategy has two key goals: reducing poverty faster to reach a poverty headcount of less than 30 percent; and, ensuring that the economy remains on a path of high and sustained economic growth to achieve an average double-digit GDP growth over the decade.

The government of Rwanda recognizes the key role of the private sector in accelerating growth and reducing poverty. In this regard, although poverty and inequality continue—in addition to the need to produce 200,000 jobs each year—there are a lot of opportunities for expansion.

Rwanda's political stability, good economic governance and market-oriented policies, coupled with reforms of the regulatory framework, have contributed to improving the business environment and reducing the cost of doing business.

However, private sector development and economic growth in general continue to be hampered by infrastructure bottlenecks, lack of electricity access and limited generation capacity as well as a shortage of skills. The Government is striving to address these issues within the framework of the EDPRS 2.

As envisaged in Vision 2020, Rwanda finds itself at a crossroads, moving from the humanitarian assistance phase in the aftermath of the 1994 genocide into one of sustainable development.

At the launch of EDPRS 2, President Paul Kagame stated: "Rwandans have benefited from rapid economic growth, reduced poverty, more equality and increased access to services including health and education. This has been possible only through the hard work and dedication of millions of Rwandans, supported by friends of Rwanda."

In this regard, while the authorities recognize the benefits of international aid, they aim to reduce Rwanda's aid dependency over the medium term, and hence the country's vulnerability to fluctuations in aid flows, through sustained domestic resources mobilization efforts.

The challenge of increased energy supply

In Rwanda, energy supply is insufficient and expensive. To address this, the government has placed emphasis on the establishment of an appropriate legal and regulatory framework to foster private investment in power generation.

Such investment would help increase capacity, including both grid and off-grid power, using various sources of energy, and enhance access to electricity, through expansion of the transmission and distribution systems.

The Ministry of Infrastructure has set objectives for the energy sector that seek to increase the electricity supply from the current installed capacity of 110MW to 130MW.

At the same time, there is an effort at reducing costs, since electricity in the country is expensive in comparison to the region (US\$0.24/kWh compared with Kenya's US\$0.15/kWh, Uganda's US\$0.17/kWh, and Tanzania's US\$0.05/kWh).

Of note is OFID's contribution to the Electricity Scale-Up Project, specifically to grid intensification, extension and strengthening activities. The support has been provided through two loans of US\$10m and US\$12m, approved in 2009 and 2012 respectively.

This project, which is co-financed with the International Development Association and the Government of Rwanda, is part of a broader electricity rollout program (EARP) aimed at improving access to reliable and cost-effective electricity services for households and priority public institutions.

Good progress was made in achieving the project targets, particularly the significant increase in the connection rate from about six percent of the population in 2009 to some 16 percent in June 2012. As a result, the government decided in early 2012 to increase the connection targets for the entire EARP to 50 percent by end of 2017, equivalent to nearly 1.2 million customers.

Dr Walid Mehalaine, the OFID officer responsible for public sector operations in Rwanda, has visited the country on two occasions: April 2009 and March 2013. He had an opportunity to witness the significant progress made in eradicating poverty and the important contribution made by the OFID-financed projects.

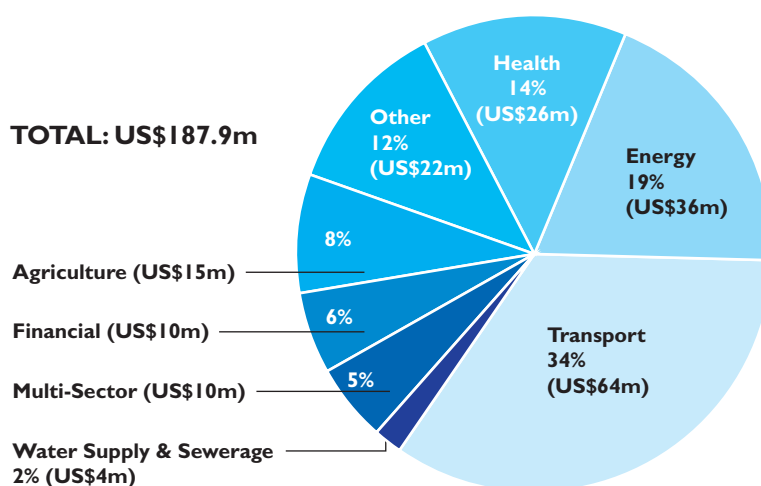
"Each time, I was impressed by the enthusiasm of the population and the strong commitment of our Rwandan counterparts. On both occasions, the government and the beneficiary population acknowledged and expressed their sincere appreciation of OFID's support," Dr Mehalaine told the *Quarterly*.

Development is a long road for Rwanda to travel. As an example of its achievements, however, the country was named top performer among the ten most improved economies in 2013.

The global position for doing business is shown in the World Bank Group's Doing Business Report 2014, which ranks Rwanda 32 out of 189 economies. A very good position that is improving steadily every year.

Progress has been phenomenal, with the country having the tenth fastest-growing economy in the world since 2000.

Sectoral distribution of OFID activities in Rwanda



Accelerating economic growth in post-conflict Sri Lanka

Despite emerging just five years ago from almost three decades of civil war, the island nation of Sri Lanka is on track to meeting most of the Millennium Development Goals.

Favorably located off the southern tip of India and with rich natural and human resources, Sri Lanka has until recently struggled to realize its growth potential. Years of military spending drained the public budget, forcing the country to rely on costly foreign borrowing and saddling it with an unsustainably high debt service burden.

But since the end of the war in 2009, the Asian nation's economic fortunes have blossomed, with GDP growth averaging 7.6 percent in the period 2010–2012.

Remarkably, in spite of the lingering conflict, the country managed between 2006 and 2010 to halve the number of people living in absolute poverty. This was the direct result of poverty reduction efforts being more evenly spread across society.

These improvements, combined with a low population increase, have led to a gradual but steady increase in annual per capita income.

Today, Sri Lanka is not only on schedule to meet nearly all the MDGs, but according to the United Nations Development Program is an early achiever on 10 of the 21 indicators.

A comprehensive public investment program is targeting infrastructure improvement in roads, railways and power production, among others.



PHOTO: JORG HACKEMANN/WWW.SHUTTERSTOCK.COM

Maintaining this growth trajectory will require higher investment, and the government has already launched a comprehensive public investment program. This will address gaps in the country's infrastructure and undertake reconstruction in the war-torn and disadvantaged areas of the North and East.

With the help of foreign donors, the government plans to spend around US\$1.5–2bn a year on road and rail development, power production, port facilities, and water and sanitation, as well as on human capital development.

The aims are to create economic hubs around aviation, commerce, knowledge, energy and the maritime industry, in order to achieve a per capita income of US\$4,000 by 2016 and reduce poverty and unemployment.

Connectivity has already improved through rapid progress in the construction of road, electricity and telecommunication infrastructure. Some sub-sectors such as port operations, tourism, construction and finance have been growing rapidly.

And concerted efforts are underway to increase agricultural productivity and boost the SME sector. With the improvements, Sri Lanka hopes to be in a position to tap into the promise inherent in its tourism sector.

The economic benefits of the tourism industry are distributed to a larger cross-section of society, from fishermen, craftsmen, farmers, street vendors, tour guides and operators, up to the hotel industry.

With a huge range of beaches, heritage, wildlife, scenic beauty and adventure to offer, the goal is to boost tourism from the one million visitors received in 2012, to 2.5 million.

OFID's role in rebuilding Sri Lanka

OFID enjoys a good, renewed relationship with the Republic of Sri Lanka. With the signature of the National Highways Sector Project in 2010, OFID re-established contact with the country after an enforced absence of some seven years due to the unstable political situation.

It is now part of OFID's strategy to build upon this renewed cooperation through priority assistance to the development plans of this important South Asian country.

Shaimaa Al-Sheiby, who is responsible for OFID public sector operations in Sri Lanka, told the *Quarterly* that the government has devised a special program to expedite the rehabilitation and reconstruction of key highways and roads.

Most roads, she explained, had been left in a dilapidated condition from the years of conflict. The successful restoration of peace and resulting



economic expansion had led to increased traffic volumes, causing even further deterioration.

"The Sri Lankan Government has asked OFID to play a central role in this program to upgrade the country's road infrastructure," Al-Sheiby stated. OFID has already co-financed three projects under the program.

The National Highways Sector Project was successfully completed in record time, while the Road Network Development Project and the Colombo National Highways Project are both progressing very well.

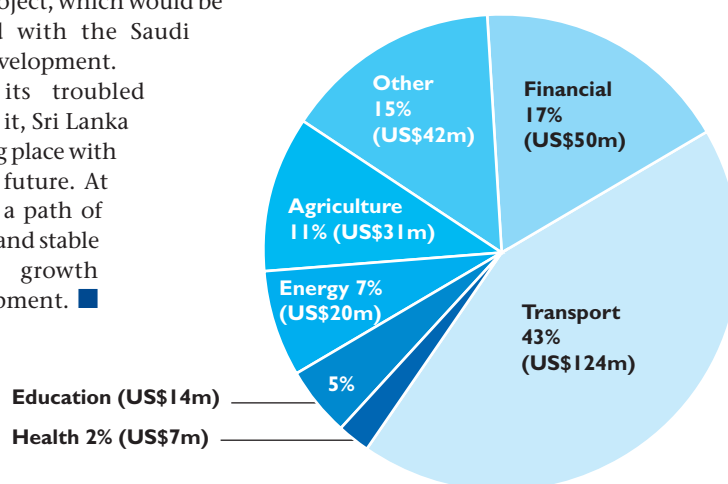
A fourth, the Western Province Road Development Project, was just recently approved and is yet to be signed. "OFID has an outstanding experience with the Sri Lankan Road Development Authority, which has proved to be very capable in implementing its projects," added Al-Sheiby.

She went on to disclose that OFID was also considering a new highway reconstruction project, which would be co-financed with the Saudi Fund for Development.

With its troubled past behind it, Sri Lanka is an exciting place with an exciting future. At last it is on a path of sustainable and stable long-term growth and development. ■

OFID's renewed ties with Sri Lanka were cemented during a high-level visit to the country in October 2012.

Sectoral distribution of OFID activities in Sri Lanka TOTAL: US\$287.6m



Bolivia takes a stand against poverty

Progress beyond expectations

In this South American country, international aid has been decisive in supporting a national program to eradicate poverty. Disadvantaged populations have seen their living standards considerably improve as a result.

Out of 187 countries, Bolivia ranks 108 on the Human Development Index of the United Nations Development Program. Landlocked, and with a population estimated at 10.5 million, it has a history of social exclusion of indigenous people and women, and has traditionally neglected rural areas when it comes to investment. The economy depends on the export of raw minerals and gas, making it vulnerable to changes in international commodity prices.

In June 2006, the government launched the National Development Plan of Bolivia: “Dignity, Sovereignty, Production and Democracy for Prosperity” (NDP). Sharing the fundamental principles of the MDGs, the NDP proposes the establishment of a socially balanced state, based on an economic, political and social strategy that aims to reduce poverty and inequality.

The results so far are very encouraging, with significant achievements posted vis-à-vis several MDG targets.

At the time of its launch, the Plan’s projections for 2011 foresaw a reduction in poverty from 63 percent to 49.7 percent and in extreme poverty from 34.5 percent to 27.2 percent.

The results, according to the Analysis of Social and Economic Policy of the Bolivian government, have been beyond expectations, with the poverty rate falling to 45 percent in 2011.

Inroads in tackling extreme poverty were even more impressive, as the number of people in that category dropped to 20.9 percent, one-quarter more than projected.

In numerical terms, more than one million people have been lifted out of poverty, and more than 1.3 million have escaped extreme poverty.

Thanks to the implementation of the NDP, other MDGs with remarkable results are education, gender equality and the empowerment of women. Bolivia has also made advances in both maternal and child health, due to the control, monitoring and treatment of communicable and endemic diseases.

Development finance institutions, such as the World Bank, acknowledge the positive impact of the country’s political and economic reforms.

These include a major modification of the Constitution, the strengthening of the role of the state in the economy, and the implementation of a variety of social programs.

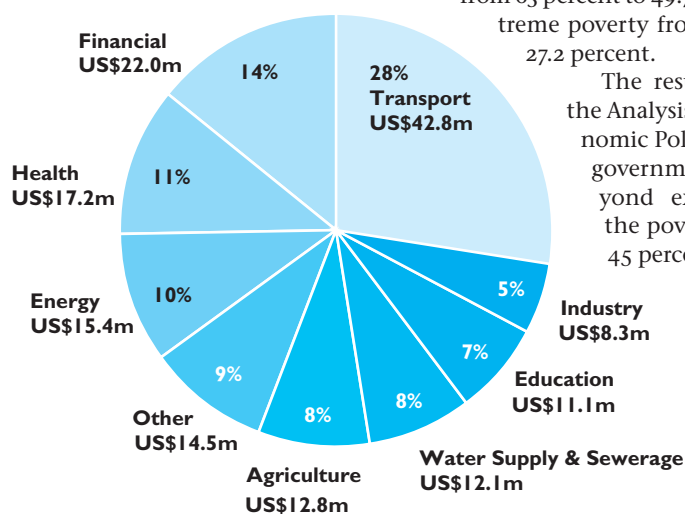
The Bolivian government ascribes the advances in poverty reduction to various factors, including an increase in household incomes, low food prices in rural areas, and the policy of transferring resources to the most vulnerable through the creation of social programs.

The Bolivian development strategy has received international support from many donors. Amongst them, the World Bank Group has provided an average US\$47.75 million annually for the last three years (2011–2013); the Inter-American Development Bank delivered a total US\$258.34m in the same period. In 2011 alone, the Andean Development Corporation (CAF) approved operations worth US\$407m.

In a paradoxical twist, however, the country’s strong performance seems to have worked against it. A UNICEF report released in June 2013 shows that Bolivia has fallen victim to a familiar practice, whereby donors respond to the improved indicators by placing their resources where there is greater need, thus depriving struggling societies of continued support.

The UNICEF report states: “Four of the top five country donors to the Bolivian state reduced their aid in 2011, in some cases substantially. USA cut 31 percent, Germany 47 percent and Spain 65 percent. The Canadian cooperation, which played a key role in the politics of maternal and child health, proposed a 50 percent cut in its co-operation with the country.”

Sectoral distribution of OFID activities in Bolivia
US\$156.14m





OFID: An active and committed partner

PLAN VIDA (Lifeline Plan) is a government program framed within the NDP and designed to eradicate extreme rural poverty.

Despite the enormous advances made in lifting people from poverty, sustaining poverty reduction remains a major challenge.

A report by IFAD suggests that 60 percent of Bolivians live below the national poverty line. The percentage is higher in rural areas, where three out of four people live in poverty.

To tackle this problem, the government requested assistance from development finance institutions to bolster efforts nationwide. As a key member of the international development community, OFID was invited to contribute to the economic and productive components of PLAN VIDA. OFID's intervention is aimed exclusively at supporting local economic productive investments.

The project in question follows the successful implementation in December 2008 of the Participatory Rural Investment Project, also supported by OFID, and targets 35 municipalities with the highest incidence of extreme poverty in the departments of Cochabamba, Potosí and Pando.

The direct beneficiaries of the project are 380,000 inhabitants representing 76 percent of

the total population of the selected municipalities living in different degrees of extreme poverty.

OFID's financial support of US\$100 million for PLAN VIDA has been directed mainly to investment in economically productive infrastructure, access roads and bridges and small irrigation schemes in areas where there is inadequate food supply.

Speaking about Bolivia's remarkable progress, Rómulo Martínez, who is in charge of OFID's public sector operations in the country, noted that since the launch of the NDP in 2006, OFID-financed projects have shown an excellent pace of implementation.

This has translated into increased financial assistance to the country, including to key development sectors such as energy, which is OFID's flagship program.

According to the IMF, the size of the Bolivian economy doubled in recent years from US\$11,500 million in 2006 to US\$24,600 million in 2011, while GDP per capita increased from US\$1,200 to US\$2,400 a year.

The Economic Commission for Latin America and the Caribbean reported in 2012 that Bolivia is among seven countries that have raised social spending by more than 50 percent.

The complete eradication of poverty will require additional effort, but the prospect does not seem unattainable. ■

In numerical terms, more than one million people have been lifted out of poverty, and more than 1.3 million have escaped extreme poverty.

Cooperation with China goes from strength to strength

Just five years into their partnership, OFID and the People's Republic of China have notched up no fewer than six operations together. The latest, an energy project in one of the country's neediest districts, will widen further the scope of this already successful cooperation.

BY ARYA GUNAWAN USIS

PHOTO: MARTIN PUDDY/CORBIS

OFID's collaboration with China was announced in the April 2009 edition of the *OFID Quarterly*. The lead article spoke of "a new milestone" in OFID's history and a "fledgling partnership" being sealed during a visit to China by OFID's Director-General, Suleiman Al-Herbish.

That first loan agreement—US\$16m for the Yunnan Vocational Education Project—launched cooperation between the two partners, and so began an alliance that has grown with each passing year.

Four other projects followed in quick succession, covering initiatives in the education, water supply and sewerage, and health sectors.

This January, a sixth agreement was signed, this time at OFID headquarters in Vienna, for a project to construct a new heating plant in Wuchuan, a district of the Inner Mongolia Autonomous Region.

OFID is providing US\$13.3m towards this US\$ 23.72m project, with the Chinese government making up the remaining US\$10.39m. The cooperation agreement was signed by Mr Al-Herbish and the Chinese Ambassador to Austria, Mr Zhao Bin.

Al-Herbish welcomed the new cooperation, pointing out that OFID had always been at the forefront when it came to providing wider access to energy—electricity and thermal—for communities in rural areas.

Enhancing efficiency, reducing pollution

The centralized heating system that forms the core of this project will be built in the town of Kekiyligeng, which hosts the local government of Wuchuan District and is home to about 65,000 people.

The project area is situated about 530 kilometers northwest of Beijing. Winters are long, sometimes lasting seven months, and temperatures can drop to minus 35 degrees Celsius.

Currently, the district still uses a coal-fired boiler system that was mostly built in the 1970s. Because the system has aged, it is no longer reliable, and many people are forced to use independent coal-fired boilers in their homes. This practice has severe implications for health and air quality.

"Considering the conditions, this project provides the right answer to meet the need of the local people," said Amba-

sador Zhao Bin during an interview with the *OFID Quarterly* after the agreement signing ceremony.

The Ambassador also expressed his great pleasure in the partnership between OFID and his country, which was going very well. "This makes a valuable contribution to strengthening South-South cooperation," he said.

According to OFID's Dr Jaafar Al-Mahdi, the officer responsible for public sector operations in China, the new centralized heating system will help save energy and reduce air pollution, by closing down about ten old boilers and thousands of household furnaces.

"Various kinds of pollutants will also be reduced significantly, because they will be centered through one disposal channel," explained Dr Al-Mahdi.



Chinese Ambassador Zhao Bin signed the US\$13.3m loan agreement for the new heating project.

OFID's close partner

Since opening its doors to foreign investment in 1978, China's fortunes have soared. In 2010, it overtook Japan to become the world's second largest economy after the USA.

However, with the vast territory and huge population, this growth explosion has brought with it a number of challenges, notably a widening economic gap within the country.

It was this situation that drove the Chinese government to open itself up to support from international development organizations, including OFID.

"For our projects with China, OFID prioritizes areas where the population does not yet have the advantage of a strong economy. In this way, we can ensure that people can enjoy direct and tangible benefits," said Dr Al-Mahdi.

According to Dr Al-Mahdi, who has handled OFID's operations in China since its maiden project in 2009, OFID initially entered China through partnerships with other development organizations, particularly members of the Arab Coordination Group, including the Saudi Fund and the Kuwait Fund.

More recently, OFID has been implementing its projects independently and directly with the Chinese government.

Through the five ongoing projects, China has grown to be OFID's close partner. All operations are being implemented smoothly with no significant obstacles. Four of them are nearing a successful completion.

Dr Al-Mahdi described relations between OFID and China as going "extremely well."

He said that China considered OFID a trusted partner, because it did not require special conditions, apart from the economic worthiness of the project and its benefit to the community.

OFID had a similar perspective, viewing China as a reliable and professional partner. "We appreciate highly the active engagement of the Chinese authorities during each appraisal process," said Al-Mahdi, recalling his visit to the country to evaluate the Wuchuan project.

"They are always very efficient, have all resources and information to hand, willingly organize field visits and contribute enthusiastically to the discussions," he explained.

This close involvement and ready communication continued throughout the project cycle.

"Almost at any time, I can contact our Chinese counterparts to get an update on ongoing projects," confirmed Dr. Al-Mahdi, adding that OFID was now considering a new proposal from the Chinese government for a third vocational education project.

Yet another fruit to be harvested from the seed sown five years ago during OFID's first official visit to the country. ■

Jordan takes steps to secure energy future with groundbreaking wind-farm project

Construction of the Middle East's first utility-scale wind-power scheme is underway in the Hashemite Kingdom of Jordan ... with the help of a US\$20m loan from OFID.

BY AUDREY HAYLINS

Following conclusion of the financing arrangements at the end of last year, a pioneering wind farm in Jordan's southern governorate of Tafila started implementation this January.

The 117-megawatt plant, an initiative of the Jordan Wind Project Company (JWPC), will produce around 400 gigawatt-hours of electricity annually, displacing some 235,000 tons of carbon emissions a year.

JWPC is a special-purpose vehicle owned by the Euro-Mediterranean Fund InfraMed, Cyprus-based EP Global Energy and the green energy investor Masdar, which is state-owned by OFID Member Country, the United Arab Emirates.

OFID's US\$20m private sector loan supplements resources from the International Finance Corporation, the European Investment Bank and others, and represents OFID's fifth contribution to the Jordanian energy sector.

OFID Director-General, Suleiman J Al-Herbish, described the project as a "groundbreaking initiative with the potential to prove the financial viability of wind as an alternative energy source."

OFID's involvement, he added, was in line with its flagship *Energy for the Poor Initiative* and its commitment to supporting the economic and political transition of Arab countries through the *Deauville Partnership*.

Focus on renewables

Samer Judeh, chairman of JWPC, said the project was a major step towards getting Jordan on the renewable energy map of the world.

"Our country has suffered from a lack of conventional energy sources and from serious challenges in security of energy imports. Jordan, however, has abundant renewable resources, and this will be the first and showcase for many such projects to come," he said.

Currently, Jordan imports 97 percent of its energy needs. Much of this used to come from Egypt but, since the Arab Spring, interruptions to supply have forced the government to switch from relatively low-cost Egyptian gas to increasingly expensive, heavier fuel.

In a statement released at financial closure of the project last November, Masdar CEO, Dr Sultan Al Jaber described Jordan as a prime example of a country where the cost of renewable energy was lower than conventional sources of power generation. "This project is a natural step towards Jordan's energy and economic security," he stated.

Frederic Ottavy, CEO of chief shareholder Inframed, said that the Talifa project set a benchmark for the implementation of future projects under Jordan's clean energy law.



PHOTO: BRENDAN HOWARD/WWW.SHUTTERSTOCK.COM

“The project responds to Jordan’s pressing energy needs while adapting to the country’s unique fossil fuel resource situation, water scarcity and wind abundance,” he declared.

The new plant, which will be the country’s first privately-owned renewable energy facility, will start power delivery in the first quarter of 2015, building up to full commercial operations later that same year, when it is expected to increase Jordan’s total power capacity by three percent.

“Taking such a project from the drawing board all the way through development, financing, construction and commercial operation, requires a dedicated group of like-minded investors committed to supplying the world with sustainable, renewable energy cost-effectively,” stated Efthymou Paraskevaides, founding chairman and CEO of EP Global Energy.

Rising to the challenge

With demand from its six million-strong population growing at the rate of around eight percent per year, Jordan’s power sector will need to add an estimated 1,500MW—the equivalent of 40 percent of its capacity—by 2020.

The country has reacted positively to this challenge, setting targets for harnessing its vast

renewable sources—including wind and solar—and putting in place incentives to encourage private investment in the sector.

The National Energy Strategy (2007–2020) seeks to boost reliance on domestic energy sources, from its current meager share to forty percent, and increase the share of renewables in the total energy mix to ten percent by 2020.

Wind power, which at a cost of approximately US\$120 per MW/hour is significantly cheaper than thermal alternatives, is expected to contribute 1.2GW to this target, compared with just 1.45MW today.

To encourage investment in the sector, the government in 2010 passed the Renewable Energy and Energy Efficiency Law. Tafila is the first wind-power project to be developed under this law, which offers incentives such as exemption from customs duty and sales tax and guaranteed access to the grid.

When the Tafila project is fully developed, it will account for almost ten percent of the 2020 renewables target and provide savings to the country of around US\$16m per year.

The electricity generated by the facility will be sold to Jordan’s national electric power company, NEPCO. ■

Jordan is committed to harnessing its vast renewable energy sources, including wind and solar, in order to reduce its dependence on imported fuels.

Space Time Dignity Rights

Empowering Palestinians to shape their own environment

In late January–early February, OFID was privileged to host a special exhibition of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). Titled ‘Space Time Dignity Rights,’ the two-week exhibit showcased UNRWA’s groundbreaking *Infrastructure and Camp Improvement Program (ICIP)*, which is revitalizing Palestinian refugee camps with a participatory, community-driven approach to development planning.

BY NADIA BENAMARA

The opening reception of the exhibition took place on January 28 to coincide with and mark OFID’s 38th anniversary. It was attended by a host of dignitaries, including UNRWA Commissioner-General, Filippo Grandi, Palestinian Ambassador, Salahaldin Abdalshafi, and Kandeh Yumkella, CEO of the UN’s Sustainable Energy for All initiative.

Welcoming guests to the event, OFID Director-General, Suleiman J Al-Herbish, commended UNRWA for its 60-year effort on behalf of Palestinian refugees and for its longstanding partnership with OFID, which channels one-quarter of its total assistance to the Palestinian people through the UN agency.

“Thank you for working with us and thank you for trying to improve the conditions of Palestinians living in these 58 refugee camps,” said Mr Al-Herbish.

OFID Director-General Al-Herbish joined hands with UNRWA’s Filippo Grandi and Ambassador Salahaldin for the ribbon-cutting ceremony.





An architectural model of proposed improvements at Neirab Camp on the outskirts of Aleppo, Syria.

“The United Nations has proclaimed 2014 the year of ‘Solidarity with the Palestinian people’. I can assure you, Ladies and Gentlemen, that at OFID, every year is a year of solidarity with the Palestinian people.”

UNRWA Commissioner-General, Filippo Grandi, also spoke. “OFID is a model partner, supporting some of our most innovative and creative projects, of which this exhibition gives inspirational examples,” he said.

“Obviously a great deal remains to be done. In some of the camps in Lebanon, in Gaza, and today, unfortunately, in Syria, conditions remain shameful and sometimes dangerous ... But working in those camps, providing those services to people is an essential part of our mission and I am grateful to donors like OFID and donors like many of the countries that are represented here tonight, who have made it possible for us to carry out our mission.”

In closing remarks, Ambassador Abdalshafi said: “I would like to take this opportunity to thank you personally, Mr Director-General, for your commitment to Palestine and the cause of the Palestinians, but also for your commitment to the issue of people-centered development all over the world.”

A close-up view of camp life

According to Filippo Grandi, you really have to visit a Palestinian refugee camp to gain a true appreciation of the Palestinian situation. A visit to the *Space Time Dignity Rights* exhibition offered a next best option.

Sectioned into three distinct, yet interrelated parts, the exhibit provided an immersive view of camp life with a wide-ranging display of photographs, videos, architectural renderings and other artifacts documenting both the process and results of the ICIP.

A central, shelter-like structure housing four narrow corridors under a flat, corrugated metal roof evoked the cramped alleyways of the refugee camps themselves, which have evolved from temporary tent cities into some of the most congested and impoverished urban areas in the world.

Part one of the exhibit, a ‘Camp Dictionary’ of 70 alphabetized references was printed large on the structure’s makeshift exterior walls. Combining historical facts with often-contradictory anecdotes, colloquialisms and industry terminology, this complex narrative helped contextualize the experiences of multiple stakeholders ►



Guests were entertained by a musical ensemble from Jerusalem's Edward Said National Music Conservatory and a debkeh folk dancing troupe from a camp in Lebanon.

◀ some 65 years after the camps were first established. Entries such as *Tatbieh*—the fear that Palestinians' current status as refugees will be normalized—and *Haqq-al-awda*—the right-of-return established by UN Resolution 194 in 1948—made manifest the skepticism UNRWA frequently encounters in attempting to implement much-needed camp improvements.

Hara refers to a housing block or neighborhood, grouped according to family ties and place of origin. A touch screen map built into one wall underscored the longevity of these communal networks, lighting up to display the villages that each camp's inhabitants originated from.

A refugee home is described as a *Growing House*. Given that camp boundaries remain fixed, families have accommodated subsequent generations by adding storey upon storey to their initially allocated plots of land.

This type of ad hoc expansion has resulted in vastly overcrowded and unsafe shelters with poor ventilation, minimal natural light, scarce privacy and hardly any public open space.

Unlike previous interventions, which ICIP Deputy Director, Muna Budeiri, characterizes as "piecemeal, fragmented, and top down," the ICIP grants refugees a new, decisive role in the design and implementation of camp improvement efforts.

Budeiri says: "It is essential to understand that improving the Palestine refugees' living conditions goes hand in hand with their socio-economic development. More enabled, capable refugees will be in a better position to improve their environment in other sectors and in parallel to the physical improvement, thus ensuring the sustainability of the development."

Visitors could gain a more concrete understanding of the ICIP's specific practices in part two of the exhibit, which consisted of six interactive workstations, set along the outer perimeter.

Involving the community

Planning charts, photographs, videos and drawings illustrated a six-step process undertaken at the Talbiyeh Camp in Jordan, which accommodates roughly 7,300 refugees. Here, rotating groups of men, women and youths worked together, with the support of ICIP teams, deliberating and negotiating how to best identify needs, set priorities, plan for, and finally execute various development initiatives.

In addition to infrastructural upgrades, some of the documented outcomes included a youth employment project, a drug-awareness and prevention campaign, and a volunteer-run greening program that affords residents protection from the unrelenting sun and desert winds.

The democratic and sometimes chaotic nature of the process was illustrated by the example of a highly desired playground project. Once constructed, it proved so popular that the disruption it caused immediate neighbors rendered it untenable.

As the exhibit's accompanying text explains: "Planning at the grassroots level is never easy. Yet for refugees, the act of planning and shaping their own environment has instilled a sense of dignity and empowerment that might be a far more important and lasting resource than any specific intervention."

The third part of the exhibition explored issues key to camp improvement prospects. Each of the central structure's four corridors highlighted a different theme through varying mediums.

Voice and Power: Traditionally underrepresented members of this same Talbiyeh camp in Jordan voiced their opinions, concerns and experiences in multiple video testimonials, conceived and produced by a local women's center in collaboration with young filmmakers.



Identity and Belonging: Architectural models, sketches and maps traced the intensive, communal reconstruction efforts undertaken at Nahr El Bared camp in Lebanon, which was almost completely destroyed after a three-month battle between the Lebanese army and the Fateh-al-Islam group in 2007.

On the one hand, the wholesale destruction of existing facilities presented an opportunity to build better housing with improved ventilation, privacy and light, whilst making way for public gathering grounds. On the other, the community determined it critical to take preconstruction configurations and assets negotiated over years of informal bartering into consideration.

Members of each neighborhood block sat down with UNRWA social workers and technical advisers to draft boundaries and reconstruction principles, ensuring that neighbors remained neighbors, and that some space would be donated to the common good.



Choice: Three different architectural models captured the historical evolution at Neirab Camp, which was built on existing WWII army barracks on the outskirts of Aleppo, Syria. Fire posed a frequent danger to the camp's primarily wooden structures, while its constricted alleyways made it near impossible for fire-trucks to navigate through.

Once agreed to, UNRWA rehabilitation efforts presented refugee families with a critical choice: would they prefer to stay on, in small but much improved accommodations, or relocate to an adjacent camp where they would have more room but less access to their long established community? While some 300 families chose to move, efforts are currently on hold due to the war in Syria.

Openness: A series of photographs documented space—public and private, seemingly mundane, symbolic, or even incongruous—in the Deihishe, Fawwar, Aida and Arroub camps of the West Bank, illustrating how refugees cope with isolation, reconcile past with present, and express their longing for a better future.

A photograph of an empty swimming pool, privately funded and painted blue, stood out in particular. The text read: “Our kids dream of the Mediterranean Sea back home. The Mediterranean is blue. The swimming pool is blue also. We built it so that our kids will not forget the Mediterranean and will not forget home.” (Member of the Arroub Local Committee, August 2010).

Addressing guests gathered at OFID for the opening of the exhibition, Filippo Grandi said: “Camps were born in pain—we should not forget it—as a result of war, of displacement and injustice; displacement and injustice that last, unfortunately, to this day, so many years after the exile of the Palestinians in 1948.

“Sixty-five years is a long time for physical conditions to deteriorate. The spirit of the people in the camps, however, does not deteriorate, even if there is understandable despair.”

Previously shown in Germany, Italy, Jordan and the United Arab Emirates, the exhibition was made possible by UNRWA and the German government, which is also a major supporter of the ICIP.

UNRWA provides assistance to some five million registered Palestine refugees, roughly one-quarter of whom live in 58 recognized camps throughout the occupied territories of the West Bank and Gaza Strip, as well as in Jordan, Lebanon and Syria. ■

*Muna Badeiri, ICIP
Depute Director, was
on hand to brief guests
about the challenges and
successes of the camp
improvement program.*





Preserving a legacy: The Glaser Collection at the Austrian National Library

As part of its cooperation with its host country, OFID is helping to finance conservation of the *Glaser Collection*, a set of historically significant Arabic manuscripts at the Austrian National Library. **Souhad Khriesat** of OFID's Grants Unit visited the Library in Vienna to see the conservationist at work and learn more about these rare manuscripts.

The Austrian National Library is home to more than seven million objects, of which approximately three million are printed. Among these are impressive collections of manuscripts and rare books, maps, papyrus, incunabula and precious prints.

Vienna is considered an important center for research and studies relating to South Arabia. This is due in part to the many expeditions that the University of Vienna made to Yemen from the end of the nineteenth century.

Another reason is the intellectual contributions made to this discipline by prominent Austrian scholars, such as David Heinrich Müller and Nikolaus Rhodokanakis.

Eduard Glaser (1855–1908) was an Austrian Arabist and archaeologist, the pioneer of Sabaeen studies and pre-Islamic history. He was one of the first Europeans to explore South Arabia.

His writings, based on the four expeditions he made to Yemen between 1882 and 1895, represent some of the most important scholarly research ever carried out in this part of the world.

There is not one but several “Glaser Collections.” While in Yemen, Glaser collected several types of material, including a set of pre-Islamic inscriptions and a set of Islamic manuscripts, as well as a number of letters, diaries, drafts, articles and published texts that were authored by Glaser

himself, including most of his ethnographic and lexicographic research.

The Glaser Collection in question refers to a set of Islamic manuscripts, which comprises 254 codices mostly written in Arabic and a few in Persian, on various subjects, including theology, history, astrology, natural sciences, grammatical studies and literature.

A significant part of this collection is currently in the possession of the Austrian National Library (*Österreichische Nationalbibliothek*). Other manuscripts from the original collection of more than 600 codices ended up in places such as the British Museum, the *Staatsbibliothek Preussischer Kulturbesitz* in Berlin and Milan's *Biblioteca Ambrosiana*.

The manuscripts are invaluable; some of them constitute important variations, especially considering the notes and commentaries that were added by the scholars and the persons who owned them over the centuries.

Apart from the Holy Quran, very few books from South Arabia in the form of manuscripts have survived from earlier centuries. Conservation of those remaining is vital as many are too fragile for researchers to use.

Assessing the damage

The conservation department works on all the holdings of the Austrian National Library. Specialized in the works related to the Glaser Collection is Turkish-born Hüseyin Cahit Karadana, an expert in oriental arts. Karadana studied fine arts in Istanbul then specialized in ornaments and manuscripts.

Karadana has lived in Vienna since 1990, and began conservation work on the Glaser Collection in 1993. In the twenty years since, he has conserved 212 codices.

Some of the manuscripts date back to the 13th century and most of them are several hundred years old. Due to the eventful history of the collection, many books were in a very poor condition.

Each codex had been stored in an acid free box to improve storage conditions. A thorough assessment of each manuscript had been carried out and a conservation plan drawn up for the collection.

The purpose of conservation is to stabilize the condition and prevent further decay. Some manuscripts, especially the older ones, have undergone some sort of restoration at some stage. Sadly, some of those attempts used primitive methods and have thus caused more harm than good.

It is equally important to determine the cause of the damage to each codex, whether it ►



Hüseyin Karadana (below) has been engaged in the delicate and highly specialized task of restoring the Glaser Collection of rare manuscripts for over 20 years.



Culture: The fourth pillar of sustainable development

In UNESCO's Universal Declaration on Cultural Diversity (2001), UN countries recognized cultural diversity as "one of the roots of development." It further acknowledged that cultural diversity was at the heart of contemporary debates about social cohesion and "the development of a knowledge-based economy", understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence.

Building on UNESCO's Declaration, the United Cities and Local Governments (UCLG), which represent over 1,000 cities across 95 countries, approved on November 17 2010, within the framework of the World Summit of Local and Regional Leaders held in Mexico, a policy statement recognizing culture as the fourth pillar of sustainable development, next to economic growth, social inclusion and environmental balance.

The outcome document of the Rio+20 Summit, "The Future We Want," in turn acknowledges "the natural and cultural diversity of the world" and recognizes that "all cultures and civilizations can contribute to sustainable development."

OFID contributes to the fourth pillar of sustainable development primarily through its Grant Program, which provides financial support for research and other intellectual activities.

◀ be physical damage such as torn pages and missing parts, or chemical damage resulting from fluids staining the paper.

Even water becomes challenging, as it leaves visible stains on the pages, often smudging the ink. There is also the problem of insect infestation, since insects feed on the protein and starch components of books, while their faeces can disfigure and cause great damage.

The fact that the damage can be due to so many different elements makes the conservation process very complicated.

The codices often consist of fragmented papers, although some have remained in an impressive order owing to the ancient bookbinding techniques.

When a manuscript is about to undergo conservation, Karadana reviews the document with the assistance of a specialized orientalist and ensures that the pages are in the proper order.

Painstaking work

It takes over one month of intensive labour to conserve one manuscript. This period may vary depending on the number of pages and the extent of damage sustained by the manuscript.

The first step involves carefully dry cleaning each page with a latex sponge. Should disinfection be necessary, a special formula of alcohol is used.

Next begins the more complex process of conserving hundreds of damaged pages and missing edges.

This entails filling the gaps with two and sometimes three layers of Japanese tissue; a thin,

strong paper made from vegetable fibres. Paper thickness is measured with sophisticated tools, and the appropriate thickness is restored through a meticulous and sensitive process.

This also involves adjusting the color tone of the Japanese tissue to make it as close as possible to the original color. The thin layers of tissue are attached using starch and cellulose as adhesives.

When the individual pages have been thoroughly treated, Karadana sews the book block and binds it in the traditional oriental method.

The process is completed with the conservation of the book's leather cover. Natural, local goat leather of the finest quality is used for this purpose. If parts of the cover are completely missing, it is sometimes necessary to recreate them.

It is envisaged that the collection will be digitized after its conservation has been completed, thus making it available for a larger group of intellectuals and researchers.

Karadana says that the most challenging part of his work is the immense patience it requires. He hopes to finish the project within the next four years. By then, conservation of the Glaser Collection will have consumed nearly a quarter of a century of his life. ■

With special thanks to Dr George Hatke, *Institut für Orientalistik*, University of Vienna, and Dr Eirik Hovden, Institute for Social Anthropology, Austrian Academy of Sciences, for their valuable insights and verification of historical accounts.



H₂O

Support to water sector increases five-fold in 2013

PHOTO: SHEL JENSEN/WWW.SHUTTERSTOCK.COM

As OFID sharpens its strategic focus on the water-food-energy nexus, water and sanitation projects attracted some US\$174m in new funding in 2013, pushing cumulative support to the sector to US\$918m.

BY AUDREY HAYLINS

In line with its strategic plan to take a holistic approach to the combined challenges of water, food and energy security, OFID markedly raised its support to the water sector in 2013, the *International Year of Water Cooperation*.

Representing a leap of US\$138m over 2012 commitments, the fresh resources target 14 projects in 21 countries across the developing world.

“We are firmly of the belief that these three areas are inextricably linked and that our goals in each can only be met by addressing all of them in a coherent way. This means increasing our support to agricul-

ture and water management alongside energy, which continues to be our priority” said OFID Director-General, Suleiman J Al-Herbish.

Water—or the lack of it—affects all aspects of daily life and has significant implications for the environment, food security and energy provision. The management of this vital resource has emerged as one of the defining challenges of the 21st century.

An estimated two billion people live in countries with absolute water scarcity. And, although the water target of the MDGs was met in 2010, well ahead of schedule, latest available data shows that

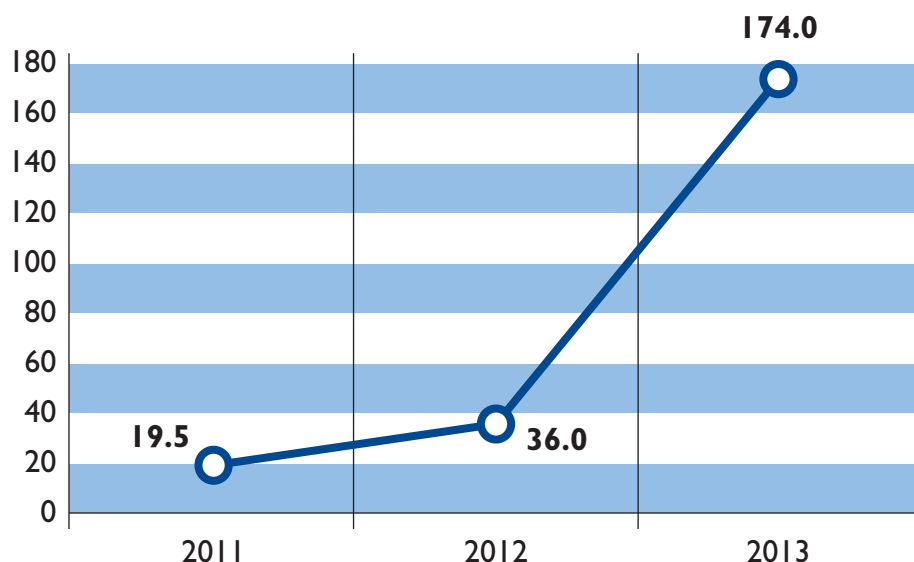
almost 770 million people were still using unsafe water sources in 2012.

The lack of access to an improved source of drinking water is believed to kill 4,000 children every year and cause economic losses of up to seven percent of GDP.

The sanitation issue is graver still. With some 2.5 billion people worldwide without access to adequate facilities—and progress slow—it is anticipated that the MDG target will be missed by 11 years.

Even then, and if current trends continue, one-quarter of the world will still be using unhygienic forms of sanitation come 2026. ►

Water & Sanitation commitments 2011–2013 (in US\$m)



◀ Such circumstances are seriously prejudicial to development, as they fuel the spread of waterborne diseases, which place a huge burden on health systems, diminish productivity and prevent children from attending school.

In a bid to find sustainable solutions to some of these problems, OFID's contribution to the water supply and sanitation sector has supported a wide variety of operations. These range from large-scale water storage, treatment and distribution projects, to village pumps and school latrines, as well as schemes for the rationalization of water use in arid regions.

Activities in 2013

"Quite apart from the importance of water for food and energy production, we mustn't forget that access to clean water is a basic human right, and one that we must do everything in our power to uphold," said Mr Al-Herbish, commenting on the new funding approved in 2013.

All but a fraction of the financing was committed in public sector lending, the bulk of it to the Latin America and Caribbean region, where ageing and insufficient infrastructure struggles to accommodate the needs of burgeoning urban populations.

OFID loans totaling US\$120m will help rehabilitate and expand safe water and sanitation services in Guantanamo City, Cuba, the Jamaican capital, Kingston, and in Panama City, Panama.

Public sector operations in Asia, meanwhile, will collectively benefit over one million people. In the Maldives—which received funding of US\$20.6m—the focus is on five of the archipelago's more outlying and poorest islands. Project activities will include the installation of sewage systems and desalination plants that will deliver round-the-clock water and sanitation services.

A US\$16m loan to Nepal will support government efforts to improve wastewater services in the highly populated Kathmandu Valley, which is the nerve-center of the country's economy and a magnet for internal migration, as well as the main tourist gateway.

In Pakistan, a US\$5m loan will contribute towards the second phase of a project to restore water access to the remote mountain communities affected by the devastating earthquake of 2005. As centralized schemes are not viable due to the terrain and scattered nature of the population, the project will provide and install some 38,000 household rain-harvesting units.

Another island nation to receive public sector support was Seychelles, where a US\$10m loan will co-finance the construction of a sewerage treatment plant.

Grant financing accounted for US\$2.3m of 2013 commitments to the sector. These resources are being deployed mostly at a grassroots level for small-scale infrastructure and technical capacity building in highly disadvantaged communities. ■



OFID diary

JANUARY 28

Public Sector loan agreements signed

Burundi. US\$4m. Ntamba–Ndora Road. To rehabilitate and upgrade a stretch passing through the Bubanza and Cibitoke provinces, where poverty levels are high. The improved road will reduce transport costs and facilitate the movement of passengers and goods, benefiting some 400,000 people.

China. US\$13.33m. Wuchuan District Heating. For the construction of a new heating plant to deliver cleaner, more reliable energy to poor populations in the Wuchuan District of the Inner Mongolia Autonomous Region.

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

Togo. US\$6m. Energy Access for Rural Communities. To connect 69 villages to the electricity grid, thereby promoting increased productivity and income-generation in at least 5,000 households.



HE Juan Carlos Marsan, Ambassador of Cuba, met with Mr Al-Herbish on March 27 to discuss OFID's April mission to his country.

JANUARY 29

Public Sector loan agreements signed

Côte d'Ivoire. US\$5.36m. Jacquleville Bridge. For the construction of a bridge over the Ebrie Lagoon to link the city of Jacquleville with the capital Abidjan on the mainland. The bridge will help boost tourism and facilitate the trade of agricultural produce.

Cuba. US\$20m. Guantanamo City Water and Sanitation System Rehabilitation. To enhance access to safe drinking water and sanitation services through the rehabilitation and expansion of related infrastructure, potentially benefiting over 80,000 people.

Rwanda. US\$12m. Huye-Kitabi Road Rehabilitation. To upgrade a 53km road, linking the capital Kigali to the western and southern regions of the country. Nearly two million people will benefit from improved road safety, lower transportation costs and reduced travel time.

FEBRUARY 18

Public Sector loan agreement signed

Panama. US\$52m. Panama Bay and City Sanitation. To improve the sewerage system and increase access to sanitation services by urban settlements, directly benefiting 13,000 households.

FEBRUARY 20

Public Sector loan agreement signed

Djibouti. US\$7m. Tadjoura Port. To develop maritime transport services through the construction of a new port in Tadjoura, thereby contributing to economic and social development, particularly in the northern region.

FEBRUARY 21

Public Sector loan agreement signed

Niger. US\$6m. Emergency Food Security and Rural Development. To improve food security in Niger through investment in rural infrastructure and the provision of support to poor farmers and herders, who have been highly exposed to recurrent food and livestock crises.

FEBRUARY 28

Public Sector loan agreement signed

Maldives. US\$20m. Outer Islands Water Supply and Sewerage Facilities. To provide sustainable access to safe water and sanitation services, thus improving health standards and living conditions for approximately 12,000 people on five islands.



Mr Michel Sidibé, Executive Director of UNAIDS and Under Secretary-General of the UN, paid a courtesy visit to the Director-General on March 13 to discuss potential areas of cooperation.



Dr Pierce Riemer, Director-General of the World Petroleum Council visited OFID on March 20 to discuss Mr Al-Herbish's participation in June's World Petroleum Congress in Moscow.

MARCH 3–5

Arab Aid Development Effectiveness Workshops

OFID hosted three days of workshops covering: the implementation strategy of the Global Partnership for Effective Development Cooperation; preparatory discussions for the development effectiveness report of the Coordination Group; the Coordination Group Development Portal; and the upcoming Mexico Conference.

MARCH 18

146th Session of the Governing Board

Public Sector loans approved

Burundi. US\$11.22m. Enhanced HIPC Initiative Debt Relief Part II. To provide debt relief that will help Burundi free up resources for redirecting towards vital social sectors such as education and health.

China. US\$35m. Laibin Vocational Education. To construct a new vocational secondary school and campus to help address the shortage of skilled workers in Laibin City.

An estimated 15,000 students/year are expected to benefit from the project, as well as around 12,000 skilled laborers/year seeking additional training.

Congo DR. US\$10m. Integrated Agriculture Rehabilitation in Maniema Province. To rehabilitate 607 km of rural feeder roads, thereby opening up agricultural production zones and facilitating access to marketplaces and social services for around 300,000 people.

Egypt. US\$55m. Assiut Power Plant. To construct a 650MW power plant next to an existing 624MW plant, thus delivering more energy to some 3.5 million people in the Assiut Governorate. As the generated power will be connected to the national grid, outlying populations will also benefit.

Ethiopia. US\$23m. Arba Rakati–Gelelso–Michata Road Upgrading. To upgrade a 45.5 km road in the eastern region, which will facilitate the movement of important cash crops and enhance access to basic social services, directly benefiting over one million people.

Mali. US\$10m. Completion of the Extension and Modernization of Bamako-Senou International Airport. To carry out works including the installation of equipment and completion of a terminal building and other infrastructure.

São Tomé and Príncipe. US\$3m. Neves Water Supply. To enhance the availability, quality and supply of potable water in the city of Neves by rehabilitating and extending water supply and sanitation systems, benefiting some 7,400 people.

Senegal. US\$7m. Dakar's "Zone Soleil" Sanitation. To improve sanitation infrastructure in Pikine, a suburb of the capital Dakar, thus improving living conditions and supporting flood prevention during the rainy season.

Seychelles. US\$4m. Perseverance Island Infrastructure Phase II. To develop a suburban residential area comprising 1,029 housing units fitted with all utilities together with infrastructure linking these communities to the mainland.

Suriname. US\$26.5m. Health Facilities Improvement. To renovate and expand the Academic Hospital of Paramaribo, the main national referral and teaching hospital, and construct five primary healthcare centers. An estimated 350,000 people are expected to benefit from the project

Grants approved

Entrepreneurs de Monde. US\$600,000. To expand the manufacture of energy efficient products (improved stoves and solar lanterns) making them available to poor households in rural and peri-urban areas in Burkina Faso and Haiti.

Foundation for the Social Promotion of Culture.

US\$800,000. To provide safe water and sanitation services to communities in Bolivia and Haiti, benefiting some 29,000 people.

International Development Law Organization.

US\$300,000. To support a global HIV and health law program in Benin, Guatemala and El Salvador, with the aim to increase access to healthcare services and reduce HIV-related discrimination.

HE Luis Alfonso De Alba, Ambassador of Mexico, visited the Director-General on April 7 to discuss OFID's mission to Mexico to attend the GPEDC High-level meeting.



On March 25, the Director-General received a courtesy visit from HE Mr Ibrahim A S Albesbas, the new Ambassador of Libya to Austria.

International Water Association. US\$450,000. To implement water safety plans in Burkina Faso, Ghana, Guinea, Liberia, Senegal and Sierra Leone, thus improving health and reducing the incidence of waterborne illnesses.

Practical Action. US\$400,000. To reduce cooking-fuel costs for poor households in El-Fasher, North Darfur, the Sudan, and to reduce indoor air pollution and related illnesses and hazards through the distribution of around 16,000 LPG cooking sets.

OFID/UNRWA School Program in East Jerusalem. US\$2.5m. To improve the quality of education at three schools serving more than 1,600 pupils in the Shu'fat Refugee Camp.

UNDP Program of Assistance for Palestinian People (PAPP). US\$2m. To renovate and rehabilitate 200 housing units owned by poor and marginalized families, representing around 1,500 people. In addition, a neurology department at the Al-Makassed Hospital will be established to meet the growing needs of the population.

UNDP/PAPP. US\$500,000. To provide renewable energy generation systems for St Joseph's Hospital in East Jerusalem to address electricity shortages and reduce operating costs.

World Health Organization. US\$1m. To improve nursing and midwifery education in Botswana, Cameroon, Lesotho and Malawi with the aim of enhancing maternal and newborn health.

MARCH I

Grant agreement signed

Mahmoud Abbas Foundation. US\$500,000. To enable high achieving students among Palestinian refugees in Lebanon to attend Lebanese Universities through the OFID Scholarship Scheme.

Meetings attended by OFID

JANUARY 7-9

RIYADH, SAUDI ARABIA
73rd Session of the Arab Coordination Group Meeting

JANUARY 17

ABU DHABI, UAE
First partners meeting on the Water-Food-Energy Nexus High Impact Opportunity

JANUARY 18-25

ABU DHABI, UAE
Abu Dhabi Sustainability Week

JANUARY 19-20

KUWAIT CITY, KUWAIT
Heads of Institution Meeting and 2014 Arab-DAC Dialogue on Development

FEBRUARY 11-14

JEDDAH, SAUDI ARABIA
Regional Forum of the Islamic Development Bank

FEBRUARY 13-14

ABUJA, NIGERIA
5th Meeting of the Steering Committee of the Global Partnership for Effective Development Cooperation

FEBRUARY 18-20

LISBON, PORTUGAL
International Finance Corporation 6th Annual Global Trade Partners Meeting

MARCH 18

LONDON, UK
European Bank for Reconstruction and Development Syndications and Co-financiers meeting

www.ofid.org

Farid Tiaiba,
Governor of Algeria



HE Dr Behrouz Alishiri (*left*), Governor, and
Sharagim Shams Araghi, Alternate Governor, IR Iran

146th Session of the Governing Board

OFID's Governing Board approved new financing of some US\$264m when it met for its 146th Session in Vienna on March 18. Public sector loans to 10 countries accounted for around US\$185m of the funding, which will support primarily projects in the education, agriculture, energy, transportation, health, water supply and sanitation sectors. Four transactions amounting to US\$50m were approved under the Trade Finance Facility to financial institutions in Latin America to help expand their services to small- and medium-size enterprises (SMEs). The financial sector was also the focus of private sector approvals, with a total US\$20m in credit lines going to banks in Armenia, Mauritania and Tajikistan to bolster on-lending to SMEs and lease financing. Also among the new commitments were nine grants worth a combined US\$8.55m for a broad range of initiatives.

Abdul Wahab A Al-Bader, Kuwaiti Governor and
Chairman of the Governing Board





Majed A Omran (*right*), Governor, and Hammad Al-Zaabi, Alternate Governor, United Arab Emirates

Haruna Mohammed,
Alternate Governor, Nigeria



Dr Mokhtar Abozrida, Governor, Libya



Ghanim Al Hajri, Representative of Qatar

photo LOAN & GRANT SIGNATURE gallery

February 18

HE Ricardo Vallarino Perez, Ambassador of Panama to Austria, initialed a US\$52m agreement for a project to improve sanitation services in the Panama City and Bay areas.



February 20

HE Fahmi Ahmed El Hag, Advisor to the President of Djibouti in charge of Investment Promotion, secured a US\$7m loan towards construction of a new international port in Tadjoura.

January 28

Mr Al-Herbish with HE Tabu Abdallah Manirakiza, Burundi's Minister of Finance, Economy, Cooperation and Development, following signature of a US\$4m loan agreement for the Ntamba-Ndora Road Project.





February 21

HE Amadou Boubacar Cisse, Minister of Planning, Territorial Planning and Community Development of Niger, finalized a US\$6m loan to help boost rural development and food security.



February 28

Mr Al-Herbish shakes hands with HE Abdulla Jihad, Minister of Finance and Treasury of the Maldives, after signature of a US\$20m loan agreement for the Outer Islands Water Supply and Sewerage Facilities Project.

March 10

Dr Chris West, CEO, Shell Foundation, signed a US\$1m grant agreement for a project to improve access to efficient cookstoves in selected countries in sub-Saharan Africa and Latin America.



The full list of loan and grant signatures can be found on pages 35-37.



PHOTO: SHUTTERSTOCK_COM_PHILIP LANGE

Abu Dhabi Sustainability Week 2014

In January, the 2nd Abu Dhabi Sustainability Week once again brought together world leaders, policy makers, experts, scientists, academics and financiers to address the energy and sustainability challenges of the future.

BY JUSTINE WÜRTZ

 FID Member Country, the United Arab Emirates, played host January 18–25 to the second Abu Dhabi Sustainability Week (ADSW). Organized by state-owned future energies company, Masdar, the event seeks to promote international, intercultural and across-the-board dialogue on sustainable development.

ADSW, which held for the first time in 2013, revolves around the Masdar-initiated, World Future Energy Summit (WFES). Now in its seventh year, the Summit is universally recognized as one of the foremost gatherings in the new-energy sector.

Convened under the patronage of HH General Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, the WFES explores how renewable energy can benefit all areas of life and bring progress to human development.

Although the ADSW has grown out of the WFES, the notion of interrelation, which the umbrella week endorses, has become of paramount importance.

Speaking at this year's opening ceremony, Sheik Mohamed stated: "Without achieving long-term energy and water security, sustainable development cannot be achieved"

Along with the critical water–food–energy nexus—which forms the central plank of OFID's strategic plan—the ADSW addressed waste disposal, the environment and their linked itineraries, through a variety of cohesive events.

In addition to the WFES, these included the International Water Summit (IWS), the Abu Dhabi Renewable Energy Conference, and the 4th Assembly of the International Renewable Energy Agency (IRENA), among many others.

Following the resounding success of the inaugural ADSW, this year's gathering attracted even more participants—some 30,000, representing 172 countries—and sparked a further seven events, including the ADSW Global Leaders' Summit, the 1st Sustainable Living Expo, the EcoWASTE Exhibition and the Blue Economy Summit.

Mini-grids as energy solution

As part of the WFES, Faris Hasan, Director of OFID's Corporate Planning & Economic Services Unit, participated in a panel entitled 'Mobilizing Middle East Finance for Sustainable Energy Access,' with representatives from the Islamic Development Bank, the Arab Fund, Masdar and REN21.

The session, which was organized by the World Bank, set out to inform the audience of the objectives of the global *Sustainable Energy for All* initiative and to outline work underway to achieve its three goals, namely: universal access to electricity and safe cooking solutions, double the rate of improvement of energy efficiency, and double the share of renewable energy in the global mix.

Discussion focused on opportunities and strategies to involve and draw contributions from the private sector, governments, international financial institutions and other funds to support investment in these areas.

Speakers at the session discussed their experience on the ground and reviewed the various merits of on-grid, off-grid, mini-grid and household solutions.

It was acknowledged that while grid distribution is generally recognized as the most economic approach, such systems are not without defects and, to be effective, require financial investment for the maintenance, restoration and repair of power equipment, as well as to extend networks.

Speaking to the *Quarterly*, Mr Hasan clarified: "The idea of investing in energy poverty is not just about putting up capital but also creating sustainability, which includes establishing maintenance, management and stable tariffs to enable the utility to sustain itself, maintain itself and even expand."

The panel explored the potential for mobilizing Middle East financing, both sovereign fund and private sector, to support energy access in poor regions. Various innovative options were reviewed, including green bonds.

The panel also looked at options for alternative electrification technologies to bridge the gap to energy access. Mr Hasan raised the subject of

pioneering mini-grid projects through which OFID was looking to increase generation and distribution in rural areas.

With an estimated 80 percent of the energy poor living in rural areas, often in remote, sparsely populated places, mini-grids are attracting growing interest as a means of providing decentralized energy generation and distribution.

However, ensuring the financing flows for such systems is challenging, and the panel expressed concern about existing barriers to project development and income return.

"The problem is that although on-grid projects are usually executed by governments—and so loans can be secured for them—the mini-grid projects are not. The project type is a new idea, which will need new business models, new approaches. We are presently looking at aggregating mini-grids for a viable financial solution," said Hasan.

Solutions to funding issues would potentially require further exploration of financial tools, changes to national policy and regulation, which could hinder both investment and tariff prices. Also necessary would be changes to rating mechanisms, which bind utility companies in ►

Mini-grids are attracting growing interest as a means of providing decentralized energy generation and distribution.

Combining mini-grids and renewables to reach Cambodia's poor

In 2012, OFID joined forces with the Renewable Energy and Efficiency Partnership (REEEP) to improve electricity access in rural Cambodia, where mini-grids are widely used but tend to be old and inefficient.

The project involved the construction of two hybrid power plants—one utilizing diesel and solar energy and the other combining diesel and biomass—to provide a reliable and affordable energy supply to two remote communities in off-grid areas of the country.

Both plants have the possibility of generating power from each of their two sources and can also operate fully using just one source. This type of flexibility makes for a more secure supply and reduces the chance of power cuts.

Work also involved retrofitting the mini-grids and expanding them into neighboring villages, thus increasing the number of beneficiary households to around 2,500.

In the interests of sustainability, the project included administrative and knowledge-transfer aspects, as well as the creation of supervision and monitoring frameworks to ensure the integration of the schemes into local communities.

Similar projects could go a long way to increasing energy access figures worldwide. However, "it's an evolving topic" said OFID's Faris Hasan "and we need to find a success story that can be replicated."

OFID and REEEP to lead nexus initiative

OFID has joined forces with the Renewable Energy and Energy Efficiency Partnership (REEEP) to co-lead a 'High Impact Initiative' (HII) on the water–food–energy nexus. The HII, which is one of dozens of being carried out in different focus areas of the global Sustainable Energy for All Initiative (SE4ALL), specifically targets 'implementation on the ground.'

The OFID/REEEP alliance follows the identification of the nexus as a 'High

Impact Opportunity' (HIO) within SE4ALL. HIIs are focused, on-the-ground activities by groups of stakeholders within the broader framework of HIOs.

A first meeting of the nexus HIO partners took place in Abu Dhabi on the sidelines of ADSW. This HIO is jointly led by the Food and Agriculture Organization of the UN and the German Ministry for Economic Cooperation and Development. In addition to OFID and

REEEP, other partners include the United Nations Environment Program, USAID and the World Bank, amongst others.

The meeting was an opportunity for the individual partners to present their nexus activities with a view to identifying possible synergies. OFID's presentation highlighted its commitment to the nexus, which forms the central plank of its 10-year strategic plan.

◀ developing countries to low ratings, thereby inhibiting private sector and sovereign fund investment.

International Renewable Energy Agency

Deliberations at the IRENA Assembly focused on the transformative role of renewable energy worldwide.

The Agency revealed the key findings of Remap2030—a roadmap for doubling the share of renewables in the energy mix by 2030—and launched an enlarged version of the Global Atlas for Renewable Energy, as well as the new Renewable Costing Alliance, which enables companies and organizations in the sector to confidentially share real-world data on deployment costs.

IRENA also hosted the inaugural Renewable Energy Jobs Conference, the first of its kind to focus on global employment issues within the renewable energy sector.

The international audience of diverse stakeholders discussed the substantial potential for job creation in the sector which, according to the Agency's recently released Renewable Energy and Jobs report, globally reached 5.7 million in 2012.

International Water Summit

The 3rd IWS was again one of the centrepieces of ADSW, attracting international stakeholders from government, the public sector and business, as well as scientists, contractors and consultants, to share experience, information and ideas.

Comprising a three-day conference, international exhibition and a variety of side events, the event covered a wide range of discussion topics, with a focus on sustainability and the water-energy nexus.

The World Bank chose the final conference session of this year's IWS to formally launch its

'Thirsty Energy' initiative, a global campaign to encourage best practice in addressing water and energy challenges and to encourage more involvement from the private sector.

Blue Economy Summit

The UAE Ministry of Foreign Affairs, in partnership with the Government of Seychelles, hosted the first Blue Economy Summit, focusing on governance frameworks for the sustainable development of oceans and ocean-linked communities and countries.

Small island developing states and marine environments face unique climate and sustainability challenges, which in turn affect global sustainable development.

Addressing the audience at the opening of the Summit, James Michel, President of Seychelles stated: "The importance of the Blue Economy to humankind cannot be underestimated: over 70 percent of our planet is covered by ocean; 90 percent of the world's trade in goods is conducted by sea. Oceans transcend states. They connect us all to each other. And we must harness these connections for development, not just enrichment."

The topic is expected to feature prominently at the United Nations Third International Conference on Small Island Developing States in Samoa in 2014 and in the forthcoming post-2015 development agenda and sustainable development goals.

The inaugural Blue Economy Summit examined key requirements for the sustainable development of oceans and coastal regions, and was commended by Dr Sultan Ahmed Al Jaber, UAE Minister of State and Chairman of Masdar, for "placing renewed emphasis on the critical need to address the long-term sustainability of our international waters." ■

Understanding the human dimension of Palestine's struggle

The United Nations Relief and Works Agency (UNRWA) has been at the center of relief efforts in the Palestinian territories and refugee camps for almost 65 years. As **Filippo Grandi** ends his four-year term as Commissioner-General, he talks with the *Quarterly* about the continued denial of a just solution for the Palestinian people and UNRWA's mandate in providing assistance to them.



Filippo Grandi, Commissioner-General, UNRWA.

Interview by Reem Aljarbou

OQ: *What were your expectations when you joined UNRWA?*

FG: At that time, I had been working for the UN for over 18 years and I already knew a lot about UNRWA. What attracted me the most was the fact that UNRWA provides services directly to the people, making a difference to their lives, through teachers in the classrooms, through doctors and nurses in the clinics, and through social workers addressing the needs of families.

I knew a lot, of course, about the Israeli-Palestinian conflict, but it was only when I arrived in Jerusalem, in the occupied Palestinian territories, that I realized the extent of the injustice that affects the Palestinian people and refugees.

They have been living under occupation for so many years now, affected by the continuous expansion of the illegal Israeli settlements, prevented from moving and exercising their basic human rights. The cost of this occupation, which in fact affects both Palestinians and Israelis, has a human dimension which you can only really feel and understand if you have visited this people.

OQ: *How do you feel about UNRWA continuing to operate as a temporary institution, while the problem continues to escalate?*

FG: Like everyone else, the Palestinians want to improve their lives. They do not think of their situation as a permanent one, but nor do they think that where they live

will remain their permanent home. Palestinians have a strong sense of temporariness of their situation and want a just solution.

They talk about the right of return, about living their future not in refugee camps, but in their homes. So for them, this is not the end state, but rather a transitional one—which is of course an incredibly complicated political issue.

But even if they have to live in a temporary state, their living conditions should be as good as possible. They should have the right to a good education, good health-care and for those who live in the camps, good living conditions and infrastructure. The number of camps doesn't increase, but the number of Palestinian refugees grows ►

“Palestinians have a strong sense of temporariness of their situation and want a just solution.”

◀ every day. About one-third of them live in camps, and these are the neediest and poorest.

OQ: What were the biggest challenges you faced during your tenure at UNRWA?

FG: We have faced a lot of upheaval in the past years in Gaza and Lebanon. And for the past two years we have encountered unprecedented violence, devastation, and human displacement in Syria. We must not forget that almost half a million Palestinian refugees are registered in Syria and they have been enormously affected by this conflict. All of these conflicts have presented specific challenges to reach the people in these regions.

The other challenge of course has always been the lack of resources. UNRWA is the only organization that has to do the type of work which I define as obligatory. Providing over 500,000 children every day with education is not selective; it is their right and a fundamental contribution to the stability of the region. In addition, we also provide a range of primary health services to these children.

However, our ability to serve these people depends on voluntary contributions and optional funding from governments. Raising funds has been one of the greatest tasks that I have carried out, especially as Commissioner-General. Although we have been fairly successful, the increase in funding has, unfortunately, been less than the increase in needs.

OQ: How challenging do you find it to raise funds during emergency aid situations, especially as the delivery must be very swift?

FG: Actually, when you have an acute emergency, raising funds is not the biggest issue, as the emergency is seen on TV, in the press and on the Internet. That creates a positive atmosphere around contributions.

It becomes more challenging to raise funds when the crisis becomes protracted. Take Gaza as an example. During the war of 2008 and 2009, Gaza generated a lot of sympathy and support not only in the Arab region but also in the Western world. At that time, UNRWA, which has a very big operation in Gaza, received a lot of funding.

Six years have passed now, but the needs are still there. Gaza continues to be under blockade and people can hardly move. Exports are forbidden and the economy is depressed. If you want to import building materials, it involves a cumbersome process through the Israeli government.

We are asked many times why we still need support for a crisis that happened several years ago, and this is why OFID's example differs. OFID has always been there with us, not just in times of humanitarian need, but also as a supporter of semi-developmental projects, such as microfinance. OFID is a loyal donor and a very loyal partner, including in situations that are no longer of appeal to the media, and this is essential.

UNRWA provides education and primary healthcare to more than 500,000 Palestinian children day in, day out.



PHOTO: OFID/JOHANNES HERBERSTEIN

OQ: *OFID helped fund the reconstruction of schools at the Nahr el-Bared refugee camp. Two years after the inauguration, how do you see the success of this specific project?*

FG: OFID's support to Nahr el-Bared has been of great importance for the people, as it is essential that children can go to school. The Palestinians—and Palestinian refugees in particular—are very keen on education. They understand that it is the best investment for their very uncertain future.

OFID's support was an important signal to those displaced people, to say that you are not forgotten; you have gone through this additional ordeal and difficult history, but we are with you.

Now of course the challenge is huge, because Nahr el-Bared is one of the biggest construction projects ever undertaken by UNRWA and the UN itself. It is similar to the construction of a town of 30,000 people.

Immediately after the donors' conference in Vienna in 2008 we got a lot of support, but it has become very difficult now after almost six years to continue to raise money at the necessary pace and bring back people to their original area in Nahr el-Bared. And yet we must continue to do it.

OQ: *How do you envisage the partnership between OFID and UNRWA in the future?*

FG: Ideally, whoever partners with UNRWA, should support both dimensions of our work. On the one hand, there's the immediate humanitarian dimension, like the one we see in Syria today, when we simply have to provide the people with food and money, because they have lost all their means of livelihood.

But then you have the other end of the spectrum: situations which are a little bit more stable, for example Jordan, or Gaza during certain periods of time. Here, UNRWA has an important role to contribute to the human development of Palestinian refugees.

We cannot speak of fully fledged development, because for that you need a state, you need an end solution to their plight. But in this transitional state, I think it is possible and important for the people, as well as for the region, to have opportunities, education being the most important.

But then you have the economic aspect, and this is the area where we are working together with OFID's PalFund, which was launched already in 2004. In fact, when I came to Vienna for a meeting between OFID and UNRWA and to sign an agreement, I was impressed to see that there was attention to the aspect of micro-financing, as that is sometimes overlooked.

OFID and UNRWA

OFID started cooperation with UNRWA in 1979 and has since provided over US\$30m in grant support, representing more than one-quarter of the US\$146m total financing that OFID has provided to some 500 operations in the West Bank, Gaza Strip and Lebanon. In addition to its traditional support to education, vocational training, emergency relief and humanitarian aid programs, OFID expanded its collaboration with UNRWA in 2002 through the creation of the PalFund, which extends small loans to productive entrepreneurs and artisans for income growth. Through the PalFund, nearly 60,000 loans, worth close to US\$85m, have been extended to citizens in the West Bank and Gaza.



PHOTO: SHARIF SARHAN FOR UNRWA MD, 2010

OQ: *Palestinians constitute the largest number of displaced persons worldwide. What kind of advice do you give to the incoming Commissioner-General regarding advocacy surrounding this issue?*

FG: It is difficult to understand the Palestinian experience if you don't spend time in a Palestinian refugee camp. This should be my first advice to my successor: to visit the camps, talk to the people and see the situation with his own eyes.

The Palestinian-Israeli peace process is one of the most complicated peace processes in the modern world. But I think the most important fact, the one that should not be forgotten, is the human dimension of the conflict, which is what UNRWA deals with.

Without understanding these complicated human contexts, and how they affect children, women, the elderly and the handicapped, one cannot have the empathy that is necessary to be with the refugees rather than simply working for them. ■

Togo: A promising journey ahead

On January 28, the Government of Togo signed a US\$6m loan agreement with OFID for a project designed to improve energy access among rural communities. After the signature ceremony, Togolese Minister of Economy and Finance, **Adji Otèth Ayassor**, sat with **Arya Gunawan Usis** to talk about the project and development in general in his homeland.

The electricity sub-sector poses a major challenge for Togo, which imports the bulk of its electricity from Nigeria and Ghana. This dependency was even higher before the joint construction with neighboring Benin of two hydropower plants in 1988 and 2009. The two plants draw on the power of the 400 km-long Mono River, the major waterway of eastern Togo.

Minister Ayassor opened the interview by acknowledging the energy challenges facing his country. “The supply of electricity is always less than demand,” he said, noting that improved economic growth had spread demand to many villages.

“It is very important for the government to ensure that there is an adequate supply of electricity for all these areas,” he added.

At present the Togolese government is in the process of finalizing a strategic plan for its energy sector. The policy draft is being developed based on research conducted in 2010-2011 with support from the World Bank.

Among the important matters covered in the draft is that of improving energy security by reducing dependence on imports and diversifying supply sources.

Also mentioned is the acceleration of access to modern energy services, with rural electrification a specific goal. Energy

poverty and access to electricity are identified as priorities requiring the urgent attention of government.

According to Ayassor, the greatest challenge is supplying electricity to rural communities, which are scattered across the country’s sprawling territory.

“Not many investors are willing to invest in rural electricity supply because it is hardly generating profits,” said Ayassor.

Within this context, the latest project with OFID is very important. OFID has allocated US\$6m to the project, whose total cost is US\$18.9m, while the Islamic Development Bank, together with its poverty alleviation arm, the Islamic Solidarity Fund for Development, has provided US\$11m. The Togolese government is contributing the remaining US\$1.9m.

The project, which is scheduled for completion in 2017, will extend the low- and medium-voltage electricity network to a total of 69 villages spread across five regional areas.

This project is also in line with Togo’s new Strategy for Accelerated Growth and Job Promotion—SCAPE, for the period 2013-2017. The strategy covers accelerated pro-poor growth, increased employment, strengthened governance, reduced regional disparities, and improved grassroots development as priorities.

Prior to this newest operation, OFID had supported activities ranging from road construction to the import of strategic commodities, in a partnership with Togo that reaches back to the late 1970s.

“As you know we are in great need of concessional financing, and OFID offers us this type of financing,” said Ayassor.

Hard times

The Republic of Togo is located in West Africa, directly bordering Benin in the east, Ghana in the west, and Burkina Faso in the north. The southern part of the country faces the Atlantic Ocean.

Togo means ‘house of sea’ in the Ewe language, which is one of the most frequently spoken among the 37 ethnic groups in the country.

With a population of six million and a land area of about 57,000 sq km, Togo was a German colony before it was invaded by British and France allies during World War I. Togo’s major revenues come from the agriculture sector, with chocolate, coffee and cotton together making up 40 percent of exports.

Since its independence from France in 1960, Togo’s road to sustainable development has been a troubled one, marked by political and social crises through the 1990s until mid-2000s.



OFID Director-General Al-Herbish (*right*) with Togolese Minister of Economy and Finance, Adjé Otéth Ayassor, conclude signature of the US\$6m loan agreement.

During this period, aid from international organizations was hard to come by. According to World Bank data, average real GDP per capita growth sank in the period 1991–2005.

Ayassor admitted that his country had suffered harsh times but stressed that the ruling government—elected in 2005 and re-elected in 2010 for a second term—had succeeded in putting together a vast reform program to strengthen capacity across the various social and economic sectors.

“The result is that we are now witnessing an annual GDP increase of about six percent, compared to zero growth back in 2005. We expect to reach a growth rate of 7–8 percent in the next few years,” he declared.

Refining infrastructure

Infrastructure development is one of the government’s main targets. An example is the expansion of Port Lomé, which is the only deep-water port in the sub-region.

Plans are afoot to strengthen Togo’s position as a trans-shipment hub by adding to the port a container terminal with the capacity to handle some 2.5 million containers per year.

“Togo is an important transit country for hinterland landlocked countries like Burkina Faso and Niger, which go through Togo for their import and export,” explained Ayassor.

The airport sub-sector is another area that begs improvement. Togo also intends to become an important air transport hub for the region.

“Currently we have about 10 airline companies who are servicing the airport of our capital Lomé, and we want to increase that to 15 companies, including attracting Emirates Airlines,” said Ayassor, sharing his country’s dream.

He added that a cooperative agreement had recently been concluded between Ethiopian Airlines and ASKY Airlines, a passenger airline founded on the initiative of West African governments, with its head office in Lomé. This agreement has led to the creation of a new direct connection between Lomé and Brazil.

Ayassor went on to reveal that Togo also plans to construct a railway stretching from Lomé northwards towards Burkina Faso. “This is because we want to tap the mineral resources that are available in the northern part of our country and in Burkina Faso and have them transported by rail,” he said.

Tackling unemployment and the MDGs

Another challenge currently confronting Togo is unemployment, which according to Ayassor, has hit 10 percent. He explained that, to address this issue, the government was trying to promote the private sector, which is a recognized engine of growth and a source of jobs.

The mineral industry, in particular, was a key target because of its potential in terms of value-added, Ayassor disclosed.

“We want to get away from simply exporting raw material like phosphate. We want to strengthen the industry that transforms these raw materials, which will in turn also create jobs,” he stressed.

Togo is also known for its zinc, nickel, uranium and gold resources. With regard to the MDGs, Ayassor conceded that, despite concerted efforts to achieve all eight goals, Togo was on track to reach only those relating to education, child mortality and HIV/AIDS, malaria and other diseases.

“We are receiving support from international financial institutions to address the MDGs, but we have to admit that poverty is still a problem in the country,” he said.

Ayassor expressed confidence, however, that his government’s efforts to eradicate poverty would bear fruit. He was particularly optimistic about measures being undertaken at community level with support from the World Bank.

“We believe that in three to four years there will be significant improvement in this regard,” he stated, revealing that the government had been buoyed by the recent encouraging progress is the agriculture sector.

“Togo is now self-sufficient in terms of food production. We even export our agriculture produce to neighboring countries that are still in need of these products,” said Ayassor.

Encouraged by this success, further achievements are not impossible in the coming years. It seems that Togo has a promising journey ahead. ■

Environmental healing: Iraq pursues restoration of Central Marshes

PHOTO: IUCN



Iraq has signed a landmark agreement with the United Nations Environment Program (UNEP), paving the way for environmental recovery and sustainable growth in 2014, its National Year of the Environment.

by Nadia Benamara

Signed January 26 in Baghdad, Iraq's first five-year strategic cooperation agreement with UNEP provides a framework for rehabilitative action in one of the Arab region's most environmentally vulnerable countries.

"The Government of Iraq is committed to moving ahead with plans to restore the environment as part of our National Development Plan," said Minister of Environment, Sargon Lazar Slewa, in a ceremonial address. "The wellbeing, security and livelihood of Iraqis are dependent on our success."

UNEP Executive Director Achim Steiner, on his first visit to Iraq for the occasion, acknowledged the magnitude of the task. "Achieving sustainable development is by no means a light undertaking, especially after decades of wars, sanctions and environmental degradation," he said.

Mr Steiner went on to disclose that, in implementing the strategic cooperation agreement, the Iraqi Government and UNEP would work closely with sister UN agencies, the donor community, civil society and stakeholders "to ensure we build synergies, promote collaboration and strengthen capacity for long-term benefit."

Areas of cooperation are to include environmental legislation and regulations, biodiversity conservation, green economy and economic valuation, cleaner production, resource efficiency and combating dust storms, as well as climate change reporting, mitigation and adaptation.

According to a simultaneously released Government report, titled 'Iraq State of Environment and Outlook,' environmental degradation causes losses estimated at 5–8 percent of Iraq's annual GDP.

Prepared with support from UNEP, UNDP and the World Bank, the report cites population growth, desertification, urbanization, human activity and poor environmental awareness as primary drivers.

Iraq's population has tripled to more than 30 million over the last 40 years, while per capita water supplies have been halved. Most alarmingly, the report warns that two major waterways—the Tigris and Euphrates rivers—could dry up by 2040 if present conditions persist.

A vital ecosystem

First established in 2003, Iraq's Ministry of Environment has since collaborated with UNEP on a number of joint projects, notably the restoration of the Central Marshes, which its Council of Ministers designated Iraq's first National Park in July 2013.

"The marshes represent one of the fundamental pillars of the country and focusing on them means dealing with very important social and economic issues as well as with water resources," said Secretary to the Council, Ali Esmeel.

The 1,000 sq km protected zone, located between the Tigris and Euphrates in Southern Iraq, is part of the Mesopotamian Marshes, a much larger freshwater ecosystem once ranked the third largest wetlands in the world.

Unique in the Middle East, the Mesopotamian Marshes sustained up to half a million members of the Ma'dan Tribes as recently as the 1950s, preserving a traditional way of life that had relied on herding, harvesting, fishing and crafting for over 5,000 years.

Its waterlogged grasslands played a significant regional role, resupplying groundwater for agricultural irrigation, purifying major waterways, providing refuge for migrating birds and nursing the fisheries of the Persian Gulf. Equally critically, the marshes helped mitigate high temperatures and sandstorm-inducing winds.

Massive drainage operations launched by the previous Iraqi regime reduced the Mesopotamian Marshes to one-tenth their former size by the mid-1990s. The result: an ecological disaster that the UN ranked alongside the deforestation of the Amazon rainforest.

Environmental healing

Shocked at the extent of the damage after 25 years spent abroad, an Iraqi born hydraulic engineer named Azzam Alwash joined local restoration efforts soon after the regime's 2003 fall.

Alwash founded the country's first environmental organization—the non-profit, *Nature Iraq*—in 2004, working with Iraq's environment



PHOTO: SAWDIA

and water resource ministries to promote the environmental, social and economic benefits of the marshes he had cherished visiting in his youth.

According to Alwash, almost half of the original area has since been re-flooded. Plants, birds and people have slowly returned; bringing the population, which had dropped to 6,000 by 2003, to well over 60,000 in 2013.

"Efforts by activists such as Azzam Alwash, together with ongoing work by the United Nations, the Iraqi Government, and international partners, are playing a vital role in restoring the resilience of the marshlands," said Hassan Parlow, a senior environmental expert at UNEP's Post-Conflict and Disaster Management Branch.

Significantly higher salinity rates in these formerly fresh waters remain a huge challenge. Some 2,000 parts per million (ppm)—compared with 200 ppm in the 1960s—stunt the growth of local crops and aquatic life and make it difficult to breed the customary buffalo on which the Ma'dan tribes have depended for sustenance.

Still, Alwash believes in making the impossible possible. "Strangely enough, this is one of the few cases where war has resulted in environmental healing," he says.

"The re-creation of the marshes is literally like the rising of a phoenix from the ashes of destruction. In a sense, it is a symbol of the restoration of Iraq as a whole."

Activist Azzam Alwash, founder of Iraq's first environmental organization Nature Iraq, is leading efforts to restore the marshlands.

Qatar looks to boost investment and entrepreneurship

OFID Member-State Qatar is taking steps to encourage greater business and investment commitment, particularly in its tourism sector and among youth and women entrepreneurs.

BY SAM CHUKWUDI

As its economy and population continue to grow, Qatar is spreading out the welcome mat for investors, inviting them to set up new business, especially in the tourism sector.

The government has indicated a willingness to contribute to developing a new dinner dhow cruise line, an off-road vehicle leasing company and a luxury coach bus service. These should support the bid to increase the number of visitors to the Gulf nation from 1.2 million in 2012 to some 7.4 million by 2030.

In February, Qatar held a forum on *Entrepreneurship's Role in Economic Development* to foster a new generation of entrepreneurs in the State and the Gulf. The event took place at Qatar University under the patronage of the minister of energy and industry and featured a panel of international investment experts.



A new government-backed agency will launch a US\$100m investment fund as part of a national drive to diversify the economy and encourage entrepreneurship. Qatar currently attracts almost no venture capital.

And although the official limit on foreign investment is a major factor holding back the sector's development, there appears, thus far, to be no immediate plans to ease the restrictions.

New projects

The proposed new projects will follow existing Qatar laws, meaning that foreigners will continue to be limited to a 49-percent ownership stake.

Specifically, six projects were unveiled in February as the first of 25 that the government plans to propose. These are considered "quick-win" initiatives, officials said.

Qatar Tourist Agency chair Issa bin Mohammed al-Mohannadi told journalists, dignitaries and potential investors that these would be "a golden opportunity for investors to be a part of the rapid expansion of the [tourism sector]."

The six projects were selected based on their commercial viability for small- and medium-sized businesses, as well as to offer services that the private sector alone is unable to provide in sufficient quality and quantity.



PHOTO: SHUTTERSTOCK_COM_EHRMAN PHOTOGRAPHIC

The exact launch date of the services will be determined by the operators, but one official said he expected the successful companies to have a “sense of urgency” in presenting their proposals. The accepted companies or firms will attract, organize and advertise major events, such as sports tournaments, concerts, theatrical performances and conventions. While joint ventures between local and foreign firms are encouraged and expected, priority will generally be accorded Qatari companies, officials asserted.

Inflation

To check rising costs and further encourage business growth, the government is also working to dampen inflation and introduce rent freeze. This would be implementing a promise of HRH the Emir, Sheikh Tamim bin Hamad Al Thani.

Accordingly, the government is asking commercial landlords to offer retailers and tenants a one-year lease extension, effectively freezing rents for many businesses. Earlier, the Emir ratified a Cabinet decision to extend non-residential leases, which are set to expire this year, if the tenant wishes.

Keeping a lid on rising prices was one of the major themes of the Emir’s first publicized speeches last year. Speaking to the government’s advisory council and quoted

by Qatar News Agency, the Emir said inflation had a negative effect on growth and society, and price rise was a problem that worried everyone. Therefore, the government would seek to contain it by all available means and tools.

The Emir mentioned, in particular, such monetary and fiscal policies as combating monopoly, encouraging competitiveness, setting an appropriate timetable to invest in major projects, and coordinating between these projects to avert being concentrated in a short period of time, leading to pressure on the available potential capacity.

Youth and women

The Emir is also focusing official attention on youth employment and the place of women in society. A recent survey found that youth in Qatar had some of the highest entrepreneurial ambitions among their GCC peers, but regulatory requirements are allegedly stifling their enthusiasm.

A theme of the Qatar University forum placed the spotlight on encouraging young people to consider entrepreneurship as a career, rather than pursuing positions with established companies and/or the civil service.

Efforts are also to be scaled up to increase the number of women entrepreneurs. Mohammed Bin Saleh Al-Sada, Minister of

Energy and Industry, has repeatedly focused attention on this issue.

Wamda, a Jordan-based organization for entrepreneurs, held a workshop in Qatar last summer, looking at challenges facing women in the workplace; among them sponsorship laws, family commitments and ages-long prejudices.

Nonetheless, Gulf news sources hold up Qatar as an example, reporting that the State is “already ahead of its GCC peers with respect to the number of women planning on entering the business world.”

World Cup 2022

The 2022 FIFA Soccer World Cup is an additional, major project that the people of Qatar are according great attention. The hope is that new businesses, launched in the months ahead and prior to the competition, would take advantage of the large investments being made in the country in the run-up to the tournament.

The expectation is that a successful World Cup bid will likely accelerate large-scale infrastructure projects such as a metro system and a light rail scheme. There is also the Hamad International Airport projected to open with an annual passenger capacity of 24 million. ■

OPEC Secretary General addresses MENA Conference in London

In his customary keynote speech to the annual Middle East and North Africa (MENA) Conference at Chatham House in London, OPEC Secretary General, Abdalla Salem El-Badri, spoke on the importance of oil prices to the future welfare of the global petroleum sector, stressing that stability was the key to the future success of all the industry's stakeholders.

The price of crude is a central component of the global petroleum market and how oil prices evolve in the future "matters to every one of us." That was the view put forward by OPEC Secretary General, Abdalla Salem El-Badri, to the 2014 MENA Conference in London at the end of January.

"Whether you are a consumer purchasing a petroleum product at the pump, or the refined products for your airlines, ships and trains; or whether you are a producer looking at oil investments and future prices, a stable and fair oil price is vital," he said. "High oil prices, for example, are bad for consumers today and lead to situations that are bad for producers tomorrow. And low oil prices are bad for producers today and lead to situations that are bad for consumers tomorrow," he said in his speech on 'Gulf Region Scenarios.'

"Thus, as I have often said, extreme prices—either too high or too low—are not in the interests of either producers or consumers." El-Badri told delegates that given the long-term nature of the petroleum industry and the need for clarity and predictability, the essential component came in three words—stability, stability and stability.

"Stability for investments and expansion to flourish; stability for economies around the world to grow; and stability for producers, allowing them a fair return from the exploitation of their non-renewable natural resources," he affirmed. "And, of course, long-term price stability is a fundamental element to all of this," he added. El-Badri has become a familiar face at the

two-day MENA Conference, which this year convened under the theme 'New uncertainties and new opportunities' and explored how political, economic and market factors are reshaping the energy sector in the region and beyond.

Global market importance

The MENA region is considered crucial to meeting the world's energy demand in the years ahead, but enduring political uncertainties and unfolding geopolitical changes pose a number of challenges for the oil and gas producers in the region.

According to notes on the Chatham House website, policymakers in the region must meet growing domestic demand for energy, whilst maintaining export prices to sustain national economic goals, as well as continue to foster opportunities for investment from international energy companies.

El-Badri began his address by emphasizing the importance of the international petroleum sector. He said the size, scope, and complexity of the global oil market made it almost unique among physical commodities. Currently, he informed, more than 90 million barrels of oil were produced and consumed every day.

"Beyond the scale of this trade, the strategic importance of oil and the crucial role that it plays in the global economy make it a commodity like no other. It is the backbone of the global transportation sector and is used to develop and produce a vast array of everyday products."

But El-Badri posed the question: How could longer-term oil price fluctuations be managed? "This is obviously an extremely important issue and one that requires the close attention of both producers and consumers," he maintained. The OPEC Secretary General said that he thought it was important to initially stress that past experience had shown that no one country or institution could set or control prices.

"... it is crucial we better understand how the market can help realize a stable and fair oil price and eliminate excessive fluctuations."

"However, it is crucial we better understand how the market can help realize a stable and fair oil price and eliminate excessive fluctuations. It means looking at the price from both the short- and long-term perspectives.

"Clearly there is always much focus on the ups and downs of the price on a daily, weekly and monthly basis. Short-term price fluctuations caused by such issues as geopolitics, supply disruptions, economic developments and weather are natural. They are expected. They are unavoidable. They are absolutely normal. "However, it is important that we differentiate between such normal fluctuations and those that can be viewed as 'extreme'," he asserted.

El-Badri said that over the past decade, the petroleum sector had witnessed the increased financialization of oil markets. Oil had increasingly been treated as an individual asset class by financial investors. Speculative funds flowing into—and out of—the commodity futures markets, had exposed the physical oil market to financial market volatility.

Since 2005, he continued, the total open interest of the New York Mercantile Exchange (NYMEX) and London Intercontinental Exchange (ICE) futures and options had increased sharply. And what had evolved was a close link between crude oil prices and speculative activity.

"This has meant that some price movements have not been driven by fundamentals or the normal ebbs and flows of the market. They have been driven by market speculation," he explained.

El-Badri noted that this was starkly apparent back in 2008 when crude prices escalated from around US\$90/barrel in January to a peak of over US\$145/b in the middle of the year, before sinking to a low of around US\$30/b in December.

"It is clear we cannot avoid speculation and volatility altogether. But extreme price fluctuations on this scale are clearly not conducive to the effective functioning of the market, particularly given the long-term nature of investments in our industry."

El-Badri said that 2013 generally witnessed prices moving in the US\$100–110/b range, a range that was acceptable to producers and consumers alike.

"Outages, supply disruptions and improved macroeconomic indicators have driven price increases, while lower refinery appetite, production increases and generally higher inventories have weighed on prices," he observed.



PHOTO: OPEC

OPEC Secretary General, Abdalla Salem El-Badri

However, said the OPEC Secretary General, speculative activities continued to play a role and had widened both the upside and downside price movements. "That is why it is important to keep a watchful eye over speculative activities, particularly with the relaxed monetary policies seen in a number of major markets today. "It is vital for the market to focus on actual market fundamentals and to continually look to mitigate extreme volatility and excessive speculation."

El-Badri said that given the long-term nature of the oil industry, especially when looking at investments, one needed to also pay close attention to future years and what could be done to help provide more stability in the long-term price. "Let me stress here that long-term oil prices and fluctuations cannot really be managed and that any price forecasts cannot be made with absolute certainty. No one has the capacity to do this. There are always unknowns. "What can be done, however, is to provide a strong framework for the future. And this begins with the short-term I have just mentioned.

"We need to continually work towards a balanced market between supply and demand—a market with adequate and flexible spare capacity and storage for both crude oil and refined products to counter any short-term turbulence."

El-Badri said that looking at the market today OPEC believed that the fundamentals remained balanced. There was more than enough supply to meet demand. Spare capacity and stocks were at healthy levels. And prices were at comfortable levels for both producers and consumers. ►

"... some price movements have not been driven by fundamentals ... they have been driven by market speculation."

“Let me stress here that OPEC Member Countries are committed to invest, and to ensure that consumers receive oil when they need it.”

◀ “Stability and a balanced market today will be helpful in providing stability and a balanced market in the future.”

Need for reliable data

In addition, he said, there were evidently a number of other factors that could help to deliver a balanced market, with stable and fair prices, in the years ahead.

Providing some key points, the OPEC Secretary General said it was important to provide rational and impartial supply and demand forecasts.

“We need to continually strive for more reliable and transparent data to help alleviate uncertainty and volatility. This can be done through dialogue between all stakeholders and through initiatives such as the Joint Organizations Data Initiative—or, as it is better known, JODI.”

El-Badri said that for oil producers, it was also critical to have a better understanding of demand-side developments, particularly policies that might discriminate against oil.

“At the heart of this is security of demand. This is just as important to producers as security of supply is to consumers,” he professed.

Committed to invest

“We need to remember that all investments require certain conditions. These can obviously vary, but in general, the focus for producers is on stability. Its absence can lead to investment uncertainty and, in turn, future market instability.”

El-Badri said that, to put it simply, producers did not want to waste precious financial resources now on infrastructure that might not be needed in the future. At the same time, however, if timely and adequate investments were not made, then future consumer needs might not be met.

“And, of course, both under- or over-investment can lead to future price fluctuations, with potential knock-on consequences. In this regard, and specifically in terms of lower prices, we need to think about the cost of the marginal barrel.”

El-Badri said that, given the complexities of the oil market, it was difficult to establish a single number that represented the marginal cost. But

it was evident that the cost of some oil sands projects, tight oil plays, deepwater and Arctic fields were the most likely to represent the marginal cost.

“This raises the question: At what price levels would some of these projects become unworkable? It is clear that for some projects it may not be far below current price levels.”

El-Badri pointed out that it was in no one’s interest to have an industry where investments were ‘on, off, on, off’, every time prices witnessed extreme fluctuations. It was wildly changing prices that could most affect investments—and do most damage to both producers and consumers.

“Let me stress here that OPEC Member Countries are committed to invest, and to ensure that consumers receive oil when they need it.”

He said these investments were important as OPEC expected to see the call on the Organization’s liquids increase by over 10 million b/d by 2035, which was greater than the expected increase in non-OPEC supply over the same period, at just under 9 million b/d.

“However, as with any investments, they will obviously be influenced by various factors, such as the price of oil, as well as the overall economic situation and policies.”

El-Badri also highlighted one other issue that, he said, was often overlooked when talking about oil prices.

“This is the amount of taxes paid by end-consumers at the pump. In many cases, such as in a number of European Union countries and Japan, the amount of taxes paid is more than 50 percent of the overall cost.

“It is thus clear that the taxation of oil products has the potential to significantly impact end-prices and accentuate price fluctuations for consumers,” he asserted.

El-Badri said it would be wrong for anyone to provide any guarantees to eliminate long-term price fluctuations. “All we can do is look at our forecasts and try to put the best framework in place to arrive at a future that works for us all. This requires producers and consumers to work together with innovative thinking, collaboration and swift action, where and when appropriate, on key issues. And it means further evolving data transparency and clarity and making sure that price extremes are kept in check,” he added. ■

Our vision

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

Our mission

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



Uniting against Poverty



Uniting against Poverty

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