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OFID Quarterly

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

Food security under threat from Biofuels' production
OFID and China commence cooperation
4th International OPEC Seminar holds in Vienna
Human trafficking on the increase

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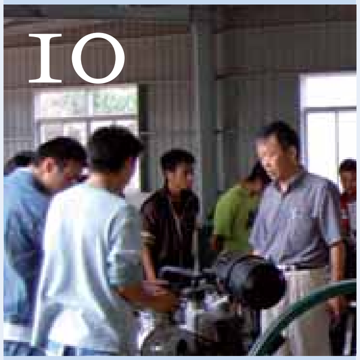


Cover photo:
Corn is a major feedstock for ethanol.

Working together to tackle the global financial crisis

Almost nobody foresaw that the financing difficulties which emerged in the US sub-prime mortgage market would plunge the world into the worst economic downturn since the Great Depression. The credit crunch that originated in the US quickly spread to other advanced economies after September 2008, triggering a financial and economic crisis of global proportions. Today, no country has been left untouched by the dramatic events. The phenomenon underscores the continued dependence of developing countries on mature markets, and the need for greater South-South collaboration. The crisis caused losses of more than US$4 trillion, and prompted extraordinary liquidity injections by central banks to restore the flow of credit. Nonetheless, the world economic situation has continued to deteriorate. However, while the prospects for recovery remain daunting, governments and central banks are pooling synergies and implementing financial packages that are aimed at stimulating economic activity and growth in the short to medium-term, albeit very gradually.

Unfortunately, the global financial and economic crisis will have long-term implications for countries in the South, which have seen their growth stifled due to a collapse in external demand, a slump in commodity prices, scarcer worker's remittances and slowing domestic demand. Also, these poor countries face deteriorating external financing conditions as a result of an exodus of private capital inflows. To worsen matters, shrinking export volumes and huge shortfalls in fiscal revenues combined with high food prices are putting increasing pressures on balance of payments. Consequently, there are mounting concerns that the crisis is reversing hard-won gains towards long-term debt sustainability and the poverty reduction and related UN Millennium Development Goals (MDGs). For example, experts have projected that up to 90 million people could be pushed into extreme poverty this year as the crisis deepens and purchasing powers diminish due to higher unemployment and reduced incomes.

The impact of the meltdown is most devastating for Low Income Countries (LICs), the majority of which are in sub-Saharan Africa. These poor countries – the traditional focus of OFID – do not have much room for maneuver. Also, they stand to suffer disproportionately from a financial crisis born elsewhere. With a pronounced global downturn, markedly lower growth and higher fiscal deficits, LICs will be forced to cut back on basic public services for the poor and discontinue ongoing development projects. Moreover, many LICs are becoming increasingly dependent on development assistance, as their export and fiscal revenues decline.

This portends a real risk that aid flows are becoming more unpredictable and volatile, as some developed countries cut their aid budgets.

In other areas, the crisis poses unprecedented challenges for International Development Financing Institutions (IFIs) such as OFID. However, the IFIs have promptly swung into action by coordinating efforts and acting collectively in the design and implementation of short-, medium- and long-term counter-cyclical measures. These actions are specifically meant to help mitigate human hardship in countries hard hit by the economic downturn. In its typical spirit of cooperation, OFID is fulfilling its development task first and foremost by ensuring a predictable, untied and concessional stream of financing for development. The global downturn and dramatic pullback of private capital inflows from the South has created a huge external funding gap, including serious shortages of private sector financing. In addition, the sudden scarcity and high price of trade finance is acting as a constraint to export growth.

There are mounting concerns that the crisis is reversing hard-won gains towards long-term debt sustainability and the poverty reduction and related UN Millennium Development Goals.

Conscious of the need to re-double efforts to encourage growth and employment creation, particularly in the private sector, OFID was quick to commit US$216 million in support of micro-, small- and medium-sized enterprises (SMEs) under its dedicated Private Sector Facility in 2008. This amount represents a 66 percent increase over OFID's allocation in 2007. Furthermore, by December 31, 2008, OFID's Governing Board had approved US$119 million in lines of credit and US$139 million in risk-sharing guarantees for 19 operations under the institution's Trade Finance Facility (TFF), which was established in 2006 in response to growing demand.

Undoubtedly, time is of the essence in cushioning the impact of the development emergency on poor households and people. On March 12, 2009, OFID joined the world's largest IFIs and development banks for a meeting in Vienna, Austria to share information and ideas on how to shelter the poor by investing in social safety nets and job creation, and by supporting trade, finance, infrastructure, agribusiness and SMEs. At the meeting, OFID pledged sizable financial resources to an Africa-focused sub-fund of the International Finance Corporation's Re-capitalization Fund. The Re-capitalization Fund will make urgently needed investments to re-capitalize vulnerable banking systems. It will also support funding in vital infrastructure projects and social sectors in African countries most severely affected by the downturn.

We do not think that the end of the global downturn is in sight, and we believe that systemic risks are still considered very high. However, in addition to short- and medium-term operations, OFID is working together with its strategic partners on long-term interventions to meet the changing financing needs and priorities emerging from the global economic crisis. The aim is to help fulfill these needs through front-loading as well as flexible and quickly disbursing instruments. As part of an emerging global partnership in support of world economic recovery, OFID will continue to unfreeze trade financing under its TFF so as to encourage export growth and job creation Finally, OFID aims to ensure adequate access to all necessary funding in order to prevent developing countries, especially LICs, from losing hard-won gains towards the MDGs and debt sustainability. ■

PHOTO: AZPWORLDWIDE/SHUTTERSTOCK

OFID unveils biofuels study

BY SAM IFEAGWU

A seminal study commissioned by OFID and prepared by the Vienna-based International Institute for Applied Systems Analysis (IIASA) concludes that the use of first-generation biofuels will increase food insecurity in the world's poorest countries and is unlikely to deliver any significant greenhouse gas mitigation benefit for at least 30 years.

PHOTO: WEN MINGMING/SHUTTERSTOCK

Where will the cereals needed for biofuel production in 2020 come from?

On average, about two-thirds of the cereals used to produce ethanol will be obtained from additional crop production. The remaining one-third will come from a projected reduction in the consumption of food and feed crops, as they become more expensive.

The study, properly titled *Biofuels and Food Security,* was unveiled on March 18, in Vienna, Austria, during a Special OFID Session at the 4th International OPEC Seminar (see separate story, page 30). The session was chaired by the Director-General of OFID, Mr. Suleiman Jasir Al-Herbish.

The study assesses the impact of wide-scale production and use of biofuels on sustainable agriculture and food security in developing countries. By diverting land, water and other resources to the detriment of food crops, an accelerated growth of biofuels production would seem to threaten the availability of adequate food supplies for human beings and raises environmental concerns. Sustainability issues, the impact on agriculture, as well as various prospects and risks are among key aspects examined in the study. The findings are derived from a "scenario approach" based on "an integrated agro-ecological-economic modelling framework." Mr. Al-Herbish informed the special OFID session that the issue of biofuels was at the heart of the mandate of OFID and at the core of the *Millennium Development Goals (MDGs).* He drew attention to the fact that biofuels "are not new to the field of energy":

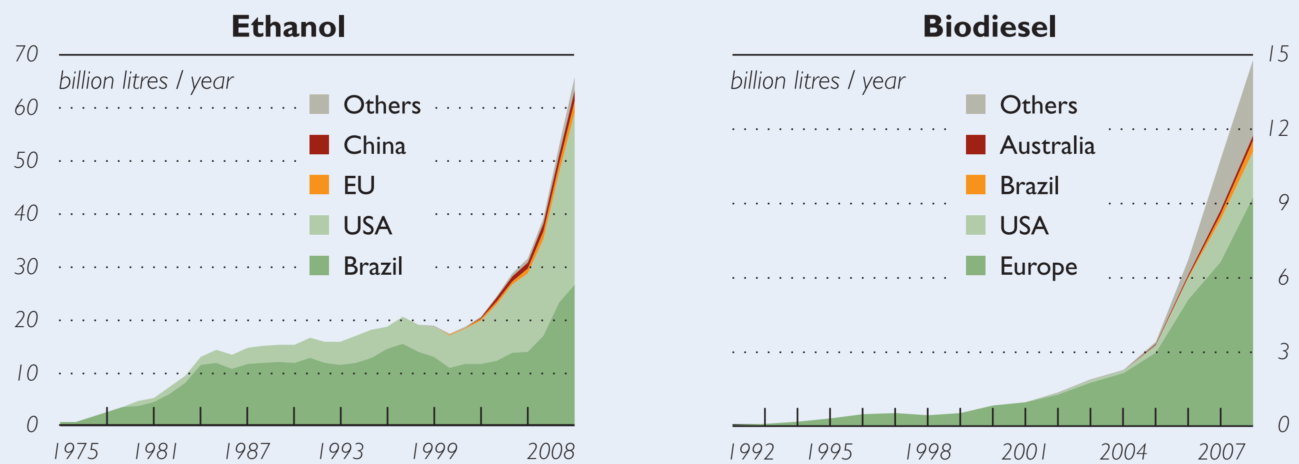
- in 1900, at a World Exhibition in Paris, Rudolph Diesel demonstrated an engine, since named after him, which ran on peanut oil;
- in 1904, a car running on biofuel became the fastest car in the world. The car recorded a top speed of 167 km/h; and
- during the 1930s and 1940s, although it was not common practice, vegetable oils were also used for diesel fuel, especially during World War II.

More recently, in the 1960s and early 1970s, the relationship between food and energy was of an inverse nature for a few years. A suggested way of solving the food shortage at the time was to synthetically prepare high-protein food ingredients from crude oil. ▶

Sustainability issues, the impact on agriculture, as well as various prospects and risks are among key aspects examined in the study.

Complimentary copies of the study are available online at www.ofid.org

World fuel ethanol and biodiesel production



Source: F.O. Licht World Ethanol & Biofuels Report, October 2007 and May 2008.

Mr. Al-Herbish said that the OFID study addresses, among other points, the expected impact of "first-generation" biofuels on food security, rural development and climate change. The evidence presented, he said, suggested that "current biofuels may have serious unintended consequences, particularly for developing nations, and could work against the MDG of reducing world hunger."

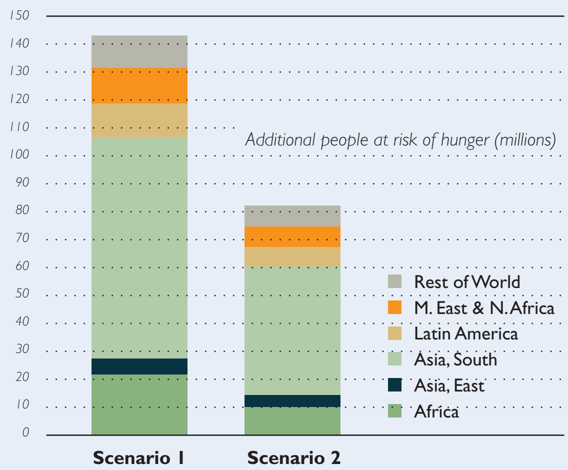
Flanking Mr. Al-Herbish were co-author Dr. Mahendra Shah, Senior Scientist, IIASA and two OFID colleagues, Messrs. Faris Hasan and Rachid Bencherif.

Mr. Hasan identified two types of currently available biofuels, "together with their feed stocks and technologies." He mentioned *bio-ethanol* and *bio-diesel* produced from first-generation feed stocks and technologies. He said second-generation fuel stocks for the future were of two types: *herbaceous* and woody *ligno cellulous* plants. In both cases, "the whole plant and not just part of it is used to produce fuel." In addition, unused parts of agricultural crops can also be considered as second-generation feeds. "Different countries and regions use different fuel stocks, depending on climatic suitability of crops."

In his own intervention, Mr. Bencherif explained that the OFID study "provided many findings, in addition to the implication for greenhouse gas emissions." The results relate to

- agricultural price
- change in agricultural value-added
- change in cereal production
- change in cereal food and feed consumption
- risk of hunger
- deforestation and biodiversity

Additional number of people at risk of hunger in 2020, relative to a baseline scenario of 2008.



Higher food prices, resulting from an expanded biofuel production, would reduce food consumption in developing countries and lead to increased undernourishment. The diagram on the left illustrates the simulated regional distribution of additional people at risk of hunger based on two different biofuel scenarios. It shows a large impact, especially in South Asia. **Scenario 1** assumes global biofuel targets being implemented by 2020 and the gradual deployment of second-generation biofuels beyond 2015. **Scenario 2** is the same as Scenario 1, but with an accelerated development of second-generation conversion technologies.

As outlined by the study, Bencherif argued, increased demand for food staples caused by the production of first-generation biofuels resulted in market imbalances and upward pressures on international prices.

Briefly describing his work with fellow authors, Dr. Shah recalled that the three most pressing issues of today are climate change, biofuels, and the global financial crisis. He said there has been a number of studies on all three subjects and that the present OFID study attempted "to quantify, using a methodology and modelling framework." The OFID study aims at providing global and regional results; therefore country specific results are not included.

According to a summary of the study, the objectives are threefold:

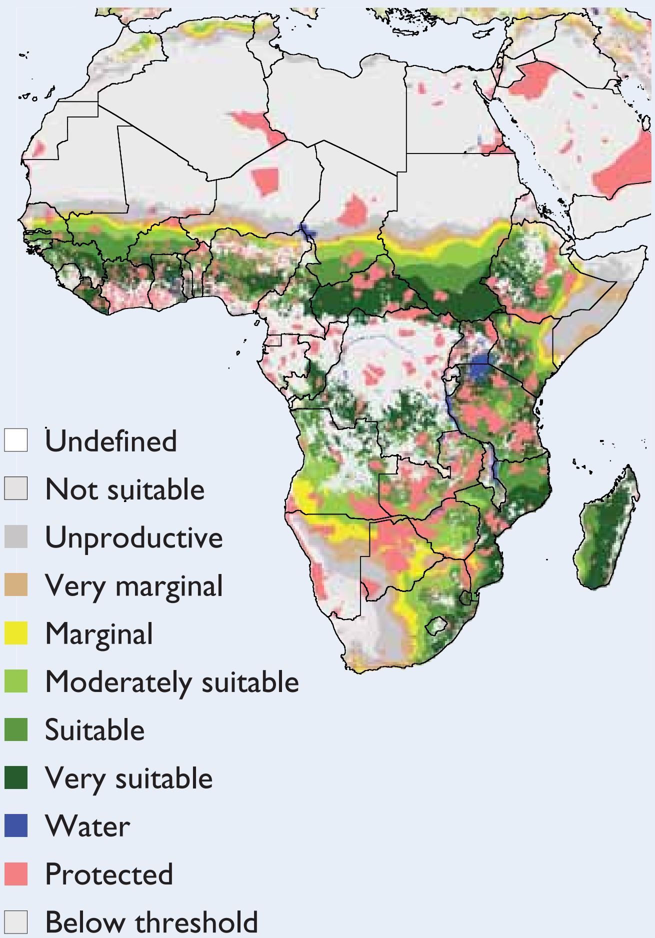
- to present a comprehensive review of the status of biofuels developments around the world and the policy regimes and support measures driving this evolution;
- to assess the agro-ecological potential of all major biofuels crops – first- and second-generation; and
- to comprehensively evaluate the social, environmental and economic impacts and implications of biofuels developments on climate change mitigation, agricultural prices, food security, land use change and sustainable agricultural development.

Clearly, a novel feature of the study is that the findings are quantified, as they are derived from a "scenario approach based on a peer-reviewed modelling framework."

Is there enough land for food and bioenergy in sub-Saharan Africa?

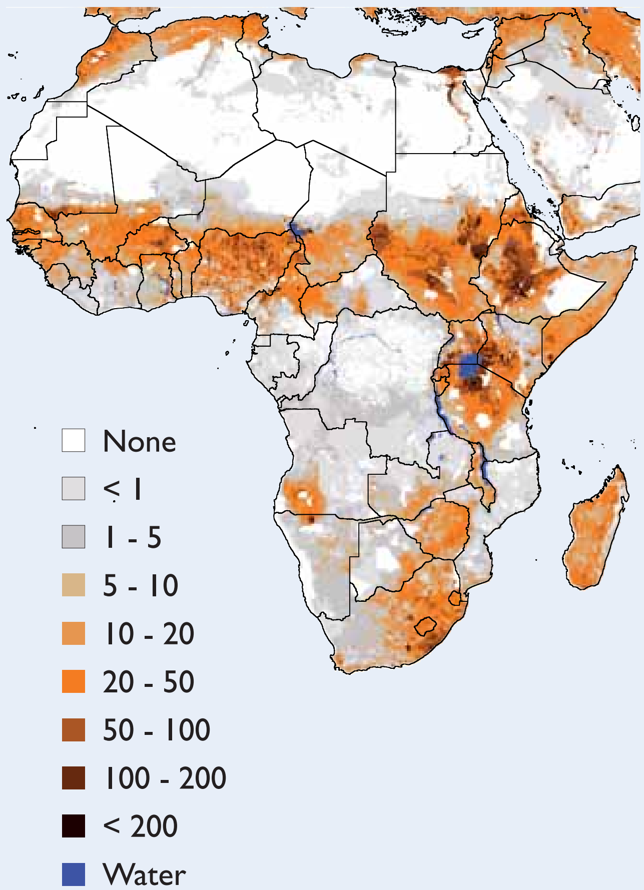
In Africa, less than nine percent of the total land area of three billion hectares is currently used for crop production:
45 percent of the land being water bodies, desert, barren, steeply sloped, or very marginally productive, 18 percent being forest and six percent otherwise protected land, and less than one percent urban and built-up areas. Pastures, savanna and bush cover 22 percent of the land, with a wide range of bio-productivity. It is estimated that about half of the annual biomass produced in these areas is currently needed to support ruminant livestock. Though the key to enhancing food security will be achieving sustainable yield increases on current cultivated land, up to a third of this savanna and bush, i.e. 175-200 million hectares, could be used for food and energy production. While conventional agricultural feedstocks currently used in first-generation biofuels production compete with food crops and perform poorly for environmental criteria, second-generation technologies promise substantial greenhouse gas savings and may permit tapping into land resources currently not, or only marginally, used.

Bio-productivity of grassland and woodland



Source: IIASA Options (2008)

Density of ruminant livestock



Source: www.fao.org

PHOTO: ANDRIY BOZHOK/SHUTTERSTOCK

OFID and China: new partners in development

Initial cooperation targets vocational education

BY AUDREY HAYLINS

A new milestone was reached in January, when OFID commenced cooperation with the People's Republic of China. The fledgling partnership was sealed when OFID Director-General, Mr. Suleiman J. Al-Herbish, travelled to the country to sign a US$16 million loan agreement. The funds will co-finance a project to boost the quality of China's vocational education, a priority sector of the Chinese government.

Since making moves to open up its economy three decades ago, China has become an economic powerhouse, second in size only to the United States. This phenomenal growth – which has averaged nine percent per year – has been accompanied by a massive increase in foreign direct investment and rapid expansion of the private sector. Somewhat remarkably, the country remains largely unscathed by the current financial crisis, despite a downturn in exports. This resilience is highlighted in the World Bank's latest *China Quarterly Update*, which describes the country as "a relatively bright spot in an otherwise gloomy global economy." The Update predicts 6.5 percent growth for the country in 2009 and notes that "China is likely to continue outgrowing most other countries."

Investing in human capital

Even before the financial crisis took hold, China was already looking at ways of protecting and sustaining its solid record of expansion. Among the key elements of the government's 11th Five-Year Plan (2006 – 2010) is the objective of building a stronger human resource base to better support continued growth. According to the Guidelines for National Economic and Social Development, the aim is "to implement a strategy of reinvigorating China with science and technology and improving China's national strength with skilled personnel . . . and work hard to build an innovation-based country with human resource advantages."

Indeed, when it comes to education, China's achievements are impressive; all the more so given that the country is ▶

The Chinese government is promoting vocational education as a means of cultivating a skilled workforce that meets the demands of a modern economy.

▶ responsible for educating one-fifth of the world's population. With all children required to attend school for a minimum of nine years, enrolment levels are high – close to 99 percent in elementary school and 94 percent in junior high school. As a result, illiteracy among middle-aged and younger people is below five percent and falling. Teacher training is an ongoing priority, and class sizes are kept small at around 20 pupils. For students who wish to continue studying beyond high school, a wide range of programs is offered by colleges, universities and vocational institutions.

The Chinese government is committed to raising education levels further still, especially in rural areas, and since 1998 has steadily increased investment in the sector. During the current Five-year Plan, the goal is to increase the education budget to four percent of GDP and to use the additional funding to improve learning conditions for some 160 million school children in China's rural regions.

China's vocational education system

Vocational education – as a means of cultivating a skilled workforce that meets the demands of a modern economy – ranks high among China's priorities. And it is an area that has been developed vigorously over the past decade or so, most noticeably since the special Law of Vocational Education was passed in 1996.

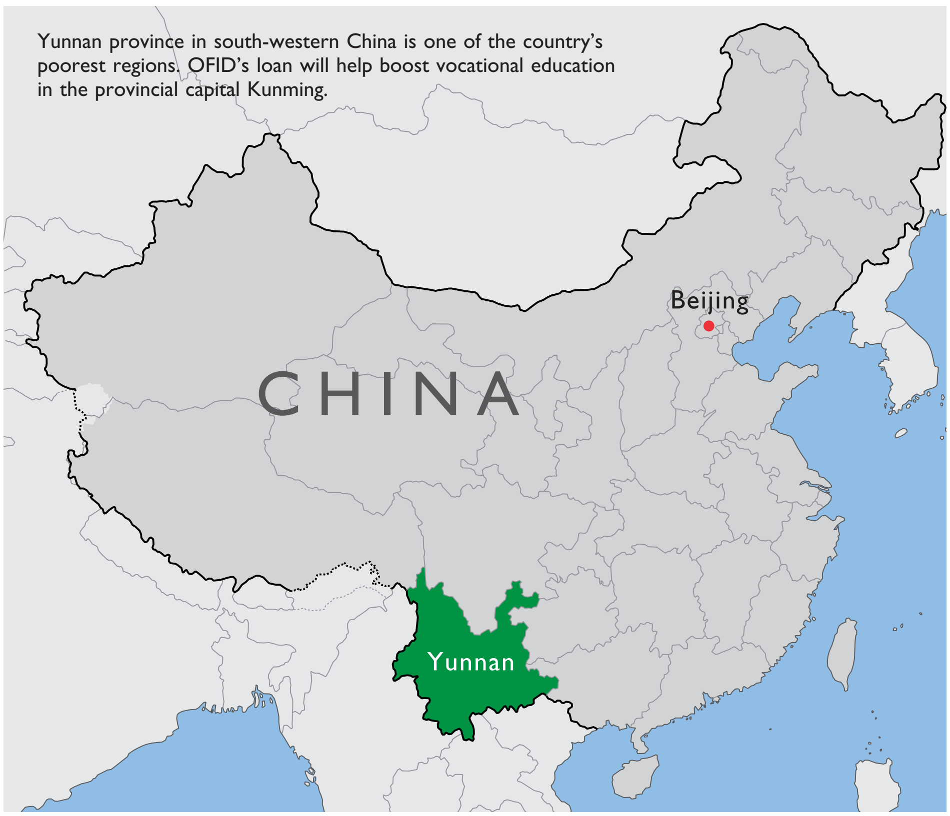
A three-tier system is in place, providing vocational training at junior, secondary and tertiary levels. Junior vocational schools form part of the nine-year compulsory cycle and focus primarily on meeting the labor needs of rural economies. Secondary vocational schools are aimed at senior high-school students and provide technical training for the manufacturing and service industries. Tertiary level emphasizes the fostering of professional practice-oriented talents – such as high-level technical and managerial skills – together with specialized craft-oriented talents like performing arts.

PHOTOS: YUNNAN HIGHER VOCATIONAL COLLEGES

Over the years, the number of students passing through the vocational system has risen sharply, leading to measurable improvements in the skills-set of the population. In some parts of China, however, vocational education is still a weak link in the overall education system, particularly in the less developed hinterland provinces. And it is to these regions that the government has recently turned its attention.

Yunnan Province

The OFID-sponsored project will support a government initiative in the province of Yunnan in south-western China. Yunnan is home to 44.5 million people and, with a per capita GDP of just US$890, is one of the country's poorest regions. The capital city of Kunming has enjoyed nevertheless a steady growth in recent years and is the financial and industrial backbone of the province. The industrial sector, in particular, is developing at a rapid rate, with industries across a whole ▶



Yunnan province in south-western China is one of the country's poorest regions. OFID's loan will help boost vocational education in the provincial capital Kunming.

Artists' impressions of the four colleges as they will look upon completion.

◀ range of fields springing up and boosting economic activity and employment.

And therein lies the problem: Yunnan's vocational education system has not kept pace with the demands of the market. Contrary to the national trend, enrolments at secondary vocational schools have fallen in recent years, creating an ever-widening gap between the skills of the workforce and the requirements of the workplace. It is against this background that the Chinese Government has set goals for the reform and development of Yunnan's vocational education sector.

Four colleges to be upgraded

OFID's US$16 million loan – together with a similar amount from the Saudi Fund for Development – will supplement government resources of around US$34 million to expand and equip four vocational education colleges in Kunming. The aim of the project is twofold: firstly, to strengthen the capacity of the four institutions to deliver specialized, market-oriented training to young job seekers; and, secondly, to help skilled laborers from local industries update their skills and adapt better to the changes in their technical environment.

The concerned institutions are the Kunming Metallurgy College, Yunnan Mechanical and Electrical Technology College, Yunnan Industrial Technology Vocational College and Yunnan Culture and Art College. In all cases, the expansion works will include the construction of various new facilities – including classrooms, laboratories, workshops and libraries – as well as the provision of equipment and furniture.

In all, the government anticipates that the project will help increase enrolments across the four institutions from the current 20,000 to 33,000 students, and create a better balance between the numbers of young people attending vocational schools and those attending regular high schools. An added bonus is the proposed construction of dormitories at a couple of the colleges, which will encourage the attendance of students from outlying districts. Over time, as the workforce acquires new, better and more relevant skills, the benefits will trickle down to the economy and lead to an enhanced quality of life for the entire population of Kunming. ■

Sustainable development through education

Innovative program tackles illiteracy in Mauritania

In terms of human development, the Islamic Republic of Mauritania ranks among the lowest in the world. Annual per capita income is just US$430, half the population is illiterate and life expectancy is no more than 55 years. Turning such gloomy statistics around is an uphill struggle, but one that the Mauritanian Government is resolutely tackling with the help of its development partners, including OFID.

Positioned on the western extremity of the Sahara, with a land surface that is 90 percent desert, Mauritania faces unique challenges. Poverty is endemic in this vast country. Arable land is limited and inadequate to support the rapidly growing population, and there is widespread environmental degradation due to deforestation and over grazing. Mining and fishing are the main economic activities, but unemployment levels are high and three out of four rural dwellers live below the poverty threshold.

As part of its national poverty reduction strategy, the Mauritanian government has, as a main thrust, the goal of building the country's human capital by strengthening the productive capacities of the population. Central to the achievement of this objective is improved access to basic needs, such as healthcare, education, clean water and energy.

Education, in particular, is seen as a key vehicle for equipping people with the means to secure jobs and make a useful contribution to society and the economy. It is a sector, however, that is in need of significant investment, not just in terms of physical infrastructure, but also in terms of the quality of teaching. Classrooms are dilapidated and overcrowded, the level of instruction is poor and there is a high rate of absenteeism among teachers. The population in general has minimal understanding of the value of education, and parents feel little incentive to send their children to school. This sad fact is reflected in enrolment and drop-out levels. While 60 percent of primary-age children are enrolled in ▶

PHOTO: FPSC

Attending an education awareness session. One of the project's greatest successes involved sensitizing the population to the value of education.

PHOTO: FPSC

By helping to renovate 11 schools, OFID created comfortable learning environments for around 1,500 pupils in two underserved municipalities.

◀ school, barely two-thirds of this number get as far as fifth grade. During the 2003 – 2004 academic year, 60 percent of enrolled students dropped out of primary school while, currently, more than half-a-million Mauritanian children do not attend school at all. Over time, the cumulative effects of this situation have seen the average adult literacy rate stagnate at just 42 percent. And for women, this figure drops to 32 percent.

One the many partners helping the Mauritanian government to strengthen the education sector is Spanish NGO, the *Foundation for the Social Promotion of Culture (FPSC)*, which has been working to improve social conditions in Mauritania for over 20 years. In 2006, OFID joined forces with the Foundation to co-sponsor a project designed to boost primary education in two municipalities – Ouadane in the northwest and R'kiz in the southeast. Today, 12 months after its successful completion, the project continues to deliver results that herald the prospect of permanent change.

The multi-faceted project set out to renovate schools, improve teaching skills and, above all, instil in the population an awareness of the importance of education. Ouadane and R'kiz were selected because of their unique problems and needs. Ouadane is one of the poorest districts in the country, with higher-than-average illiteracy and unemployment levels. R'kiz, meanwhile, faces serious challenges in providing schooling for a disproportionately large youth demographic.

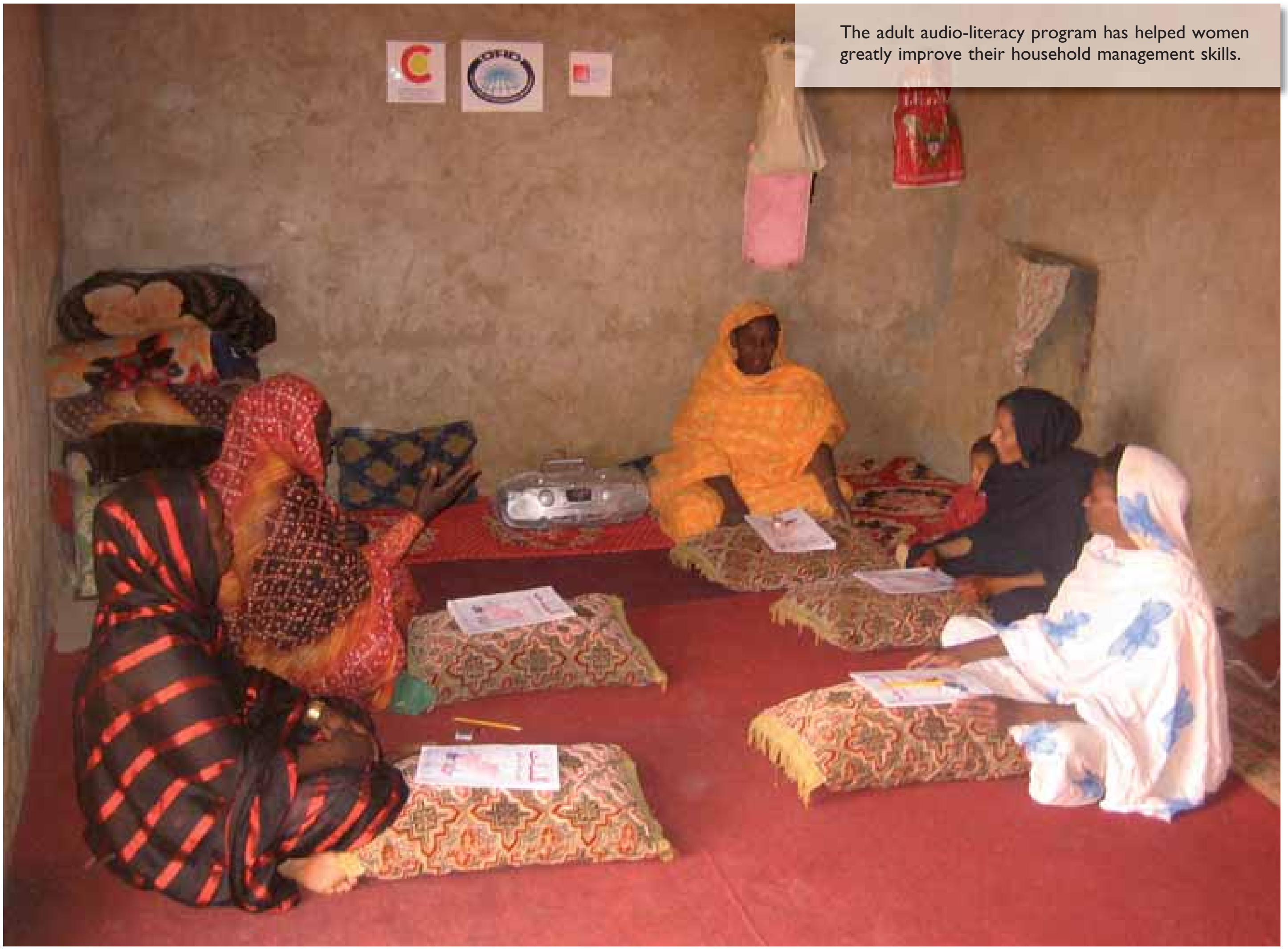
The two-year project was co-financed by FPSC, OFID, the Spanish Agency for International Cooperation and the Government of Mauritania. In all, a total of 11 schools were renovated and refurbished, creating comfortable learning environments for around 1,500 students. To improve the quality of teaching, a specialist education consultancy was set up to devise teacher training modules based on the Mauritanian Ministry of Education's "Basic Competency Approach." Among other things, the modules introduced a number of new subjects into the primary education system. So now, Gender Approach, Human Rights, Health and First Aid, and Environment Education are an integral part of daily lessons.

But, perhaps the project's greatest achievement has been the success of the activities carried out to sensitize the population to the value of education. Led by the specialist organization *SOS Pair Educateurs*, awareness-raising sessions were held in villages across Ouadane and R'kiz. Using a combination of role-play, documentaries and personal testimonies, the sessions attracted a large number of participants, including parents, religious leaders and women community representatives.

To make the most of the enthusiasm generated by the awareness sessions, the project also launched an adult audio literacy program in cooperation with the pioneering NGO *Radio ECCA*. This innovative distance learning program combines 30-minute radio lessons with specially-designed workbooks that are completed by students in the comfort of their own homes. The lessons are built around the interests and needs of the participants, an approach that makes the learning process easier and keeps the students involved and motivated. Once a week, fellow learners get together under the supervision of a tutor to discuss their lessons and compare goals, and to ask questions and apply new knowledge. These gatherings are critical to the success of the program, as they enable the students to develop skills additional to reading and writing, and also help boost confidence and independence. Women, in particular, have expressed great personal satisfaction in improving their household management skills and developing more autonomy within the family.

FPSC reports that the literacy and education awareness activities have together brought about a noticeable change in attitude among the people of Ouadane and R'kiz. For the first time, there is an appreciation of the link between education and poverty eradication, and communities are motivated to ensure not only that their children go to school, but also that adult illiteracy becomes a thing of the past. FPSC is confident that the achievements of the project will be sustained and built upon as the government continues with its national strategy for development of the education system.

PHOTO: FPSC



The adult audio-literacy program has helped women greatly improve their household management skills.

OFID diary

January – March 2009

JANUARY 16

Loan agreement signed

China. US$16 million. Yunnan Vocational Education. (See story page 10)

JANUARY 19

Private sector agreements signed

Djibouti. US$15 million. Loan. To construct the Doraleh Container Terminal.

Jordan. US$15 million. Loan. To upgrade the Queen Alia International Airport.

JANUARY 30

Research grants approved

Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO). US$100,000. To help finance participation of experts from developing countries at the 2009 Technical Meetings of the CTBTO, which will hold in Vienna, Austria.

Non-governmental Panel on Climate Change (NIPCC). US$5,000. To purchase copies of the NIPCC Report: *Nature, not human activity rules the climate*. The Report will be distributed to educational and scientific institutions in developing countries.

FEBRUARY 3

Loan agreements signed

Burkina Faso. US$8 million. Koudougou – Dedougou Road.

Congo, DR. US$10.2 million. Integrated Agricultural Rehabilitation in the Maniema Province.

Côte d'Ivoire. US$8 million. Singrobo-Yamoussoukro Road (additional loan).

Cuba. US$13 million. Eastern Provinces Irrigation Systems Modernization.

Egypt. US$10 million. Grain Silos Phase II.

Jamaica. US$20 million. Bogue Road Improvement.

Kenya. US$8 million. Kenyatta National Hospital Upgrading.

Malawi. US$7 million. Kamuzu International Airport Rehabilitation.

Morocco. US$8 million. Moulay Bouchta Dam Construction Phase I.

Sudan. US$8.6 million. Western Sudan Resources Management Program.

Yemen. US$18 million. Social Fund for Development Phase III (additional loan).

FEBRUARY 9

Loan agreements signed

Mozambique. US$7.96 million. Save Valley Irrigation Development.

Mozambique. US$4.4 million. Eduardo Mondlane University (additional loan).

Mozambique. US$1.5 million. Maputo Roads Development (additional loan).

FEBRUARY 12

Loan agreement signed

Niger. US$15 million. Kandadji Dam.

FEBRUARY 13

Loan agreement signed

Zambia. US$10 million. Kalabo-Sikonga-Angola Border Road.

FEBRUARY 19

Loan agreement signed

Togo. US$9.3 million. Commodity Imports Program II.

MARCH 3

Risk-sharing agreement signed

OFID signed a risk-sharing agreement with *Union de Banques Arabes et Francaises* (UBAF) of Paris, France. The agreement was signed on behalf of OFID by Mr. Suleiman J. Al-Herbish, Director General, and by Mr. Patrick Legait, Chairman of the Management Board of the UBAF.

Emergency grant approved

Emergency Aid to Gaza Strip Phase II. US$2.5 million. This grant will be divided equally among 50 prominent NGOs that are carrying out urgently-needed operations in Gaza. The beneficiary organizations are providing a broad range of services in the areas of agriculture, healthcare, education, psycho-social support, physical rehabilitation, children and youth services and humanitarian relief, among others.

MARCH 11

126th Session of the Governing Board approves US$158 million in fresh financing for development

Project loans approved

Cambodia. US$7 million.
Road Asset Management.

Cameroon. US$8.607 million.
Sangmelima District Hospital Phase II.

China. US$10.5 million.
Bosten Lake Basin Rehabilitation.

Congo, DR. US$5 million.
Rehabilitation of Primary Schools.

Dominican Republic. US$30 million.
Electricity Distribution Rehabilitation.

The Gambia. US$8 million.
Banjul Airport Rehabilitation Phase II.

Haiti. US$15 million.
Péligre Hydroelectric Plant Rehabilitation Program.

Madagascar. US$10 million.
Bekoratsaka – Boriziny (RN6) Road Rehabilitation.

Pakistan. US$6 million.
Promotion of Rain Water Harvesting in the Earthquake Affected Areas.

Senegal. US$9.1 million.
Agricultural Value Chains Support.

Tunisia. US$30 million.
Natural Gas Distribution Development Phase II.

Uzbekistan. US$12.73 million.
Rehabilitation of Irrigation Network and Drainage System in Djizzak and Sirdarya Region.

Zambia. US$6 million.
Cancer Disease Hospital Phase II.

Grants approved under HIV/AIDS Special Grant Account

OFID/UNESCO (United Nations Educational, Scientific and Cultural Organization) Partnership for Comprehensive Education Sector Responses to HIV/AIDS in East and Southern Africa. US$3.5 million.
The project will support 17 severely affected countries in East and Southern Africa to develop and implement comprehensive educational sector responses to the AIDS pandemic. Activities will be carried out over a two-year period via EDUCAIDS; a global partnership that was launched in 2004 as a UNAIDS initiative and led by UNESCO. Activities will include developing partnerships for joint action at regional and national levels; supporting intensified implementation at country levels; and, delivering high-quality technical support.

OFID/IDLO (International Development Law Organization) Joint Program on Legal Reform to More Effectively Manage HIV/AIDS. US$2 million.
The goal of the program is to strengthen the legal framework and institutional capacity of legal professionals to enable them to take an active role in the fight against HIV/AIDS. This will, in turn, help safeguard the rights of HIV-affected individuals, improve the enforcement of laws consistent with public health goals and contribute to the global discussion of best practices relating to law and health. The beneficiary countries are China (selected regions), Benin, Egypt, Ghana, Guatemala, Haiti, Indonesia, Nepal, Papua New Guinea and Senegal.

Grant approved under Special Grant Account for Palestine

Improving the Livelihoods of Palestinians in Jerusalem. US$1.5 million.
The project aims at improving the livelihoods of Palestinian citizens, while placing a special focus on youth in terms of boosting access to education and culture. Activities include the provision of infrastructure, equipment and furnishings at two youth clubs and a sports playground; the procurement of extra equipment and furnishings for the Museum of Palestinian Heritage; and the restoration of an historical hall in the Old City of Jerusalem and a repository that contains rare and valuable book collections. Additionally, studies will be conducted to provide a documented record of property ownership in Jerusalem to protect Palestinians against the possibility of contested ownership or confiscation of property. The grant will be channeled through the Islamic Development Bank and is being co-financed by the Saudi Fund for Development, the Arab Fund for Economic and Social Development and the Al-Aqsa Fund.

Technical assistance grant approved

Foundation for the Social Promotion of Culture (FPSC). US$300,000.
Development of Condoray Training Center for Women in Cañete Province in Peru. This grant will support an initiative of the FPSC and its national Peruvian implementing partner, Condoray, a non-governmental organization. In 2005, Condoray established a Center for Business Training for Women to provide vocational training in areas such as food processing, handicrafts and textiles and baking and pastry-making. OFID's grant will co-finance expansion of the Center through the addition of classrooms and workshops, as well as the purchase of new equipment and furniture, with the view to accommodate around 270 extra women.

Research grants approved

Vienna City Marathon. US$100,000.
Under the banner *Making Strides Together*, OFID is one of the main sponsors of the 2009 Vienna City Marathon, which takes place on April 19. This grant will be divided equally between two prominent Austrian NGOs; namely, Doctors for Disabled and the Society for Austro-Arab Relations in support of their activities in poverty-reduction in least-developed countries. Based on VCM's estimates, over 30,000 runners from over 80 countries are expected to take part in the event.

Arab Center for the Studies of Arid Zones and Dry Lands (ACSAD). US$10,000.
This grant will support an ACSAD-sponsored conference *The Safe Use of Treated Wastewater in Arab Agriculture,* which will hold in May, 2009, in Damascus, Syria. The workshop will cover topics including the use of treated wastewater in agriculture and its potential environmental impact; soil and water sampling methods; and standards and criteria governing the uses of treated wastewater in agricultural settings. The event will be attended by around 350 experts and agricultural specialists from the Arab region and regional agricultural research centers.

MARCH 12

Public sector agreements signed

Ghana. US$7.5 million.
Cancer Diseases Hospitals.

India. US$30 million.
Orissa Integrated Irrigated Agriculture and Water Management.

Lao PDR. US$11 million.
Northern Greater Mekong Sub-Region Transport Network Improvement.

Nicaragua. US$4.6 million.
Acoyapa – Costa Rican Border Road Integration.

Private sector agreement signed

Azerbaijan. US$5 million.
Line of credit to Access Bank Closed Joint-stock Company.

MARCH 31

Emergency assistance grant approved

Indonesia. US$200,000.
This grant helped provide essential relief supplies and finance emergency operations for victims of massive flooding caused by a burst dam in the Indonesian capital Jakarta. Around 100 people lost their lives and scores of families were left displaced by the disaster. The Palang Merah Indonesia (PMI), the Indonesian Red Cross, played an active role in the search and rescue activities that were coordinated with the Ministry of Health. Immediate needs include bottled water, hygiene kits, blankets, medicines, plastic sheets, rubber boats and sleeping mats. OFID's grant supported the emergency operations that were undertaken by the PMI and was channeled through the International Federation of Red Cross and Red Crescent Societies.

DETAILS OF RECENTLY CONCLUDED LOAN AGREEMENTS CAN BE FOUND ON THE COUNTRY PROFILE PAGES OF THE OFID WEBSITE.

Meetings attended by OFID
January – March 2009

JANUARY 17-20

KUWAIT CITY, KUWAIT
Arab Economic and Social Development Summit.

JANUARY 25-28

KUWAIT CITY, KUWAIT
Sixty-fourth Meeting of the Coordination Group of the Arab Funds, Islamic Development Bank and OFID.

JANUARY 26

MADRID, SPAIN
High-level UN Meeting on Food Security for All.

FEBRUARY 20

MANAMA, BAHRAIN
Lenders' Meeting on the private sector project Tuwairqi Steel Mills Ltd.

OFID was a key sponsor and active participant in the 4th OPEC International Seminar, held in March.

FEBRUARY 23

VIENNA, AUSTRIA
Conference on Guidelines for the Collection of Data on Trafficking in Human Beings

MARCH 2

SHARM EL SHEIKH, EGYPT
International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza.

MARCH 6

VIENNA, AUSTRIA
Fundraising Event "Solidarität mit Gaza" (Solidarity with Gaza), Society for Austro-Arab Relations.

MARCH 15

VIENNA, AUSTRIA
152nd Ordinary Meeting of the OPEC Conference.

MARCH 16

DAKAR, SENEGAL
BADEA:First Forum of Arab and African Construction Companies

MARCH 18-19

VIENNA, AUSTRIA
Fourth OPEC International Seminar.

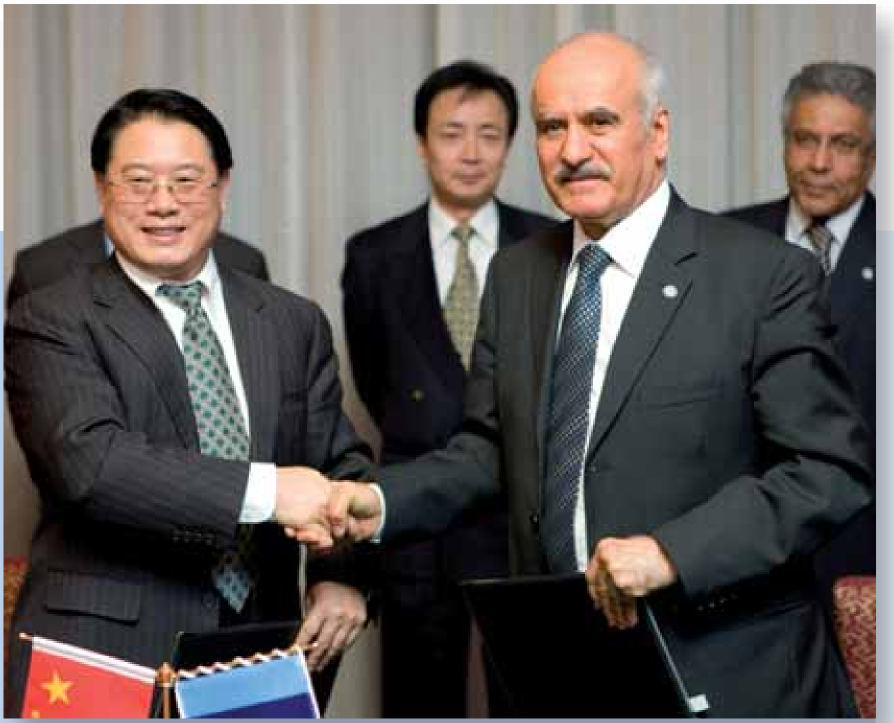
MARCH 18-19

MEDELLIN, COLOMBIA
Governing Board Meeting of the Inter-American Development Bank

MARCH 30

VIENNA, AUSTRIA
International Organization for Migration Final Conference

LOAN SIGNATURE photo gallery



January 16

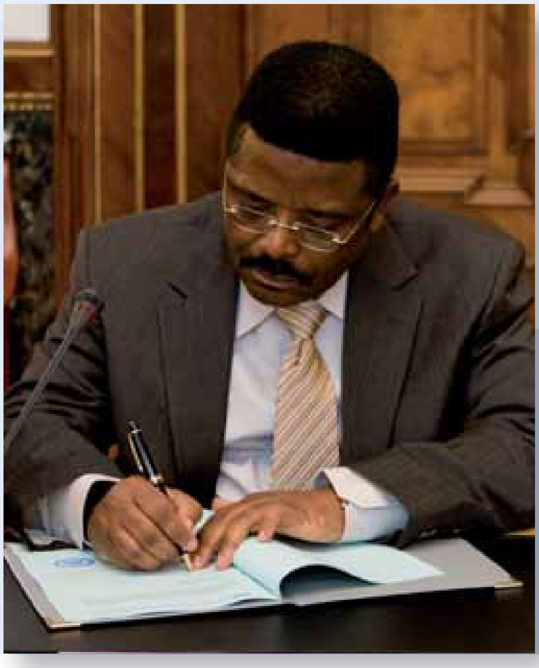
HE Li Yong, Chinese Vice-Minister of Finance, with OFID Director-General Al-Herbish. China's first loan from OFID is worth US$16 million and will help finance a vocational education project.

February 3

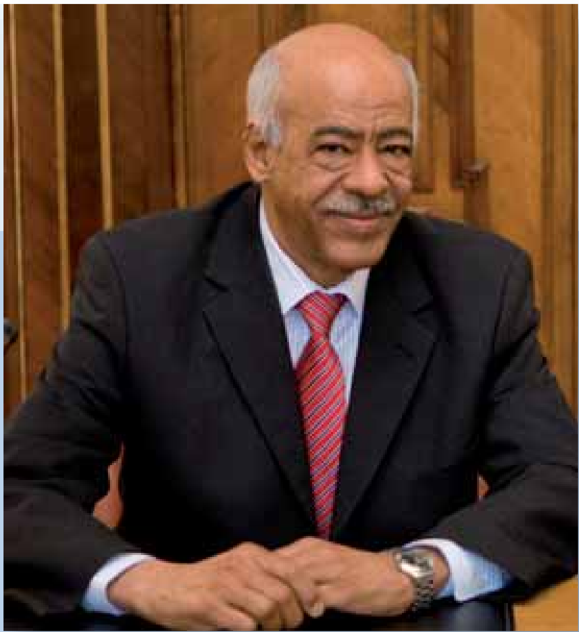
HE Dr. Ahmed Alwan Mulhi Al-Alwani, Ambassador of Yemen to Austria, secured US$18 million in financing to support the activities of the country's Social Fund for Development.

February 3

Mr. Georges Wembi Loambo, Chief of Cabinet of Congo DR, initialled an agreement for a loan of US$10.2 million. The funds will support an integrated agricultural rehabilitation project.

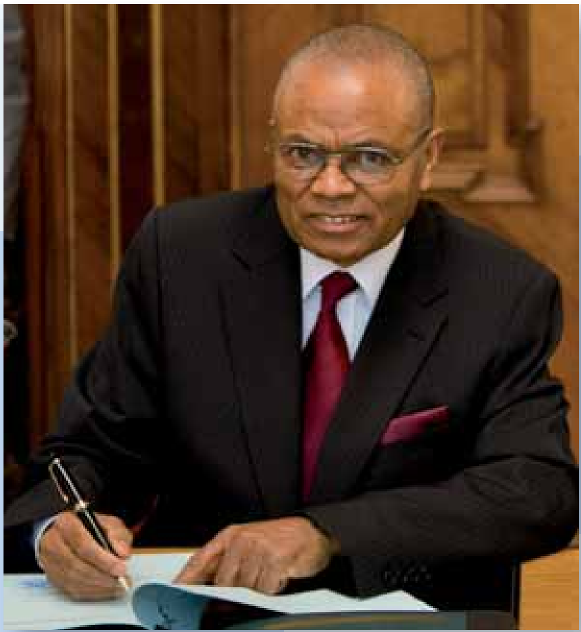


LOAN SIGNATURE
photo gallery



February 3

HE Sayed Galal Eldin Elamin, Ambassador of Sudan to Austria. The US$8.6 million loan will support a multi-faceted natural resources management project in the Greater Kordofan region.

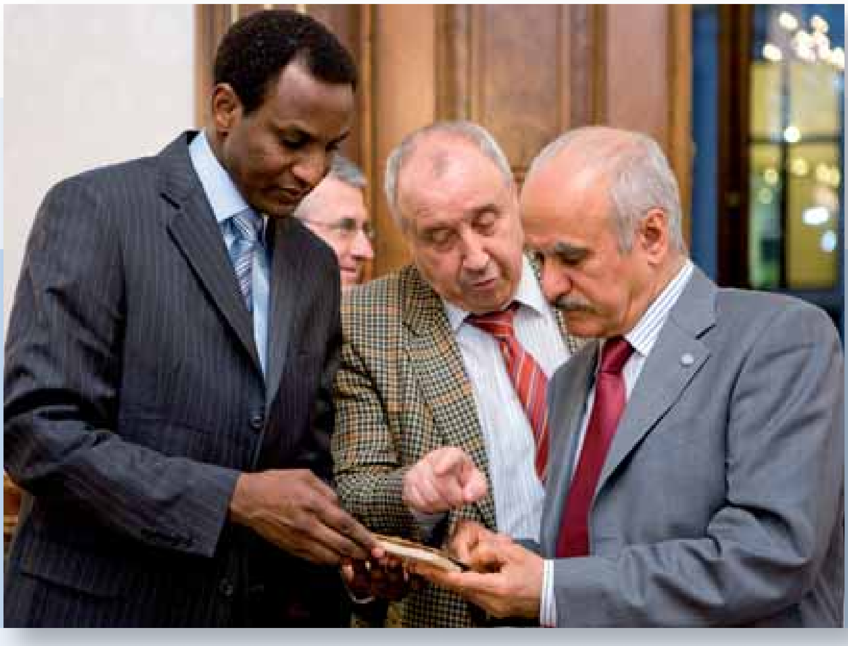


February 3

Professor Isaac Chikwekwere Lamba, Ambassador of Malawi to Germany, signed a US$7 million loan agreement to co-finance the rehabilitation of Kamuzu International Airport.

February 3

HE Norma Goicochea de Estenoz, Ambassador of Cuba to Austria, with Mr. Al-Herbish. The US$13 million loan will be used to modernize irrigation systems in the country's Eastern Provinces.



February 12

HE Ali Lamine Zeine, Minister of Economy and Finance of Niger (left), with Mr. Al-Herbish (right) and Mr. Said Aissi, Assistant-Director-General, Operations. The US$15 million credit was taken to construct a dam.

March 12

HE Soutsakhone Pathammavong, Ambassador of Lao PDR to France, initialed a US$11 million loan agreement to help upgrade road infrastructure in the country's Louangphrabang and Xaignabouri Provinces.

March 12

Ms. Isolda A. Frixione Miranda, Chargé d'Affaires at the Embassy of Nicaragua in Vienna, secured financing worth US$4.6 million to improve a vital road corridor that links Nicaragua and Costa Rica.

March 12

HE Saurabh Kumar, Ambassador of India to Austria, with Mr. Al-Herbish, following signature of the US$30 million loan agreement. The funds will support efforts to enhance irrigation schemes in four northern river basins.

The full list of loan signatures can be found on pages 18-20

HE Jamal Nasser Lootah, Chairman of the Governing Board.

126th Session of the Governing Board

The 126th Session of the Governing Board met at OFID's Vienna Headquarters on March 11. Altogether, a total of US$158 million was approved in new loan and grant financing for development initiatives in Africa, Asia, the Middle East and the Caribbean.

Mr. Mohamed Benmeradi, Algerian Governor to OFID.

Dr. Anny Ratnawati, Governor of Indonesia.

HE Steve O. Oronsaye, Governor of Nigeria *(left)*, and
Mr. Muniru Abiodun Alao, Alternate Governor of Nigeria.

Mr. Ismail Omar Al-Daffa, Alternate Governor of Qatar *(left)*, and Mr. Mustafa Keshada, Alternate Governor of the GSP Libyan AJ.

The Board approved 13 loans for projects in sectors ranging from transportation, education and health to agriculture and energy. Of the resources earmarked for grant-financed activities, US$5.5 million was drawn from the HIV/AIDS Special Grant Account and a further US$1.5 million from the Special Grant Account for Palestine.

Mr. Luis Arias Bellorin, Vice-President for International Financing and Cooperation of the Venezuelan Bank for Economic and Social Development.

Mr. Nasser K. Al Suwaidi, Alternate Governor of the United Arab Emirates.

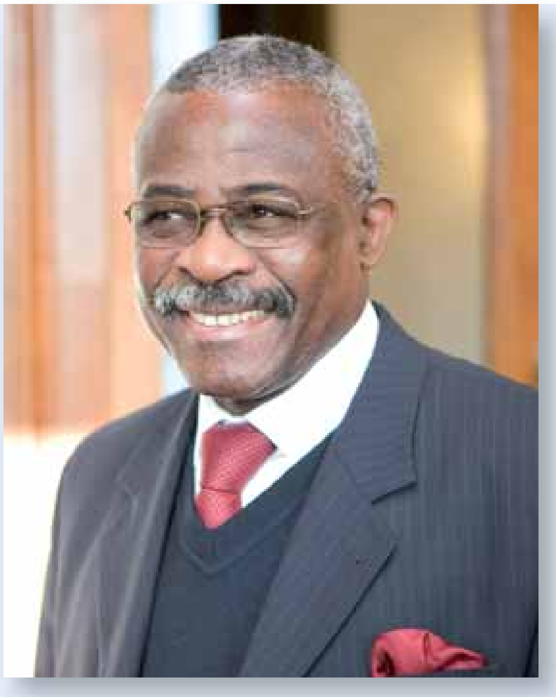
HE Dr. Hamad S. Al-Bazai, Governor of Saudi Arabia (left), and HE Mr. Ahmed M. Al-Ghannam, Alternate Governor of Saudi Arabia.

Mr. Azez J. Hassan, Governor of Iraq, and Mr. Suleiman J. Al-Herbish, OFID Director-General.

126th Session of the Governing Board

From left: HE Mohammed Khazaee, Governor of IR Iran; Dr. Behrouz Alishiri, Alternate Governor of IR Iran; and Mr. Abdul Wahab Ahmed Al-Bader, Governor of Kuwait.

VISITOR highlights



January 9

HE Dr.Kanayo F. Nwanze, then Vice-President of IFAD, called on Mr. Al-Herbish shortly before his appointment in February as President of the Rome-based organization.

February 19

HE Carla Maria Rodriguez, Guatemala's new Ambassador to Austria, paid a courtesy call on the Director-General.

March 4

From left: Mr. Al-Herbish; HE Dr. Zuheir Elwazer, Ambassador of the Permanent Mission of Palestine to the United Nations Office in Vienna; HE Nasser Tahboub, Palestinian Deputy Minister of National Economy.

March 5

HE Mohamad Hamad Omran Alshamsi, Ambassador of the United Arab Emirates to Austria, presents his compliments to the Director-General. Mr. Alshamsi took up his position in Vienna on January 8.

March 10

Mr. Al-Herbish with visiting Nigerian delegation led by HE Bugudu Hirse, Honorable Minister of State for Foreign Affairs *(foreground right)*. In the center is HE Dr. Jerry Ugokwe, Nigerian Ambassador to Austria.


HE Suleiman
Al-Herbish
OPEC
4th
Qatar Petroleum
Vienna

OPEC holds 4th International Seminar in Vienna

OFID among key sponsors

BY FATIMAH ZWANIKKEN

More than 700 participants gathered in Vienna, Austria on March 18-19, 2009 for the 4th International Seminar of the Organization of the Petroleum Exporting Countries (OPEC).

Held under the theme *Petroleum: Future Stability and Sustainability,* the Seminar aimed at providing a platform for fostering a better understanding among all parties of future energy prospects and of the role of petroleum in securing sustainable world economic growth.

HE Mohamed Bin Dhaen Al Hameli,
Minister of Energy, United Arab Emirates.

HE Ali I. Naimi, Minister of Petroleum and Mineral Resources of Saudi Arabia.

The Seminar attracted a diverse range of participants from around the globe, including oil ministers, representatives of both energy producers and consumers, leaders of international organizations and academic experts.

From left: Dr. Fadhil J. Al-Chalebi, Executive Director, Center for Global Energy Studies, London; Dr. Mohammed Al-Mahdi, former Assistant Director-General, Technical and Economic Services Department, OFID; and Mr. Al-Herbish.

Panelists in the high-level discussion on Petroleum for Sustainable Development. OFID Director-General Al-Herbish said that OFID would continue to foster pro-poor policies and combat energy poverty as part of its mandate.

Attendees at the two-day event included energy ministers, senior international oil executives, leaders of international organizations, representatives of both energy producers and consumers and academic experts.

In an opening address, OPEC Secretary-General, HE Abdallah Salem El-Badri, stressed the importance of the Seminar as an opportunity for enhancing dialogue and encouraging greater transparency on key issues facing the global economy and the energy industry.

Participants heard discussions on a wide range of topics, including the impact of the economic and financial crisis and the low oil price environment on planned investments across the industry; the need for improved regulation and data-sharing and transparency; and the implications of recent policy moves to promote renewable sources of energy.

On the issue of renewable energy, OFID Director-General Mr. Suleiman J. Al-Herbish led a special session. Together with OFID colleagues and scientists from the Institute for Applied Systems Analysis (IIASA), Mr. Al-Herbish presented the conclusions of a study entitled *Biofuels and Food Security* (see separate story, page 4). The comprehensive study – conducted by IIASA – concludes that care should be taken to ensure that policies to promote biofuels are consistent with maintaining food security and achieving sustainable development goals. It argues that the use of first-generation biofuels drives up the price of food and increases food insecurity in the world's poorest countries due to competing demand for food, feed and fuel. Biofuels may also lead to deforestation and competition for arable land and are unlikely to deliver the envisaged objective of mitigating the impact of climate change through reduced greenhouse gas emissions for at least 30 years.

OFID's active participation in the Seminar continued into the second day, when Mr. Al-Herbish sat as a panelist in a high-level discussion on *Petroleum for Sustainable Development*. The Director-General urged that action should be taken to enhance access to energy for 1.6 billion people who do not have electricity, and for the 2.4 billion who rely on traditional biomass fuels for cooking and heating. Such considerations, he said, should form a vital part of strategies to eradicate poverty, meet the Millennium Development Goals and advance sustainable development.

Mr. Al-Herbish explained OFID's role in coordinating stakeholders' actions under the *Energy for the Poor Initiative*, in which the World Bank and the Saudi Fund ▶

HE Golamhossein Nozari, Minister of Petroleum of IR Iran.

"Energy considerations should form a vital part of strategies to eradicate poverty and advance sustainable development."

SULEIMAN J. AL-HERBISH

◀ are participating. Launched in June 2008 by King Abdullah bin Abdulaziz Al-Saud, Custodian of the Two Holy Mosques of the Kingdom of Saudi Arabia, the Initiative aims at enhancing access to affordable energy for millions of poor people in dire need of basic energy services worldwide.

The Director-General noted that fossil fuels – led by oil – shall continue to play a dominant role in meeting the growing energy needs of both developed and developing nations. While the role of renewables in the energy mix would increase gradually over time, their overall contribution toward reducing energy poverty and helping meet the expected energy demand is likely to remain small for the foreseeable future. He concluded that OFID would continue to foster pro-poor policies and combat energy poverty as part of its mandate, and in line with the November 2007 *Riyadh Declaration* of the Third OPEC Summit.

All told, the OPEC Seminar provided an ideal and timely stage for addressing the pressing issues of energy security for poverty reduction, oil market stability and economic sustainability. Participants noted that relations between producing and consuming countries had improved over time, and that positions converged about common policies, including the need to share data and better regulate speculative activity. They stressed the continued importance of petroleum for the future development, stability and growth of the global economy, and highlighted the need and importance of reversing the present very low prices for oil products. This was necessary, they argued, in order to secure future investments – both upstream and downstream – and ensure that oil and gas supplies to world markets would remain at adequate levels. ■

The OFID information booth attracted visitors keen to learn more about the institution and its activities.

High Level Conference promotes food security for all

With a mandate to accelerate progress towards the first Millennium Development Goal of reducing poverty and hunger by half by 2015, delegates from 126 countries gathered in Madrid, Spain, late January, for a *High Level Conference on Food Security for All.* Their task was a challenging one. With the global recession deepening, action was required urgently to fashion strategies for the adequate, affordable and sustainable supply of food for the world's poor.

Over the past two years, the dream of a world free from hunger has taken some hard knocks. Rather than falling, the number of chronically undernourished has risen from 850 million in 2006 to 960 million people today, primarily as a result of spiraling world food prices. Although prices have dropped somewhat from the record highs of early 2008, the number of people suffering from hunger and malnutrition is set to rise to one billion as the global financial crisis deepens, and the purchasing power of the poor diminishes due to reduced incomes, higher unemployment and lower remittances. In the medium term, food prices are likely to rise again, as population growth, urbanization and increasing affluence push up demand. Supply, meanwhile, is predicted to fall as a result of long-term resource scarcity trends, notably competition for land, climate change and falling water availability.

January's Madrid meeting was a follow-up to the Rome, June 2008 conference of the same name. In the *Rome Declaration*, ministers and representatives from 181 national governments and the European Community pledged to "use all means to alleviate the suffering caused by the current crisis, to stimulate food production, to increase investment in agriculture, to address obstacles to food access, and to use the planet's resources sustainably for present and future generations". Seven months later, participants in the Madrid Conference showed equal determination to increase investment in all areas related to food security. The resulting *Madrid Declaration* supports the conclusions of the Rome Conference, as well as the efforts of the United Nations High Level Task Force (HLTF) and the *Comprehensive Framework for Action on the Global Food Security Crisis* (CFA). The Declaration identifies priorities for short- medium- and long-term actions and highlights structural impediments to a coordinated and adequately funded response to the current food insecurity situation.

In committing to ensure that food security for all becomes a reality, the Conference reaffirmed that nations have a primary responsibility to promote the right for regular and permanent access to adequate food, especially for children under five years old, women and other vulnerable groups. Nations were encouraged in this connection to seek inspiration from the 2004 *Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security* adopted by the General Council of the Food and Agricultural Organization (FAO).

The Conference noted that the impact of higher food prices was particularly profound on women, who contribute some 80 percent of total food production in Africa, 65 percent in Asia, and 45 percent in Latin America. In striving for the ▶

Special attention must be paid to the problems faced by women, who are responsible for 80 percent of total food production in Africa.

PHOTO: HIGH LEVEL MEETING ON FOOD SECURITY FOR ALL, MADRID 2009

Participants in the Madrid Conference pledged to increase investment in all areas related to food security and identified priorities for short-, medium- and long-term actions.

◀ right to food, therefore, nations must find ways to address effectively the special problems faced by women and female small farmers. The Conference also highlighted the need to work harder to achieve international commitments of substantially increasing financial resources and official development assistance (ODA), particularly in relation to nutrition, food, agriculture and hunger. It further proposed the establishment of a *Global Partnership on Agriculture and Food Security*, based on an inclusive and broad process of consultations involving the full range of stakeholders.

OFID, for its part, is working vigorously with the international community to boost investment in agricultural production, research and development. The institution is also providing grant support and nutrition assistance, strengthening social safety nets for the poor and vulnerable, and helping smallholder farmers in hard-hit countries. Cumulatively, OFID has allocated 16 percent of its public sector lending to support agriculture and agro-industry in 121 countries worldwide – a share it plans to increase in view of the ongoing food crisis. This assistance, totaling US$1.2 billion by December 31, 2008, is in addition to direct support to small and medium-sized private agro-businesses through OFID's separate *Private Sector Facility*. Agriculture has also received a substantial portion of OFID's total grant support – some US$117.6 million for 233 projects. In March 2008, OFID contributed US$1.5 million to help the World Food Program (WFP) bridge a critical funding gap in the midst of the food crisis. OFID's support to the WFP was complemented by donations made by OFID Member Countries, the Kingdom of Saudi Arabia (US$500 million), Venezuela and Kuwait (US$100 million each). ■

Nations have a responsibility to promote the right for regular and permanent access to food, especially for children, women and other vulnerable groups.

PHOTOS: THOMAS IMO/PHOTOTHEK.NET

International Renewable Energy Agency established in Bonn

With over 120 government delegations in attendance, the Founding Conference of the *International Renewable Energy Agency (IRENA)* took place January 26, 2009, in Bonn, Germany. An initiative of the German Government, IRENA is the first international organization to focus exclusively on renewable energies; its establishment a clear sign that countries worldwide are waking up to the idea of a new global energy paradigm.

A total of 75 nations – developing and industrialized alike – signed IRENA's Statute at the January conference. Many others expressed their strong commitment to the new agency's goals and their intention to join in the near future. Speaking at the signing ceremony, German Environment Minister, Sigmar Gabriel, said: "Many countries have recognized the opportunities that renewable energies offer for climate protection, security of supply, economic growth and employment. IRENA gives renewables an international voice and political impetus."

Since the Founding Conference, two additional countries – Belarus and India – have signed the Statute, joining in February and March, respectively.

With a mandate to promote a rapid transition toward the widespread and sustainable use of renewable energy worldwide, IRENA will providing practical advice and support to its Member Countries in areas such as technology transfer, capacity building and the financing of renewable energies in collaboration with other international agencies. A Preparatory Commission will act as the interim institutional body until the Statute is ratified.

The establishment of IRENA comes as global investment in renewable sources of energy reaches record highs, spurred by concerns about higher oil prices, climate change and peak oil – the assumption of a finite natural limit to oil reserves. However, while the role of renewables in the energy mix is expected to increase gradually over time, their overall contribution toward reducing energy poverty and helping meet the expected energy demand is likely to remain small for the next 25-30 years. There are several reasons for this.

Many alternatives to oil and gas are still costly, and methods for generating energy using renewable natural resources are not necessarily more cost-effective and accessible as such to the poor. Moreover, renewable energy sources have their own limitations, including low energy density and intermittency, and high storage costs. In many cases, government subsidies for renewable energy services will be unavoidable, whether targeted or across the board. This could act as a drain on scarce public resources in developing nations, compelling governments to balance support for subsidies with other short-term needs and priorities and market-based solutions. In addition, the implications of renewables such as biofuels may be incompatible with the goals of sustainable development as highlighted in a recent study – *Biofuels and Food Security* – commissioned by OFID and conducted by the International Institute for Applied Systems Analysis (see separate article, page 4).

German Environment Minister, Sigmar Gabriel, speaking at the Founding Conference.

The establishment of IRENA comes as global investment in renewable sources of energy reaches record highs.

Fossil fuels – the economic lubricant – will remain the most stable, safe, reliable and cost-effective source of energy for development for at least the next two-and-a-half decades, meeting some 80 percent of the projected future primary energy demand. This predominance should place fossil fuels at the centre of any concept of sustainable development. The diversion of financial resources into investment in renewables, together with uncertainties about the future price of oil, could lead to inadequate investment in fossil fuels and hamper the smooth-running of the global economy. Such uncertainties could eventually cause energy paralysis, possibly triggering yet another vicious cycle of global economic instability. Similar to the food and financial crises, the poor and most vulnerable ultimately stand to suffer most from the undesired side-effects.

The second session of IRENA's Preparatory Commission in June 2009 in Sharm El Sheik, Egypt, when it will determine the Interim Director-General and the interim headquarters. ■

Trafficking in humans worsens around the world

OFID attends UN.GIFT Conference in Vienna

BY FAROUK U. MUHAMMED

Trafficking in humans is a steadily growing phenomenon that sees an estimated one million men, women and children trafficked yearly around the world. The victims include all manner of refugees and economic migrants in search of greener pastures. These hapless individuals are usually very poor and desperate and therefore susceptible to exploitation. Deprived of their human rights, they are compelled in many cases to travel and live under the most horrible conditions. Moreover, hundreds of victims perish each year in rickety boats and other accidents while in transit from one part of the world to another. These dire developments have sparked calls from political, religious and other leaders for the practice of human trafficking to be combated and halted.

Yet, the problem seems to be worsening. However, all hope is not lost as many international agencies of governments around the world as well as local and international NGOs are working more closely with other stakeholders such as law enforcement services and so on, to combat human trafficking. Certainly, it is beyond the scope of this article to adequately address the complex problems of human trafficking. Rather, the aforementioned is meant to set the tone for the highlights of a conference on the fight against the practice, held recently at the Vienna International Center in the Austrian capital.

OFID attended the *Final Conference of the United Nations Global Initiative to Fight Human Trafficking (UN.GIFT) Expert Group Initiative (EGI) on "Stakeholder Cooperation with Law Enforcement."* The one day Conference was held at the Vienna International Center, March 30, 2009.

Purpose

The Conference had the following main purposes: To introduce and discuss the Guiding Principles (GP) on Memoranda of Understanding (MoUs) between key stakeholders and law enforcement agencies on counter-trafficking cooperation; to seek the Conference participants' support for the GP; and to present and discuss existing practices on formalized cooperation between counter-trafficking experts."

Opening

Participants were welcomed and the Conference was declared open by the high table which comprised: Doris Buddenberg, Senior Manager, Global Initiative to Fight Human Trafficking, United Nations Office on Drugs and Crime (UNODC); Andreas Halbach, Chief of Mission, International Organization for Migration (IOM) Vienna; and Ambassador Mohamad Hamad Omran Alshamsi, United Arab Emirates Embassy to Austria.

The essence of the Expert Group Initiative (EGI) was highlighted by David Reisenzein, Head of Unit, Austrian Programs, Research and Implementation, IOM Vienna. The overall objective of IOM is, in general, to help in reducing irregular migration.

Expert Group Initiative

The EGI plays a strategic role in coordinating the activities of the numerous global stakeholders in the pursuit of human counter-trafficking efforts. According to the Conference documents, EGI provides support and encouragement for multi-disciplinary and multi-agency cooperation between international, regional and national law enforcement agencies including key stakehold-

A group of 76 trafficked Cambodian fishermen stranded aboard Thai fishing vessels, impounded by the Indonesian navy, wait to be returned home.

ers, especially NGOs. These entities aim to reinforce global counter-trafficking responses through a more formalized cooperation basis.

Pier Rossi-Longhi, Officer-in-Charge, IOM Vienna, stressed in his Foreword that "trafficking in human beings is a serious and complex crime which violates human rights and therefore calls for close, active and long term cooperation between all actors working on countering the phenomenon." He said in addition to the commonly-known 3Ps – the Prevention of the crime; the Protection of the trafficked persons; and the Prosecution of the perpetrators; effective counter trafficking responses should recognize the necessity of Partnerships as a fourth 'P'. In conclusion, Rossi-Longhi urged "all counter-trafficking actors to make good use of the GP" and emphasized that IOM would welcome any feedback and would "happily support any related counter-trafficking initiatives."

As clearly stated in the GP, one of the main objectives of the UN.GIFT is to prosecute the perpetrators involved in the trafficking of human beings while protecting the rights and well being of trafficked persons. The GP also emphasizes that, to achieve this goal, effective formalized cooperation between a broad range of stakeholders, such as law enforcement agencies and specialized service providers, is essential. Cooperation between similar agencies and intra-agency cooperation is also crucial.

Target Audience

Stakeholders that play different roles in combating human trafficking constitute the target audience that the GP strives ▶

◀ to assist in their formulation of MoUs. These target groups which are many, include: the police, immigration authorities, the judiciary, health services, trade unions, embassies and consulates, NGOs and other specialized service providers, international organizations and civil society.

The Guiding Principles

The Guiding Principles, around which the Conference revolved, is a March 2009, 69-page pamphlet produced under the auspices of UN.GIFT. The GP was presented by Julia Planitzer, Legal Researcher, Ludwig Boltzmann Institute of Human Rights, Vienna.

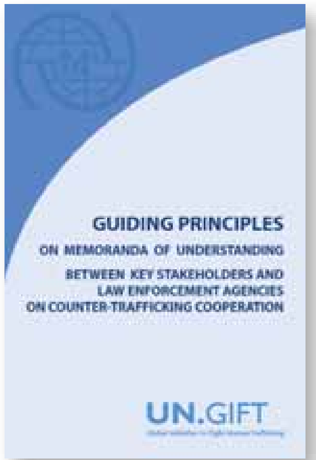
Ms. Planitzer explained that the publication (GP) was "the result of an EGI on stakeholder cooperation with law enforcement implemented by IOM Vienna in the framework of the UN.GIFT." She also extolled the "extensive support and close cooperation" provided by many individuals and organizations during the implementation of the EGI. She added that "the Initiative and the publication would not have been possible without the generous funding by the UN.GIFT/ UNODC and the United Arab Emirates." She particularly thanked HH the Crown Prince of Abu Dhabi for initiating the funding process.

Mohammed Babandede, Director, Investigation & Monitoring, National Agency for the Prohibition of Trafficking in Persons, (NAPTIP), Abuja, Nigeria, presented his report entitled: *Benefit and Challenges on Cooperation Between NAPTIP and Two NGOs (ABF and WOTCLEF)- A Case Study*. He said NAPTIM is a law enforcement agency established in 2003 by an Act of Nigeria's Parliament, the National Assembly, for the purpose of combating the trafficking of persons in Nigeria. Mr. Babandede said the best way forward for his agency would be to sign MoUs with like-minded organizations, and that such MoUs should be anchored on the new GP that was introduced at the Conference.

In his report entitled: *Council of Europe Convention on Action against Trafficking in Human Beings – Cooperation and Coordination,* the Secretary of the Group of Experts on Action against Trafficking in Human Beings (GRETA), Mr. Hallvard Gorseth, said the Convention was a comprehensive treaty working to prevent trafficking, to protect the human rights of the victims of trafficking and prosecute the traffickers. Gorseth further stated that the measures provided by the Council of Europe Convention, include: prevention to protect and promote the rights of victims; criminal law and procedure; and cooperation and monitoring mechanism.

Counter-Trafficking Cooperation in Belgium, was a presentation by Ms. Patsy Sörensen, Director, Payoke, a Belgian NGO. Her report focused on Belgium's national practices, counter-trafficking strategy; stakeholder cooperation model; collaboration; and the results of cooperation. Sörensen explained that Belgium's counter-trafficking strategy of prevention is based on identifying the victim, carrying out risk assessment, and seeking the victim's cooperation so as to enhance protection efforts. In order to secure prosecution of the trafficker, in-depth investigations must be carried out so as to be on firm ground when charges are leveled against the accused. In the pursuit of its endeavors, Payoke collaborates with the Ministries of Foreign Affairs, Justice, Interior, Employment and Social Security as well as NGOs.

Sörensen explained that in some cases, on humanitarian grounds, Belgian Authorities give Permanent Residency to certain trafficked victims. However, the average duration for processing the case of a victim is between two to three years.



The Conference revolved around the UN-GIFT document "Guiding Principles."

In conclusion, Sörensen assured that Payoke would strengthen its collaboration with existing stakeholders and seek new partners in the NGOs continuing efforts to help combat the trafficking of human beings.

Robin Pike, Executive Director, Office to Combat Trafficking in Persons, British Columbia, Canada presented her report entitled: *UN.GIFT-EGI: Stakeholder Cooperation with Law Enforcement.* She explained that, in the Canadian context, tackling the problem of trafficking in persons involves federal legislation under which are enshrined: Criminal Code, Immigration and Refugee Protection Act, Temporary Resident's Permit, and Royal Canadian Mounted Police.

Ms. Pike informed the Conference that the Canadian Authorities have established an Overall Services Coordination Office to Combat Trafficking in Persons (OCTIP). She cited OCTIP's service model which is hinged on a human rights approach. According to the model, a trafficked person may require the following support: emergency health and dental care; counseling and support services; legal consultation; government coordination committee; community advisory group; translation and interpretation services, and housing and shelter.

Ambassador Dr. Mikhail Wehbe, Head of Mission of the League of Arab States in Vienna, delivered his statement entitled: *Preventing and Combating Trafficking in Human Beings through Formalized Cooperation – Existing Regional Practices*. In the context of the efforts to combat human trafficking globally, Dr. Wehbe said he would like to answer the question: "What are the fields of cooperation between the League of Arab States and international organizations, in particular the UNODC, in relation to the global initiative to fight human trafficking?" Furthermore, in his attempt to also explain the Arab League's regional practices in these areas, he mentioned several relevant meetings in which the General Secretariat of the Arab League participated, including: The Vienna Forum to Fight Human Trafficking, February 13-15, 2008; The first Conference on "the Fight Against Human Trafficking: Between Theory and Practice;" held in Doha, Qatar March 12-13, 2008; and a Workshop by the National Council for Human Rights in Egypt, November 15, 2008. He added that the Arab League Secretariat convened a workshop in Cairo, Egypt on February 27, 2007. The workshop discussed "the mechanism of response to human trafficking in Arab legislation in cooperation with the protection project at the Johns Hopkins University, Washington, USA and the UN regional Office on Drugs and Crime." Ambassador Wehbe said the workshop's important conclusions included: the call on the Arab League to expedite the preparation of an Arab convention to fight human trafficking and to enhance Arab cooperation in the fight against this crime, which is considered as an ethical, social, security and health problem. Human trafficking, he added, requires the study and analysis of the roots and causes of the crime, and the adoption of national programs to reduce poverty, immigration and crime.

In conclusion, Ambassador Wehbe stated that the GP as earlier presented by Ms. Planitzer, would constitute "one of the important factors to help achieve cooperation between the international and regional organizations, including, in particular, the League of Arab States." He said the GP would also be an important factor in the development of a common understanding of policies and would enhance the exchange of information and cooperation, both of which would help clarify matters. He concluded that "for the sake of applicability and practicality, the Initiative would need to be discussed in depth globally by the UN.GIFT States, since the governments are mainly the stakeholders who would adopt and implement the GP.

Ms. Anna Ekstedt, Senior Adviser/Secretary to the Council of the Baltic Sea States (CBSS), Stockholm, Sweden, made a presentation entitled*: CBSS – Task Force Against Trafficking in Human Beings with Focus on Adults.*

Ms. Daliborka Mugosa , Senior Advisor, Office for the Fight against Trafficking in Human Beings, presented her paper entitled: *Government of Montenegro, Office for the Fight Against Trafficking in Human Beings.*

The above two presentations had very similar themes ringing through them. Both organizations emphasized the fact that human trafficking is a social phenomenon that is detrimental to any country's economy and security and, as such, should be vigorously combated. They indicated that doing so would continue to require a combined effort both nationally and in collaboration with government agencies, international NGOs and similar stakeholders. They also stressed that apart from joint projects such as regional information campaigns against human trafficking, the relevant personnel that deal with the matter should continue to have training with regard to how best to combat the menace.

Ms. Vijaya Souri, Technical Cooperation Specialist, IOM Headquarters, Vienna, said, in her concluding remarks, that the GP was in essence, recommendations that should be tested to see what effect their implementation would engender. She added, "We are prepared to take the process further and hopefully create the ownership of the Guiding Principles by the stakeholders."

Conclusion

As indicated above, several papers and PowerPoint presentations were delivered, each of which was discussed. Almost all the presentations highlighted the point that trafficking in humans, in whatever guise, is detrimental to society and injurious to the dignity and human rights of the victims. It was also established that, although trafficking in humans may be more pronounced in some geographic regions, it was by no means confined to such regions. Thus, it behooves governments around the world to rally under the umbrella of agencies such as UN.GIFT, so as to coordinate and streamline their fight against the societal menace of human trafficking. Therefore, the Conference emphasized the need for stakeholders to sharpen another three Ps – Policy, Procedure and Partnership. It was implied that by pooling synergies through the three Ps, stakeholders at different local, regional and international levels, would be able to augment the receipt of funds from sources that would not jeopardize both ongoing and envisioned progress in the fight against trafficking in humans. Finally, the general belief of the participants was that the introduction of the GP at this point in time was very timely, as it would enable the various stakeholders to coordinate and collaborate better in the global fight against human trafficking.

OFID's attendance at the Conference afforded it the opportunity to see how various stakeholders from around the world are collaborating in the tough fight against trafficking in human beings. It should be noted that poor people are the main victims of such exploitation, just as it is poor people who sit at the heart of OFID's mandate. It is thus hoped that OFID will maintain its gaze on the complex arena of global trafficking in humans.

OFID active at Arab Economic and Social Development Summit in Kuwait

The Kuwait Arab Economic and Social Development Summit took place against the backdrop of an ongoing global economic recession that has severely affected the economies and finances of virtually every country in the world. Given the nature and enormity of the challenges confronting the Arab region, its occurrence could not have been timelier. Bringing together sophisticated minds from both the public and private sectors, the gathering debated and proffered appropriate and workable solutions to the crisis.

At the Private Sector Forum, OFID Director-General, Suleiman J. Al-Herbish chaired an expert panel discussion on energy.

The Arab Economic and Social Development Summit of Heads of Arab States held in Kuwait City, January 19-20. It was preceded by a Finance Ministers' Meeting and a Private Sector and Civil Society Forum, January 17-18. For OFID, the Summit was an opportunity to rededicate itself, as much as possible, to providing investment support that would facilitate and enhance Arab economic integration. The OFID delegation, which attended at the invitation of the League of Arab States, was led by Director-General, Mr. Suleiman J. Al-Herbish.

The first activity under the auspices of the Summit was the Arab Private Sector and Civil Society Forum, where several panel sessions discussed the main issues on the agenda. The sessions focused on the ongoing debate regarding future prospects for cooperation and coordina-

Dr. Adnan Shihab-Eldin, former Acting for the Secretary General of OPEC.

tion among the Arab countries. Another key issue discussed was the list of projects to be presented later to the Heads of State at the Summit for approval.

Thus, over two consecutive days, expert sessions examined various topics covering: the global financial crisis; challenges and opportunities in trade and investment; and oil, gas and alternative energy prospects. Other keys issues tackled included development of basic infrastructure; food security and agricultural development; the environment, climate change and water resources; development of human resources; and Arab youth issues. OFID was both an active participant and a sponsor.

As is perhaps well known, OFID is passionate about the enhancement of the energy sector in developing countries. It was therefore no surprise that the organizers programmed Mr. Al-Herbish to chair the expert panel discussions on energy. The session covered in detail a variety of subjects including new and renewable energy in the Arab world; oil and gas development projects; oil demand and price outlook; the inter-Arab electric power grid and its economic importance; and nuclear power prospects.

The experts who made presentations were: HE Dr. Hisham Al Khatib, former Minister of Energy and Mineral Resources of Jordan, Dr. Adnan Shihab El-Din, former Acting Secretary General of OPEC; Dr.-Ing. Hani El-Nokrashy, Director of the Egyptian Centre for Solar Energy Research; and Mr. Ali Aissaoui, Head of Economics and Research, APICORP, Kingdom of Saudi Arabia. The *rapporteur* was Eng. Jamila Matar, Head of Energy Division, League of Arab States.

Mr. Al-Herbish focused discussions on the topic of *Energy Poverty* emphasizing its relation to development and the importance of the ongoing challenges. He said "one-fourth of the world's population living in rural and poor urban areas still does not have access to electricity."▶

On the sidelines of the Summit, Director-General Al-Herbish signed two Private Sector financing agreements with HE Dr. Ahmad Ali, President of the Islamic Development Bank Group. The financing is for the Queen Alia International Airport and the Doraleh Container Terminal in Djibouti. Dr. Ali said: "These agreements signify a true cooperation between both organizations," adding that "OFID's support for these projects, exemplifies the strong commitment to its mandate."

◀ The Director-General also reiterated that: "Energy is not just about electricity, it is also about fuel, which is why fighting energy poverty was recognised by the Heads of State of OPEC Member Countries during their last Summit in Riyadh, Saudi Arabia in November 2007."

A wide range of literature was disseminated at OFID's exhibition stand.

The Director-General also highlighted OFID's financing for development worldwide and within the Arab world. He went on to illustrate the coherent development framework which is based on sustainable development principles, namely economic development, social progress and the protection of the environment. In line with this framework, OFID, through its financial assistance projects, supports the advancement of these three pillars.

Following the Arab Private Sector and Civil Society Forum, Mr. Al-Herbish then attended the opening session of the Heads of Arab States at the Arab Economic, Social and Development Summit. During the Summit, the Heads of Arab States discussed various political issues and adopted the Kuwait Declaration and a series of resolutions on the economic and social agenda.

The OFID delegation brought its knowledge to the Forum and the Summit and discussed financing opportunities with participants. In particular, OFID targeted opportunities in support of the Private Sector in the Arab World. The institution assured that it would continue to contribute to policy analysis through its active participation and bringing to bear its experience in the development finance arena.

The OFID delegation set up an interactive exhibition booth through which it disseminated information and raised awareness about its activities, especially the Private Sector financing window. The next Summit is scheduled for Egypt in 2011. ■

Calligraphy artist Taha Al-Hiti exhibits at OFID Headquarters

Member Country In-House Exhibition Series

On Thursday, January 8, OFID commenced its series of Member Country In-House exhibitions with Arabic calligrapher, Taha Al-Hiti. The exhibition, entitled "Letters", by the Iraqi Architect and calligrapher was opened by OFID Director-General, Mr. Suleiman J. Al-Herbish, and HE Mr. Tariq Aqrawi, Iraqi Ambassador to Austria. OFID had the privilege of welcoming dignitaries, ranking representatives and other guests to the event.

In a welcoming address, Mr. Al-Herbish expressed the hope that Member Countries would continue to use the opportunity offered by the In-House arrangement to showcase their arts and cultures. It was thanks to the "enduring support" of Member Countries, he said, that OFID was able "to stand by its partners and maintain its commitment to furthering its noble mandate." The Director-General added that OFID's Member Countries had a special understanding of the unique challenges created by poverty and had built alliances with their partners based upon foundations of solidarity and support.

The exhibit portrayed the blend of splendour, inspiration and passion encapsulated by Arabic calligraphy. According to Al-Hiti, Arabic calligraphy "brings alive an art form that began centuries ago." Al-Hiti was born in Baghdad in 1971 and developed an interest in calligraphy from an early age. He was awarded the requisite license (Ijaza) in 2005 after studying under the master calligrapher Abbas al-Baghdadi. Later on, he pursued graduate studies in Baghdad and Vienna, and then moved to London where he practised architecture for several years. Currently, he helps supervise architectural structures and design in Dubai and Abu Dhabi. He has held various exhibitions in Baghdad, London, Dubai and Abu Dhabi, and his work has been featured in several publications and on television networks.

The exhibition, which was open to the public, ran from January 9 until February 8 and received much acclaim. Visitors included senior members of Vienna's diplomatic corps and other dignitaries. A special tour was organized for the Diplomatic Arab Women's Forum based in the Austrian capital.

Iraqi architect and calligrapher Al-Hiti (right) with Mr. Al-Herbish.

OFID's next Member Country Exhibition features Algerian photographer, Nadia Ferroukhi. Entitled "Fragrances of Light – a Photographic Journey through Algeria and Kenya", the exhibition will run from May 5 - June 5, 2009, at OFID Headquarters in Vienna.

The Forum assembled political and business leaders from some 38 countries to discuss the global financial crisis and the pressing issues of energy and food security.

Indonesia urges Islamic banking for all

President Yudhoyono speaks of advantages

Indonesia, this year, hosted a *World Islamic Forum* at which HE President Susilo Bambang Yudhoyono urged Islamic banks, worldwide, to assume a leadership role in efforts to steady the global economy in the face of a growing financial crisis. The Forum, the 5th so far, was held in March in Jakarta, the Indonesian capital. It assembled political, business and other opinion leaders from roughly 38 countries. The principal agenda item was how to achieve energy and food security. The President told the Forum that Islamic financial institutions had not been as troubled as their western counterparts by the current financial crisis, because the Islamic institutions did not invest in "toxic assets." He said demand for Islamic financial products had been growing in the Muslim world for years and that many in the West were now open to trying the same products.

Banking transactions in accordance with Islamic laws (the *Shari'a,* in particular) regarding interest payments and the sharing of credit risks are increasingly seen as fairer than traditional methods which focus primarily on profit-making. According to experts, Islamic law prohibits the payment and collection of interest which the law equates to gambling. Transactions are required to be backed by tangible assets and risk is shared by the bank and the depositor; hence, the incentive for the institutions to ensure sound arrangements.

Thus, banks run in accordance with Islamic laws are seen by many as fairer than traditional banks, less focused on profit and kinder to the communities they work in. Banks that are "Shari'a-compliant" do not finance investments in gambling and alcohol production, for instance, and all monies must be invested in purely ethical industries. Money cannot simply be traded for money. And charity is a core value or pillar of Islam; every Muslim is obliged to pay *Zakat* to benefit the poor; and the hope is that the growth of compliant banking would then help to create a more equitable distribution of wealth. The typical business model is based on partnership and not on *"riba"* or usury, which is forbidden *(Haraam)*. However, even though the banks do not charge interest, they are generally not charity organizations.

Proponents of Islamic banking are eager to attract customers in the West and elsewhere in the world, especially in these times of financial and economic slowdown. In the United Kingdom, a major branch of the *Islamic Bank of Britain* is reported to be doing brisk business. It is one of eight branches across the UK. It works like any high street bank, but with the difference that every single product is Shari'a compliant; from home purchase plans to direct savings. There's no mention of interest; instead, savers are given a projected share of profits.

In a recent conference of financiers in London assessing the prospects for Islamic finance, worldwide, the issue of the credit crunch was high on the agenda with delegates arguing that the ethical principles which underlie Shari'a-based finance meant it will better weather the current financial storm. They see the system as an alternative with a method to show that transactions could be more ethically and financially sound. Durham University professor, Rodney Wilson, an expert on Islamic finance, pointed out at the conference that no Islamic financial institution had yet failed in the current financial crisis. He spoke of "excessive risk-taking" in the mainstream financial sector, *vis-à-vis* "a fairly classical banking model" still followed by Islamic institutions.

Also in Switzerland, a first Islamic bank, *Faisal Finance,* is recording successes. Director, Alexander Theocharides, told media representatives that he was proud that the Faisal project was progressing and that the group was witnessing "an annual growth rate of about 10 percent." He said Faisal Finance would want "to make the concept of this kind of ethical investment available to the West." Other than the Gulf region, Switzerland and Malaysia are now the hubs of Islamic finance.

Similarly, at a World Economic Forum back in 2006, in Sharm al-Sheikh, Egypt, accomplished experts spoke of a dramatic growth of Islamic banking and finance. A presentation disclosed that the German Deutsche Bank had entered into a joint venture with the *Ithmaar* Bank of Bahrain and the *Abraaj* Capital of Dubai to launch a US$2 billion Shari'a-compliant financial fund designed to boost education and investment initiatives as well as infrastructure across the Middle East. The announcement further disclosed that more and more conventional international banks, including Citibank, HSBC and UBS, have their own Islamic bank branches. Citibank operates out of Bahrain while HSBC operates from Dubai. Estimates of the value of Islamic banking internationally now range from US$200 billion to US$500 billion.

Nevertheless, there are challenges facing Islamic finance and there is concern that there is no standard body of rules and/or practice. There is a lack of a regulatory framework within the sector. Shari'a scholars appear free to differ over what constitutes Shari'a-compliance, which can lead to inconsistency when applying rules. It appears that various countries operate varied forms of Islamic banking, drawing scepticism. However, scholars in Malaysia and Indonesia, among others, are working on building a consensus on practice.

Development finance institutions are also being encouraged to examine financing defined as "Shari'a compatible" or Shari'a compliant. In one such (profit-sharing) *Mudharaba* transaction, OFID recently engaged with the Jeddah-based Islamic Development Bank (IsDB) to finance a Doraleh Container Terminal in the Republic of Djibouti, Horn of Africa. The financing agreement came January 19, on the sidelines of the *Arab Economic and Social Development Summit* which took place in Kuwait.

According to IsDB, Shari'a-compatible Mudharaba is developed from (cost-plus) *Murabaha,* which involves the purchase of goods from a supplier and then its sale to the beneficiary against a reasonable mark-up with deferred payment arrangements. With Mudharaba, instalment sale is involved; the beneficiary makes the repayment of the financing amount, plus mark-up in instalments. Mudharaba is preferred in cases of "syndicated operations."

The Doraleh Container project involves the construction of a new container terminal in two phases with a total capacity of three million TEUs per annum near Djibouti City. The project is the first private sector scheme OFID is undertaking in Djibouti. OFID has several ongoing public sector operations in the country, which has also benefited from OFID direct and regional grants.

The Doraleh Container Mudharaba agreement was signed by Mr. Suleiman J. Al-Herbish, Director-General of OFID, and Dr. Ahmad Mohamed Ali Al-Madani, President of IsDB.

Austrian President visits Kuwait and Qatar

Business and academic contacts strengthened

The Federal Republic of Austria, OFID's host country, took steps late February to strengthen relations with OFID Member Countries Kuwait and Qatar. Federal Austrian President HE Dr. Heinz Fischer paid a working visit to both countries as guest of the Emirs. The President was at the head of a high powered delegation which included cabinet ministers, top businessmen and academics. They were received in Kuwait by HH Emir Sheikh Sabah al-Ahmad al-Jaber al-Sabah, along with Vice Premier Sheikh Jaber al-Mubarak al-Hamad al-Sabah and Parliamentary President Jassem al-Kharafi. In Qatar, the Austrians were hosted by HH Emir Sheikh Hamad Bin Khalifa Al-Thani and Prime Minister Hamad Bin Jassim Bin Jabr Al-Thani. It was Austria's first official presidential-level visit to both states. Austria's earlier presidential journeys to the Gulf had been to the Kingdom of Saudi Arabia, the United Arab Emirates (UAE) and the Sultanate of Oman.

HH Emir Sheikh Sabah al-Ahmad al-Jaber al-Sabah of Kuwait with Federal Austrian President HE Dr. Heinz Fischer.

Discussion in both Kuwait City and Doha revolved around Middle East issues, including the recent troubles in Gaza and the dedicated engagement of several Gulf States in the matter. It would be recalled that Kuwait, Qatar, the Kingdom of Saudi Arabia and others moved quickly to assist Gaza and other Palestinians following the recent crisis that visited much damage, loss of life and destruction on the Strip. Saudi Arabia extended grant financing of US$1 billion, while Qatar suspended relations with Israel, called an Arab summit in Doha and pledged US$250 million in aid toward reconstruction. OFID also went to the rescue of Gaza Palestinians donating US$1 million. Austria has, in the recent past, organized conferences to assemble donors to recommit to Palestinian aid and pledge fresh funding.

On bilateral relations, the Austrian delegation availed itself of the opportunity of the visit to renew commitment to business and economic relations and discuss construction works in both states. Austrian authorities describe Gulf States as attractive and a vital export market for Austrian industry. Economic fora are planned by the Austrians in both Kuwait and Qatar to further market Austrian products and manufactures to local businesses. Indeed,

The Emir of Qatar, HH Sheikh Hamad Bin Khalifa Al-Thani, and President Fischer.

the Austrian Chamber of Commerce is planning a *marketing bureau* in Doha to serve as a hub and a meeting point for Qatar-EU business interests. The principal sectors of joint interest include machinery, environmental technology, the electro industry, pharmaceuticals, telecommunications and office furniture.

According to the Austrian Chamber of Commerce, Austria exported some €99 million worth of goods to Kuwait and €75 million to Qatar in 2007, importing the same year items worth €533,000 and €682,000, respectively, from both states. The Austrian lead-export items comprised machinery and vehicles, while the major imports were chemicals and finished products.

Both Kuwait and Qatar belong to the Gulf Cooperation Council (GCC), which also includes Bahrain, Oman, UAE and Saudi Arabia. In January, 2008, an economic common market of the GCC came into being, expected to be followed in 2010 by a currency union.

Local Austrian media describe Gulf States as "a major anchor for the global economy," especially at this time of financial and economic crises. They call Qatar "a land with a rising star and in the fast lane." They quote various sources as expecting an economic growth rate of roughly 10 percent this year in Kuwait. Both Kuwait and Qatar are expected "to do even better in the years ahead," the Austrians assert, quoting experts. In contrast, economic predictions for Austria and neighboring Germany – also a key customer of the Gulf States – point at negative growth rates in the region of minus 1.2 to minus 3 percent. Accordingly, opportunities in both Kuwait and Qatar hold out hope for Austrian firms searching for a foothold in troubled times. For their part, the Kuwaitis and Qataris would like to benefit from Austrian know-how in the areas of infrastructure, energy economy, health systems and hospital management.

Also on Dr. Fischer's delegation were the Rectors of three of Austria's top universities: Graz, Klagenfurt and Leoben. The Rectors established contact in Kuwait and Qatar for prospective cooperation in science and research. Gulf-based universities have, in recent years, been connecting with American and European universities to popularize science and research across the sub-region. Austrian institutions of higher learning are keen to be part of the growing effort. A major university centre in Doha boasts students from more than 70 countries of the world and faculties drawn from some of the world's leading universities. At the Doha university centre, men and women study and conduct research together in a spirit of collegiality and equality. Only a few months ago, Qatar marked the graduation of the very first doctor to be trained exclusively in Qatar. It was a story that was carried by major news services across the Gulf.

Austrian authorities describe Gulf States as attractive and a vital export market for Austrian industry.

The Austrian president, on his return to Vienna, reported warm and kind reception in both Kuwait and Qatar, recalling that back in 1981, he was in the delegation of HE Dr. Bruno Kreisky, then Austrian Chancellor, who visited Kuwait. At the time, Dr. Fischer remembered, HRH Emir al-Sabah was still foreign minister. The President described Kuwait's position toward Austria as "very, very positive." The visit received considerable coverage in the Austrian media. Austrian tourism benefits from visitors from the Arab world. In recent years, the City of Vienna has welcomed on average roughly 400,000 "overnight-stays" by Arab visitors; even more than the aggregate from China and traditionally, Austria-friendly Japan.

HE Mohamed Khazaee has stepped down after six years on OFID's Governing Board to concentrate on his role as Ambassador and Permanent Representative of IR Iran to the United Nations.

Khazaee steps down as IR Iran's Governor to OFID

After six years of outstanding service, HE Mr. Mohammad Khazaee has stepped down as the Representative of the Islamic Republic of Iran to the Governing Board of OFID. Mr. Khazaee announced his resignation at the end of March, citing the demands of his position as Ambassador and Permanent Representative of IR Iran to the United Nations, as reason for his departure. Khazaee had been combining the responsibilities of both positions since being appointed to the UN in July 2007.

In addition to serving on OFID's Governing Board, which he first attended in April, 2003, Khazaee was also Vice-Chairman of the Investment Committee of OFID.

Khazaee has a long and distinguished civil service record. He started his career as a Member of Parliament in 1981 and latterly held the post of Vice Minister for International Affairs at the Ministry of Economic Affairs and Finance, before taking up his ambassadorship at the UN in New York. While Vice Minister, he also served as President of the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI) and was a Member of the Board of International Economic Coordination at the Ministry of Foreign Affairs.

An illustrious career has seen Mr. Khazaee hold positions on numerous boards and public bodies. Among others, he was Chairman of the Board of the Iran Foreign Investment Company (IFIC); Board Member of the Iran-Misr Development Bank; and Member of the Supervisory Board of IFIC (IHAC-Germany). From November 1988 to February 2002, Khazaee was the Representative of IR Iran to the World Bank.

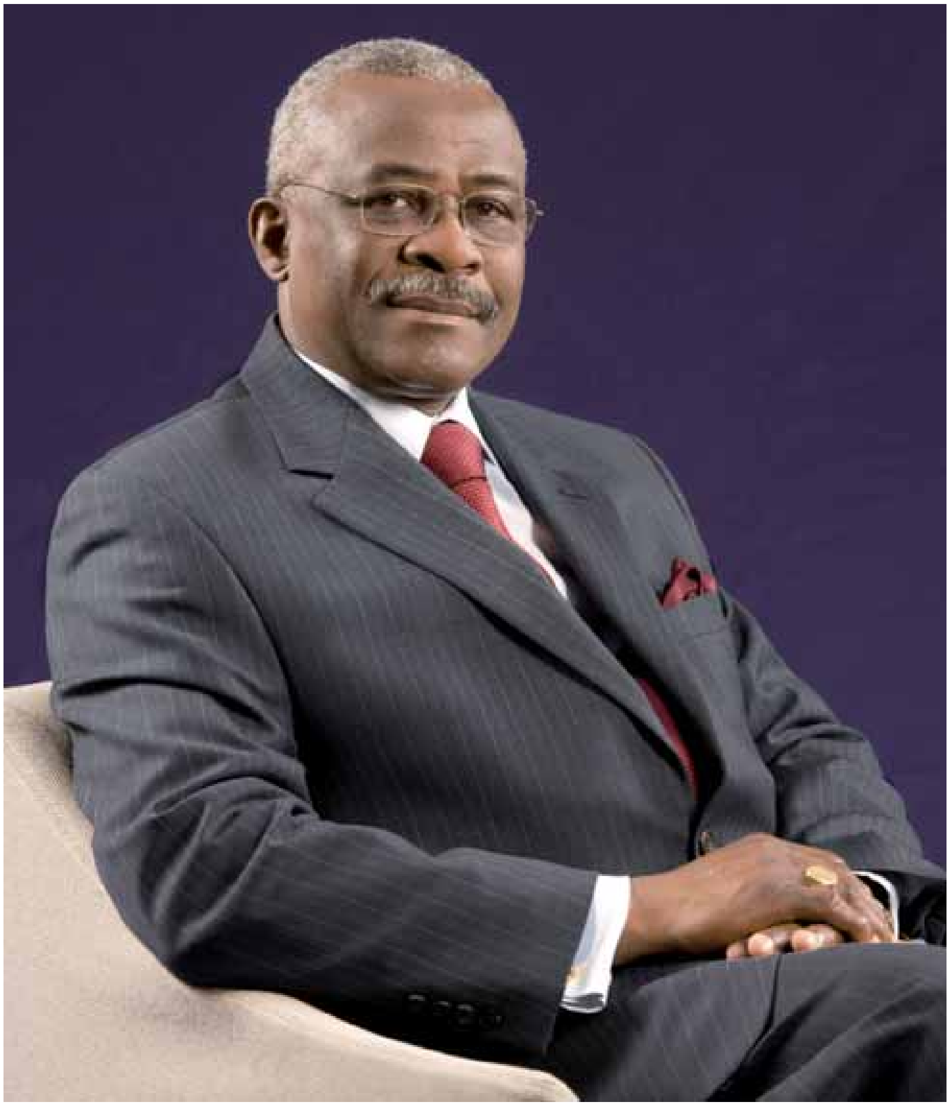
Mr. Khazaee holds a BA in Business Administration from Gilan University, IR Iran, and an MA in International Transaction from George Mason University, USA.

Mr. Khazaee has been succeeded on OFID's Governing Board by Dr. Behrouz Alishiri, Vice Minister and President of OIETAI, who has been IR Iran's Alternate Governor to OFID since 2004.

Nwanze is new President of IFAD

Assumes duty April 1

PHOTO: IFAD/G. FUA



Kanayo F. Nwanze was appointed 5th President of IFAD in February.

IFAD, the Rome-based International Fund for Agricultural Development, appointed, February 18, a new President to replace retiring Lennart Båge. Kanayo F. Nwanze (Nigerian) was named Båge's successor. Nwanze thus becomes the 5th President of IFAD since the agency's founding in 1977. An IFAD President serves a four-year term, renewable once. He is chief executive officer and chair of the Executive Board.

Nwanze is a development leader and agriculture specialist. His new appointment was made by the Governing Council of the institution, which is a specialized agency of the UN System. Delegates from all 165 IFAD Member States were involved in the election in which Nwanze faced four other candidates.

The IFAD Secretariat said Nwanze brings to the job nearly 30 years of experience in agriculture, rural development and research. His work in developing countries in Africa, Asia and the Americas, was complemented by two years as Vice President at IFAD's headquarters. The Secretariat reports that Nwanze was a driving force in the implementation of key reforms begun by Båge.

In a first comment after his appointment, Nwanze thanked Member States for their support and underlined "the unique partnership of OPEC countries, other developing countries and OECD nations that represents IFAD's fundamental ▶

◀ strength." He pledged that achieving concrete results and impact on the ground with projects and programs will continue to be at the core of IFAD's thrust. With enhanced country-presence and direct supervision, he said, "IFAD will continue to reinforce its quality agenda." Nwanze described "IFAD's challenge" to be making agriculture the central focus of governments; reducing poverty and hunger, worldwide; and working to achieve the *Millennium Development Goals*.

Nwanze joined IFAD, following 10 years as Director-General of WARDA, the Africa Rice Centre (formerly the West Africa Rice Development Centre). He is said to have transformed WARDA from a regionally-focused institution to an internationally recognized and respected research body. From January 1987 to October 1996, he was Principal Scientist/ Project Team Leader, International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in Hyderabad, India. Earlier, he had been Adjunct Professor, Department of Entomology and Nematology, University of Florida, Gainesville, Florida, USA, where he co-taught graduate courses in pest management. He also was Senior Research Fellow at the *Institut de Recherches Agronomiques Tropicales et des Cultures Vivres (IRAT/ CIRAD),* Centre de Recherches, Montpellier, France.

Nwanze holds a PhD in Entomology from Kansas State University (1975); an MSc in Entomology from the same University, 1973; and a BSc (Hons) in Agricultural Biology from Nigeria's University of Ibadan, 1971. He has had 30 years of hands-on and management-level experience in international agricultural research and development. Between 1976 and 1996, he went from post-doctoral scientist to scientist, principal scientist, and director. He is a member of several scientific associations, many of them in Africa. He has published widely; over 50 refereed-journal articles, 40 peer-reviewed conference papers, and a number of books and book chapters. He speaks five languages, including English, French and German. Among his decorations and honors is the prestigious *Commander of the National Order of Merit,* Cote d'Ivoire, 2001.

"IFAD's challenge is to make agriculture the central focus of governments."

KANAYO NWANZE

It is said that leadership is the ability to drive change, while management is the ability to preserve continuity and stability. K.F. Nwanze demonstrates this capacity to balance both and achieve impact, his biographers assert.

IFAD was established 30 years ago to battle rural poverty, a key consequence of the droughts and famines of the early 1970s. Since establishment, IFAD has invested more than US$10.6 billion in low-interest loans and grants that have helped over 350 million very poor rural women and men to increase incomes and provide for their families. A global partnership of OPEC, other developing countries and the OECD, IFAD today supports close to 250 ongoing programs and projects whose investment value totals US$8.4 billion, with IFAD providing some US$4 billion and the balance from partners, including OFID. OFID was instrumental in the creation of IFAD, channeling US$861.1 million in contributions from OPEC Member Countries toward the agency's initial capital and first replenishment. And OPEC Member States have maintained their firm support of the agency, contributing to additional replenishments of its resources. Also, OFID itself extended a further US$20 million as a special contribution from its own resources. Indeed, OFID was established in the same period as IFAD to support the social and economic advancement of low-income countries and to signal the solidarity of OPEC Member Countries, themselves developing nations, with other countries in the developing world. Since then, the two partners have co-financed projects in over 30 countries, and more joint initiatives are in the pipeline. OFID is the largest co-financier of IFAD-sponsored programs and projects after the World Bank.

In a congratulatory note to Nwanze, OFID Director-General Suleiman J. Al-Herbish applauded his appointment, noting Nwanze's "broad experience and managerial skills," which ably qualified him to head "such an important global player in the battle against rural poverty in developing countries." Nwanze was at OFID January 9, shortly before his appointment, to touch base with Al-Herbish and discuss further cooperation between IFAD and OFID. Al-Herbish said it was worthy of note that both OFID and IFAD share much in common, including respective mandates that focus on tackling poverty and enhancing living conditions among the poor. ■

From left: Mr. Jyrki Koskelo, IFC Vice President; Mr. Said Aissi, Assistant Director-General, Operations, OFID; Mr. Michael Wancata, Member of the Board of the Austrian Development Bank; Mr. Rolf Westling, Senior Advisor, African Development Bank.

Development Finance Institutions seek enhanced cooperation to reduce financial crisis impact on developing countries

The world's leading development finance institutions (DFIs), including OFID, agreed March 12 in Vienna, Austria, to cooperate closely to help mitigate the impact of the current global financial and economic crises on developing countries. At a meeting hosted by the Development Bank of Austria (OeEB) and the International Finance Corporation (IFC), a member of the World Bank Group, the institutions compared notes, exchanged views and shared information on initiatives to support banking, trade, infrastructure, agribusiness, and other key sectors of the economies of developing countries.

The Vienna meeting followed a joint financial institutions' action plan pledging some €24.5 billion from the World Bank Group, the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) in support of the banking sector – and lending – to the real economy of central and Eastern Europe.

In attendance were 14 institutions, including EBRD, EIB, other World Bank Group members IBRD and MIGA, OFID, the African Development Bank, the Black Sea Trade and Development Bank, the UK's CDC, Germany's KfW and DEG, the Japan Bank for International Cooperation (JBIC), the Netherlands' FMO, Norway's *Norfund,* and Spain's *Cofides.*

Jyrki Koskelo, IFC Vice President for Europe, Central Asia, Latin America and the Caribbean, and Global Financial Markets and Funds, told the meeting that his institution was encouraged to see an emerging global partnership taking shape to support recovery. He thanked in particular the OeEB, OFID, JBIC, and KfW for their partnership on IFC's initiatives for bank recapitalization, trade, and microfinance. "Mobilizing funds and ideas from across the finance and development community will allow us to deliver practical and ▶

◀ timely responses to the crisis and limit its impact on the poor," he said.

Michael Wancata, Member of the Board of OeEB, said OeEB appreciated IFC's initiative to bring DFIs together to discuss harmonized activities. In times like this, said Wancata, DFIs should assume an active role and demonstrate they are reliable partners to their clients.

OeEB announced at the meeting that it will commit €20 million to the *Microfinance Enhancement Facility,* founded by KfW and IFC. The KfW/IFC US$500 million fund is expected to boost the available pool of refinancing available to the microfinance industry. OeEB has an official mandate from the Government of Austria and is specialized in the implementation of private sector projects which need long-term finance and which foster sustainable development.

In his own presentation, Said Aissi, OFID Assistant Director-General, Operations, said poor countries in Africa were suffering from a slowdown in economic development and a credit crunch which may pull additional millions of people below the poverty line. Aissi said it was important for International Finance Institutions (IFIs) to provide social safety nets to alleviate the effects of the financial crisis and directly assist poorer segments of the population through microfinance. IFIs have agreed to act collectively through providing finance to vulnerable banking systems, increasing investments in vital infrastructure and social sectors, and protecting trade finance. OFID is committed to supporting these initiatives alongside other IFIs. OFID announced at the Vienna DFI meeting that it will commit US$30 million to an Africa-focused sub-fund of the IFC *Recapitalization Fund.* The US$5 billion recapitalization fund, founded by IFC and JBIC, will help ensure banks in developing countries can continue to lend and support economic recovery and job creation through the financial crisis. The OFID commitment to the sub-fund was approved by the institution's policy-making Governing Board which met in Vienna a day ahead of the DFI gathering.

The African Development Bank, represented by Senior Adviser, Rolf Westling, announced at the DFI meeting that its Board had approved a three-point action plan, including an emergency liquidity facility of US$1.5 billion for the benefit of its medium-income member countries; a US$1 billion trade finance initiative to support the needs of African DFIs and commercial banks; and an African Development Fund action plan.

Now is not the time for DFIs to scale-back on commitments. In fact, the reverse is true.

At a closing press conference, Koskelo, Aissi, Wancata and Westling jointly reiterated the conviction that the present was a time to invest and engage, so as to help the world recover from recession; not a time to withdraw or scale back on commitments. Westling again drew attention to the needs of Africa, arguing that the continent could do with a fraction of the resources now being made available in stimulus plans for developed countries to avoid the worst of recessions. Wancata detailed the increasing involvement of his bank in sustainable development efforts, while Aissi chronicled OFID partnership and cooperation with the developing world, especially in Africa and in private sector endeavors. Koskelo warned that the numbers of the poor were growing dramatically, rather than diminishing in keeping with the expectations of the Millennium Development Goals.

The World Bank Group is one of the world's largest sources of funding for developing countries. The Group comprises five closely associated institutions: the IBRD and the International Development Association (IDA), which together form the World Bank; the IFC; the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the Bank's mission to fight poverty and improve living conditions for people in developing countries.

Austria's OeEB provides "tailor-made financing solutions" for a range of long-term investors who otherwise would find it difficult to raise funds or borrow from international capital markets. OeEB is mandated to assume higher risks on individual transactions (loan volume, tenors, high-risk countries), compared to commercial banks. Furthermore, OeEB provides technical assistance and services that could be used to enhance the developmental impact of projects. ■

When one man's trash isn't another man's treasure

BY ANNA ILARIA-MAYRHOFER

Worldwide, 20 to 50 million metric tons of electronic, or e-waste, are generated annually. A shocking 70 percent of this, along with the toxic materials it contains, ends up in developing countries that are ill-equipped to deal with it safely. The blatant continuation of the practice, in spite of multilateral efforts to control both the movement and disposal of such substances, is a catastrophe waiting to happen.

One shouldn't wonder why the amount of e-waste has reached monumental proportions. After all, technology providers are constantly touting the latest "gadget of the month" – cell phones that boast yet another "must-have" feature; slimmer, swifter computers; and higher-resolution plasma-screen televisions, to mention just a few. Consumers in the industrialized world are quick to embrace the latest technological fads and just as quick to discard devices that are far from reaching the end of their useful lives. And thanks to planned obsolescence, it's generally cheaper to replace an electronic device than have it repaired.

Toxic substances

Hazardous substances in electronics abound, particularly heavy metals such as lead, beryllium, mercury, copper, cadmium and silver. Although benign when safely ensconced in their casings, these materials can become highly toxic when liberated. When heavy metals are ingested or inhaled, they accumulate in the body and can cause neurological damage and have deleterious effects on the internal organs and skeletal system. Constant exposure can even be fatal.

The following are examples of toxic materials that can be found in electronics: lead, beryllium and hexavalent chromium (a human carcinogen when inhaled) can be found in Central Processing Units (CPUs) of computers. Cathode-ray Tubes (CRTs), from older monitors and televisions, can contain up to 3.5 kilograms of lead. Circuit boards also have lead, as well as cadmium and mercury. Casings are coated with flame retardants that release noxious gases when burned. Lead and nickel-cadmium can be found in cell phone batteries. Cables and wiring are coated with PVC coverings which releases dioxins when burned.

There are also, however, high-value materials in e-waste, albeit in tiny amounts. These include copper, gold, platinum, silver, palladium and iridium, all of which can be recovered and recycled.

Many countries have made it illegal for e-waste to simply be discarded with regular waste. In unlined landfills heavy metals can leach into the soils and contaminate water supplies, and when burned, release noxious vapors and ash into the environment.

Recycled or dumped?

Conscientious consumers take their unwanted equipment to the nearest recycling facility. But what has come to light, thanks to the vigilant efforts of environmental watchdogs, is that there are a vast number of unscrupulous recycling companies. These businesses are making hefty profits from selling electronics to scrap brokers, who illegally tranship them to developing countries, particularly in Africa and Asia. In so doing, ▶

Although some imported electronic equipment can be repaired, most items are no longer usable and end up being dumped along with their hazardous components.

◀ they avoid the expense of processing these items in an environmentally-sound fashion. While most legitimate recyclers require the disposer to pay a fee for each discarded item to help recover their costs, illegal entities draw in consumers by promising free recycling. Tragically, it is poor people in the recipient countries that ultimately end up paying the price – with their health.

Out of sight, out of mind: recycling via the informal sector

So what happens after old electronics are unloaded from the shipping container? Items clearly broken are tossed into unsafe waste dumps; others might be repaired for resale. The majority, however, will end up being recycled via the "informal sector." Some of the worse-affected cities are Accra, Ghana; Delhi, India and Lagos, Nigeria. Here, a typical day in the life of a worker, many of them children, involves being surrounded by mounds of e-waste for dismantling and sorting. The air is rife with acrid smoke from the mass burning of cables and wiring to expose their copper. Circuit boards are either bathed in acid or burned over an open fire to extract precious metals. CRTs, which contain leaded glass and yield highly toxic dust that is easily inhaled, are smashed open for processing. Chemicals leach unfettered into drainage ditches and drinking water sources. Meanwhile, the workers are unaware of the health hazards they are facing each day while merely trying to eke out an existence.

The Basel Convention

These practices are widespread despite the illegality involved, and a number of laws and conventions have been drawn up to combat the situation. One of the most important multilateral agreements is the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal*, which was conceived in the late 1980s under the auspices of the United Nations Environment Program (UNEP). It entered into force in 1992 and presently has 172 members, or Parties. The Convention urges Parties to minimize the use of hazardous materials in the production of goods, and to recycle e-waste locally whenever possible. If materials bearing hazardous waste are to be shipped elsewhere, prior consent from the exporting and importing countries must be reported to keep the process transparent.

The Convention notwithstanding, illegal shipments were still rife, a situation which gave rise to the adoption of the Ban Amendment to the Convention in 1995. The Amendment prohibits the export of *any* kind of hazardous waste from developed to undeveloped countries. Unfortunately, it has not yet entered into force, as the required three-fourths ratification of the Amendment has not taken place. There are, nonetheless, Parties such as the European Union (EU) that observe this rule.

Why e-waste is still ending up where it shouldn't

One glaring omission in the list of Convention Parties is the United States, despite the fact it generates a significant amount of e-waste. According to an estimate of the US EPA (United States Environmental Protection Agency), 2.63 million tons of e-waste was produced in 2005. And while some export restrictions exist, such as prohibiting the export of broken CRTs, regulations controlling other electronic waste are lacking. This issue was brought to light in a recent report released by the US Government Accountability Office (GAO): *Electronic Waste: EPA needs to better control harmful US exports through stronger enforcement and more comprehensive regulation.* In fact, the GAO carried out a "sting" operation where they posed as foreign buyers in Hong Kong, India, Pakistan and other countries. They found 43 US companies that were willing to export broken CRTs. The report also notes that in January 2007, customs officials at a port in Hong Kong, China sent back 26 containers of CRTs to the US[1]. One can only speculate how many other containers have "slipped through the net."

Concerns have also been highlighted in a report by the European Environment Agency *Waste without Borders in the European Union (EU)?* The report states that illegal exports are also likely to be originating from EU countries. For instance, it notes that between 1997 – 2005, shipments of "mostly hazardous and problematic waste" from EU to other EU and non-EU countries increased by almost fourfold. And while the waste shipments were reported accordingly, it does raise the question as to *why* so much e-waste was shipped elsewhere for processing instead of domestically. Another case that supports the premise of rules being flouted within the EU are statistics that show the average value per unit of color televisions exported from the EU to Africa in 2005 was €64, and even lower - €28 – for those shipped to Ghana, Nigeria and Egypt. These figures are in stark contrast to the average unit price of €339 for *all* shipments, including those to the US, and strongly suggest that the cheap items shipped to Africa were little more than scrap.

Circumventing the system

Although shipments must bear an international code that states what they contain, there is no specific code for e-waste. Thus, e-waste brokers are falsely ▶

1 In 2002 China imposed a ban on the import of e-waste

Workers crack piles of burned computer components to remove the copper inside unaware of the danger to their health.

◀ reporting on their declaration documents that their shipments comprise "scrap metal" or "second hand goods." And while containers may indeed hold some working items, the majority do not. Some containers are never scanned, and certainly not every device is tested to ascertain whether it is in working order. Tip-offs to customs officials from whistleblowers have revealed how often this occurs.

Despite these daunting challenges, some organizations are making a concerted effort to tackle the issue. One example is Empa, a research institute that is carrying out pilot projects with Hewlett Packard and the Global Digital Solidarity Fund to seek sustainable e-waste management solutions. UNEP is also engaged in myriad programs worldwide and works closely with manufacturers to develop products that contain fewer hazardous materials. Another is StEP, an initiative created by various UN institutions and partners with governments, NGOs, leaders of industry, among others to resolve e-waste problem.

Some of the "whistleblowers"

As mentioned earlier, much of the awareness of the e-waste situation would not have been possible without the staunch efforts of environmental watchdogs. One highly-dedicated NGO is the Basel Action Network, or BAN. Despite the smallness of its operation, BAN has made a tremendous difference in exposing the e-waste trade. In addition to publishing pioneering reports and filming documentaries, BAN also serves as an "information clearinghouse." Another NGO, Toxics Link, based in Delhi, India, has undertaken a wide range of on-the-ground-work in areas such as municipal solid waste management, handling and safe disposal of bio-medical waste, promoting cleaner industry practices, food safety and devising solutions to the e-waste problem. The organization has also published numerous information materials.

What can be done?

The e-waste issue is not a simple one and cannot be resolved swiftly. International support must be rallied to achieve global ratification of the Basel Convention and Ban Amendment. More awareness must be raised of the issue – from the consumer and grass-roots level to the national level. If this does not occur, what has been aptly referred to as "toxic colonialism" will continue to prevail. ■

LINKS

http://www.basel.int/index.html
http://www.gao.gov/products/GAO-08-1044
http://www.eea.europa.eu/
www.ban.org

www.ofid.org

Our vision

OFID aspires to a world of opportunity, where progress is equitable, accessible and sustainable, and where the alleviation of abject poverty is considered a common aim and a global responsibility. OFID's role is that of an informed institution, in tune with the goals of its partner countries and capable of making an effective contribution to economic growth and sustainable development.

Our mission

OFID pursues a mission to work with other, less privileged developing countries in a spirit of South-South cooperation and solidarity, with the aim of encouraging economic growth and alleviating poverty. In keeping with its mandate, OFID focuses its resources on projects designed to help the poorest nations and the most vulnerable members of their societies.

OFID A dynamic Partner

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