OCTOBER 2015

OFID Quarterly

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

The SDGs: Much more than a new beginning

No more "business as usual"

OFID Corporate Plan looks to the future

Energy access, the nexus & the SDGs

Report: Addis Ababa Action Agenda

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Uniting against Poverty

COMMENT

SPECIAL FEATURE

NEWSROUND

SPOTLIGHT

contents

OCTOBER 2015

PERSPECTIVES

CONFERENCE WATCH

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PUBLISHERS
THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID)
Parkring 8, P.O. Box 995, A-1010 Vienna, Austria
Tel: (+43-1) 51564-0; Fax: (+43-1) 51392-38
Email: info@ofid.org
www.ofid.org

EXECUTIVE EDITOR Deyaa Alkhateeb

EDITOR Audrey Haylins

CONTRIBUTORS Said Aissi, Mohammad Al-Sheha, Namat Abu Al-Soof, Nadia Benamara, Damelys Delgado, Fatma Elshhati, Faris Hasan, Anna Ilaria-Mayrhofer, Nastaran Sharif, Fuad Siala, Geoffrey Skipper, Alesandra Solano, Arya Gunawan Usis, Justine Würtz

PHOTOGRAPHS Abdullah Alipour Jeddi, Carlos Opitz (unless otherwise credited)

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DESIGN etage.cc/krystian.bieniek

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More than fit for purpose

It's official: the international community has a new development agenda—a 15-year roadmap to ending poverty, hunger and inequality and building a more sustainable planet.

Broader, more inclusive and more integrated than the MDGs, the new agenda gets to the nitty-gritty of development and the issues that impede progress. It promotes a holistic approach, recognizing the inherent links among all 17 of its ambitious goals—the SDGs. And it acknowledges that different countries have different challenges and priorities.

But the 2030 agenda is much more than just a makeover of the MDGs. It is the result of a prolonged and wide-reaching consultation process, involving a multitude of voices. Everyone—including civil society—had their say. This alone sets it apart and bodes well for its success.

Of course, there were sacrifices and trade-offs along the way, as each party fought its corner. But at the end of the day, self-interest gave way to reason, and all 193 UN member states signed up to the agenda.

The final document may have lost some of its bite because of the need for compromise, but its adoption in New York on September 25 was a triumph for international cooperation and understanding.

So, we have the roadmap. Now it's a matter of ensuring that we get from A to B using the most effective route possible. Nobody is expecting an easy ride.

For a start, as well as the political will to see them through, the success of the new goals depends heavily on the gathering of data to measure the progress—or otherwise—of their implementation. It is as yet unclear exactly how this will be done.

Equally crucial is the question of financing, with experts citing requirements in the trillions of US dollars a year. Just how such resources could be provided was the topic of July's financing for development conference in Addis Ababa—the "how" to the "what" of the new agenda.

The conference had some sticky moments, especially over the issue of official aid flows and in particular ODA, the most important source of development financing for the poorest countries. However, agreement was reached on a comprehensive action plan—an integral component of agenda 2030—that speaks to innovation and more effective financial engineering.

While the details are still being elaborated, what's certain is that there will be a greater role for the private sector and for development finance institutions like OFID, both as sources of funding and as catalysts for technology transfer and knowledge sharing.

According to UN Secretary-General Ban Ki-moon, the glue that will hold the 2030 agenda together—and ultimately determine its fate—is a renewed global partnership.

"The 2030 agenda compels us to look beyond national boundaries and short-term interests and act in solidarity for the long term. Institutions will have to become fit for purpose, a grand new purpose," he stated, following adoption of the new framework.

Which begs the question: Is OFID fit for purpose? Is it ready and able to shoulder the increased responsibilities and demands of this ambitious new development paradigm?

The answer, in a word, is yes. OFID has been preparing itself for this challenge for a long time. We have been actively involved in the various processes leading up to agenda 2030 and have a vested interest in its success. In fact, it was our advocacy that saw energy poverty eradication adopted as SDG 7.

We have also devoted time to restructuring and enhancing our resources—financial and human; we have expanded the diversity and outreach of our operations; we have built capacity and streamlined systems and procedures; and we have reinforced our partnership network.

And, in anticipation of the upcoming critical period for development, we have drawn up a 10-year strategic plan that will focus and guide our work from 2016 onwards.

This plan takes an integrated "nexus" approach to development, and as such is fully aligned with the global 2030 agenda. At its core are the closely intertwined challenges of modern energy access, clean water and food security—with transportation as a fourth, enabling component. We are convinced that these areas hold the key to poverty eradication and sustainable development.

So, yes, OFID is not just ready to take up its role in the renewed global partnership. It is equipped to do so from a position of considerable strength.

On the horizon—still distant but compelling nonetheless—is the prospect of a world defined, not by inequality and poverty, but by inclusion, prosperity and dignity for all. Now isn't that worth fighting for? ■

"We will either find a path, or make a new one."

Hannibal Barca 247 BC–182 BC

PHOTO: OMELCHENKO/SHUTTERSTOCK.COM

The SDGs: Much more than a new beginning

With an ambitious 17 goals and 169 targets, the newly unveiled Sustainable Development Goals have already attracted more than their fair share of criticism. Some of the negativity may be justified, but no matter the results in 15 years' time, the SDGs have already brought new approaches, ideas and solutions to the table.

BY MOHAMMAD AL-SHEHA

When world leaders announced the Millennium Development Goals (MDGs) at the September 2000 Millennium Summit, they were united on the need for a development agenda that would take action and make real progress. With eight goals and 21 targets, the MDGs provided for the first time a clear guide to disbursing development aid and informing policy in order to free people from extreme poverty, provide education and improve health by 2015.

The new SDGs—approved by the UN General Assembly at its specially convened summit on September 25–27—are intrinsically different to their predecessors. While the MDGs identified particular problems to be tackled, the SDGs address the systemic issues that slow and hinder development. The SDGs are also a more integrated structure, with a complex network of linkages among the 17 goals and their respective targets highlighting the necessity of a holistic approach.

Even though it can be demonstrated that the MDGs had a high degree of success, from the beginning they suffered a number of shortcomings. The SDGs have tried to deal with these deficiencies in order to ensure that the new development agenda is both more comprehensive and at the same time endowed with greater legitimacy thanks to the extensive consultation process that shaped it.

Omitted under the MDG process, data gathering is an integral part of the new agenda; deemed essential to ensure that the goals and targets are effectively monitored and assessed.

Building on lessons learnt

On the face of it, there is much to applaud in the new agenda. In direct contrast to the MDGs, which took a top-down approach, the SDGs involved consultation with both developed and developing country governments and all segments of society. As a result, they address whole systems and cover a much broader range of issues than the MDGs. Another divergence between the two agendas lies in the issue of data gathering. Omitted under the MDG process, data gathering is an integral part of the new agenda; deemed essential to ensure that the goals and targets are effectively monitored and assessed. In a similar vein, where the MDGs were launched with no thought to the question of funding, the financial resources required to implement the SDGs were part of the process from the very beginning.

In devising the SDGs, there has been a concerted effort to produce an agenda that learns from and is a significant improvement on what was approved at the beginning of the Millennium. However, it is this very desire to address all the criticisms of the MDGs that has led many to question how realistic the new roadmap actually is. Detractors also point to the sacrifices that have been made to reach a consensus, leading to accusations of a set of goals that include something for everyone and nothing for anyone.

Several prominent stakeholders have voiced their concern that the number of goals and targets is simply too many and lacks the coherence of the MDGs. The previous agenda, although limited, was easier to understand and concentrated on the needs of developing countries. The global nature of the SDGs means that countries must pick and choose and decide what is in their best interests; the targets do not necessarily apply to everyone.

The broad scope has also raised questions regarding data gathering. Even though it is an integral part of the new agenda, setting up the necessary infrastructure and systems to gather data will be a monumental task, requiring substantial funding. A smaller more concentrated set of goals and targets would have been easier to implement and monitor, argue critics.

Stakeholder network

Some of the criticism is valid but at the same time fails to recognize a process that already began before the SDGs were finally agreed on by the network of partners created by the MDGs. This network has become bigger, stronger and more varied over the past 15 years, and the systemic approach that was chosen to formulate the new goals and targets has only added to the need to work with others. It is now no longer simply a matter of projects and finance. Partnerships were and continue to be established among an eclectic range of stakeholders to come up with the best possible solution for any one particular problem. And what the SDGs have done is help with the understanding of who can and should work together. It is now impossible for individual stakeholders to concentrate only on what directly involves them.

An excellent example of an integrated approach is the water-food-energy nexus, which responds to the need to balance environmental concerns with poverty reduction and economic growth. As revealed in a 2012 questionnaire on the SDGs completed by member states of the UN General Assembly, these three sectors are considered of utmost priority, overriding other important concerns such as health, education and poverty eradication.

Simplistically speaking, the water-food-energy nexus suggests links between most of the targets under Goal 2 (food security), Goal 6 ▶

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

End poverty in all its forms everywhere

2 ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

4 QUALITY EDUCATION

Ensure inclusive and quality education for all and promote lifelong learning

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

6 CLEAN WATER AND SANITATION

Ensure access to water and sanitation for all

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH

Promote inclusive and sustainable economic growth, employment and decent work for all

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote sustainable industrialization and foster innovation

10 REDUCED INEQUALITIES

Reduce inequality within and among countries

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities inclusive, safe, resilient and sustainable

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

14 LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources

15 LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote just, peaceful and inclusive societies

17 PARTNERSHIPS FOR THE GOALS

Revitalize the global partnership for sustainable development (water & sanitation) and Goal 7 (energy access). However, these three goals on their own do not take full account of all the relevant interconnections. To cover the nexus effectively requires attention to a much larger number of interactions among all 17 goals and 169 targets.

Mind the gap

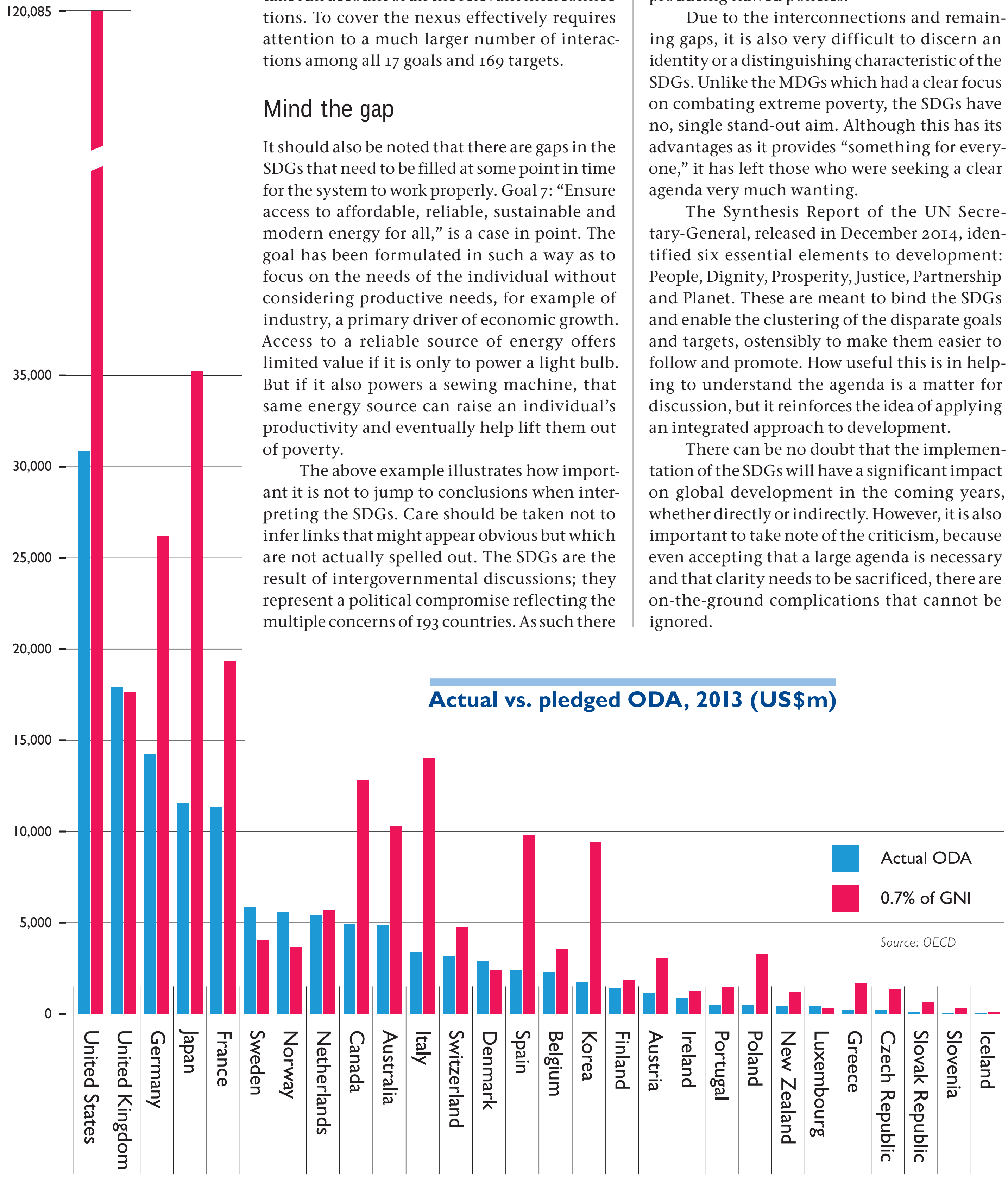
It should also be noted that there are gaps in the SDGs that need to be filled at some point in time for the system to work properly. Goal 7: "Ensure access to affordable, reliable, sustainable and modern energy for all," is a case in point. The goal has been formulated in such a way as to focus on the needs of the individual without considering productive needs, for example of industry, a primary driver of economic growth. Access to a reliable source of energy offers limited value if it is only to power a light bulb. But if it also powers a sewing machine, that same energy source can raise an individual's productivity and eventually help lift them out of poverty.

The above example illustrates how important it is not to jump to conclusions when interpreting the SDGs. Care should be taken not to infer links that might appear obvious but which are not actually spelled out. The SDGs are the result of intergovernmental discussions; they represent a political compromise reflecting the multiple concerns of 193 countries. As such there is a danger of presuming economic or physical links that are simply not there and as a result producing flawed policies.

Due to the interconnections and remaining gaps, it is also very difficult to discern an identity or a distinguishing characteristic of the SDGs. Unlike the MDGs which had a clear focus on combating extreme poverty, the SDGs have no, single stand-out aim. Although this has its advantages as it provides "something for everyone," it has left those who were seeking a clear agenda very much wanting.

The Synthesis Report of the UN Secretary-General, released in December 2014, identified six essential elements to development: People, Dignity, Prosperity, Justice, Partnership and Planet. These are meant to bind the SDGs and enable the clustering of the disparate goals and targets, ostensibly to make them easier to follow and promote. How useful this is in helping to understand the agenda is a matter for discussion, but it reinforces the idea of applying an integrated approach to development.

There can be no doubt that the implementation of the SDGs will have a significant impact on global development in the coming years, whether directly or indirectly. However, it is also important to take note of the criticism, because even accepting that a large agenda is necessary and that clarity needs to be sacrificed, there are on-the-ground complications that cannot be ignored.



Actual vs. pledged ODA, 2013 (US$m)

COP21: friend or foe?

One such difficulty is the synergies between the SDGs and the new agreement on climate, which will be concluded in Paris this December at the 21st yearly session of the Conference of the Parties (COP21). The SDGs are critical for combating climate change. Both agendas are mutually reinforcing and are bound, in some respects, by a shared financing plan. However, the sums required are in the trillions of US dollars per year, and there is a danger that more money will flow toward combating climate change than providing for the needs of the least developed countries (LDCs).

Perhaps the most worrying sign of things to come is the outcome of the Financing for Development (FfD) Summit that was held in Addis Ababa in July. The Addis Ababa Action Agenda was meant to lay out a financing plan for the SDGs and climate change that would spread the load across three sources: official development assistance (ODA), internal resource mobilization and the private sector. However only a watered-down agreement for the first two was reached, leaving the FfD strategy even more heavily reliant on private sector involvement. This is bad news for the developing countries, especially LDCs, where ODA remains the most significant source of finance and private investment is limited.

Burden of responsibility

Another difficulty inherent in the SDGs is the absence of an accurate integration of common but differentiated responsibilities (CBDR), a principle that increases the liability of developed countries to global development while lowering that of developing countries. Even though the principle is clearly stated in the outcome document of September's UN summit for the adoption of the post-2015 development agenda, the global nature of the goals makes it difficult to understand how effectively the principle might be applied.

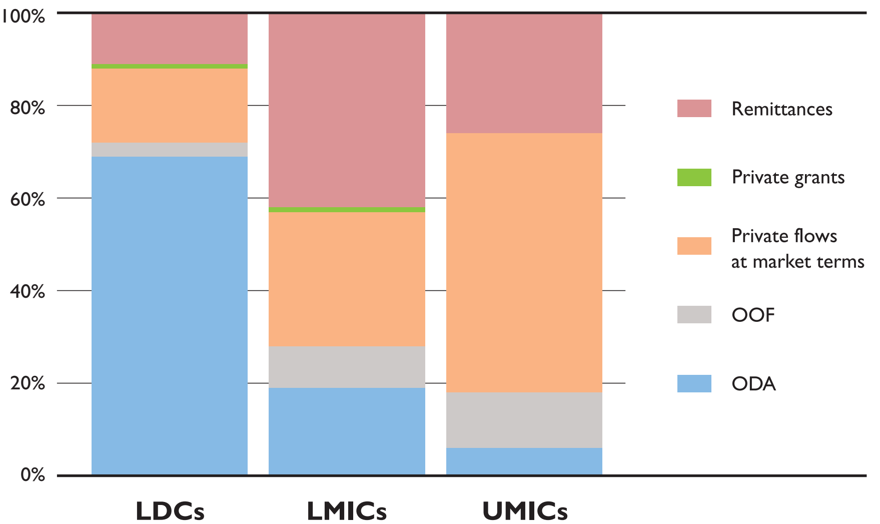
There is general agreement that the international legal framework is somewhat unclear regarding the application of CBDR to sustainable development and hence to the SDGs. Nevertheless, the importance of the principle was stressed by Macharia Kamau, Co-Chair of the Open Working Group on the SDGS, when he urged members during the process to consider whether a proposed goal spoke equitably to "north and south, east and west, and rich and poor." Whether member states have ensured that all the goals and targets take proper consideration of CBDR is debatable. That fact that it has been stated in the outcome document does not necessarily mean it has been properly incorporated into the approved agenda.

Managing the metrics

The importance of data gathering should also not be underestimated. The legitimacy of the SDGs hinges on how the goals and targets will be effectively monitored and assessed, especially because of their global nature. One of the main questions that will be asked is what is being done in developing countries and in particular LDCs. For instance, it will be of little value to produce global estimates only to later recognize that most of the progress was realized in developed countries. The sheer number of goals and targets will make it even more difficult to set up an effective monitoring system. There are also cost considerations. According to a study by the Copenhagen Consensus Center: "A future agenda with 169 targets has an estimated cost that is almost two times the total annual spend on official development assistance globally."

The SDGs are not perfect, and the determination to see them through will surely be tested in the coming years. With the interests of so many countries and groups to be considered and satisfied, the new agenda was bound to disappoint some. Nevertheless, the stage has been set and it is up to all those concerned to fill in the gaps and apply pressure where and when needed to make the SDGs a success. We are all well aware of the pitfalls, so we can either use them to make excuses for why we failed, or make sure to work with others to find a way around them. ■

Composition of financial flows to developing countries in 2012



ODA: Official Development Assistance **OOF:** Other Official Flows
LMICs: Lower Middle Income Countries **UMICs:** Upper Middle Income Countries

Source: OECD

Energy access, the nexus and the SDGs

As the global community unites to implement the new development agenda, the *Quarterly* looks at the importance of an integrated approach to satisfying the three-pronged challenge of energy, water and food security.

BY NAMAT ABU AL-SOOF AND FUAD SIALA

After being omitted from the Millennium Development Goals, the eradication of energy poverty has secured a prominent place in the post-2015 development agenda, where it is addressed under Sustainable Development Goal 7.

SDG7 has three main targets: ensuring universal access to affordable, reliable, sustainable and modern energy; substantially increasing the share of renewable energy in the global energy mix; and doubling the global rate of improvement in energy efficiency.

It further sets out to expand infrastructure and upgrade technology in order to supply modern and sustainable energy services to developing countries, particularly the least developed nations and small island developing states. And, it encourages international cooperation to facilitate access and investment in clean energy research and technologies.

The incorporation of energy as a stand-alone goal in the new agenda is acknowledgement of its crucial role as an enabler of economic and human development.

Toward an integrated framework

While the MDGs aimed to lift people out of poverty, the SDGs aim to *keep* them out of poverty by ensuring that development is both socially and environmentally sustainable.

Long-term sustainability requires acknowledging that many of the resources that support development—such as water, land and materials—are finite and are also needed to support ecosystems. Development can only be sustainable if it works within those constraints, over time and across sectors and locations.

A framework to achieve this must consider the ways that activities in different sectors interact, including their respective pressures on natural resources. A "nexus" approach can help to formulate goals and targets that minimize trade-offs and maximize synergies between goals, making the SDGs more cost-effective and efficient, reducing the risk that progress towards one goal will undermine progress towards another, and ensuring sustainable resource use.

The guiding principles of the nexus approach are to promote sustainable and efficient resource use; in other words, doing more with less to ensure access to resources for the most vulnerable—especially the poor—and to maintain healthy and productive ecosystems.

A key principle of the SDGs is universality: that the goals will be relevant to all countries, and all will contribute to achieving them, but with differentiated targets and actions. The bottom-up process and nexus approach are entirely compatible with this principle.

Countries will face different trade-offs and synergies, and find different ways to improve development outcomes, emphasizing different targets. The targets may be seen as building blocks that each country will combine in its own way, balancing the needs for access to resources, efficiency, and long-term sustainability to fit the local context and capabilities. Through a bottom-up process and nexus approach, a suitable set of actions for a specific country (or region) can be identified.

OFID fully aligned

Traditionally, development planners have often sought solutions to the water, energy or food crises by addressing each problem separately. But tackling just one of the three elements can aggravate one or both of the others. As a development institution of almost 40-years' standing, OFID has extensive experience in addressing these connected challenges.

For example, OFID recently cooperated with the Renewable Energy and Energy Efficiency Network (REEEP) to establish the "OFID-REEEP Revolving Capital Pool." In its first round in 2014, this pool partially funded two energy access projects that impact the water and food sectors.

In Kenya, solar irrigation pumps are being installed on 825 smallholder farms, paving the way for private sector investment to unlock scale and increase uptake of solar irrigation, potentially reaching 20,000 smallholder farmers through consumer financing of solar irrigation.

In Tanzania, two pilot 87.5 kilowatt-hour solar farms are being installed for renting to the agro-food sector in an effort to attract sufficient private sector investment to finance the scale-up of the service to, potentially, 5.2 megawatt-hour.

OFID recognizes that strengthening supply chains—including through coordinated investments in energy and transport infrastructure—will enable efficient food processing and faster access to markets. Improved transport, storage, refrigeration and port facilities will facilitate trade in food and non-food products and reduce the costs of fertilizers and other inputs. Such conditions will lay the foundations for agriculture to be an expanding, income-generating and profitable business sector in low-income countries where it is the backbone of the economy.

In all its work, OFID seeks to ensure a balance between economic growth, social progress and protection of the environment. However, it gives priority to ensuring access to energy as an important element of sustainable development.

This position is in response to the Third OPEC Summit of November 2007, which established the eradication of energy poverty as a priority for OPEC aid institutions. OFID was further convinced to pursue this strategy by the fact that energy access is a prerequisite to achieving the MDGs and their successor the SDGs.

Within the context of the SDGs, interventions related to the energy-water-food nexus will move higher up the agenda of governments, development finance institutions and project sponsors. It is for this very reason that OFID has adopted the water-food-energy nexus as the theme of its Corporate Plan 2016-2025. By aligning its strategic plan with the nexus, OFID has also aligned itself with the new development agenda and global aspirations for the next 15 years.

PHOTO: FUTUREPUMP

Under the OFID-REEEP energy access program, Kenyan smallholders are using solar powered pumps to irrigate their crops.

The energy-water-food nexus

◀ Due to global transformational trends—such as population growth, economic development and climate change— energy, water, land and human resources are increasingly under pressure to support societal development and to maintain necessary services. Decision makers need improved tools in order to be better informed about trade-offs and synergies between different development and management choices, and to help them identify options on how to sustainably manage resources.

The interlinkage between the water, energy and food supply systems—the nexus—is a major consideration in countries' sustainable development strategies. Rapid economic growth, expanding populations and increasing prosperity are driving up demand for energy, water and food, especially in developing countries.

By 2050, the demand for energy will nearly double globally, with water and food requirements estimated to increase by over 50 percent. Meanwhile, the competing needs for limited resources constrain the ability of existing water, energy and food systems to meet this growing demand. The challenge is further compounded by climate change impacts.

Given their importance, water, food and energy have been identified as priority areas for the SDGs, both in the Rio+20 outcome document and in the outcome document of the United Nations Open Working Group (on the SDGs).

Under the post-2015 agenda, the water-food-energy nexus suggests links between most of the targets under Goal 2 (food security), Goal 6 (water & sanitation) and Goal 7 (energy access).

Clearly there are many connections between water, food and energy targets. But, in order to be able to address them effectively, there is a need to understand the nature of those interactions as enablers of development. For example, food production requires water, land and energy.

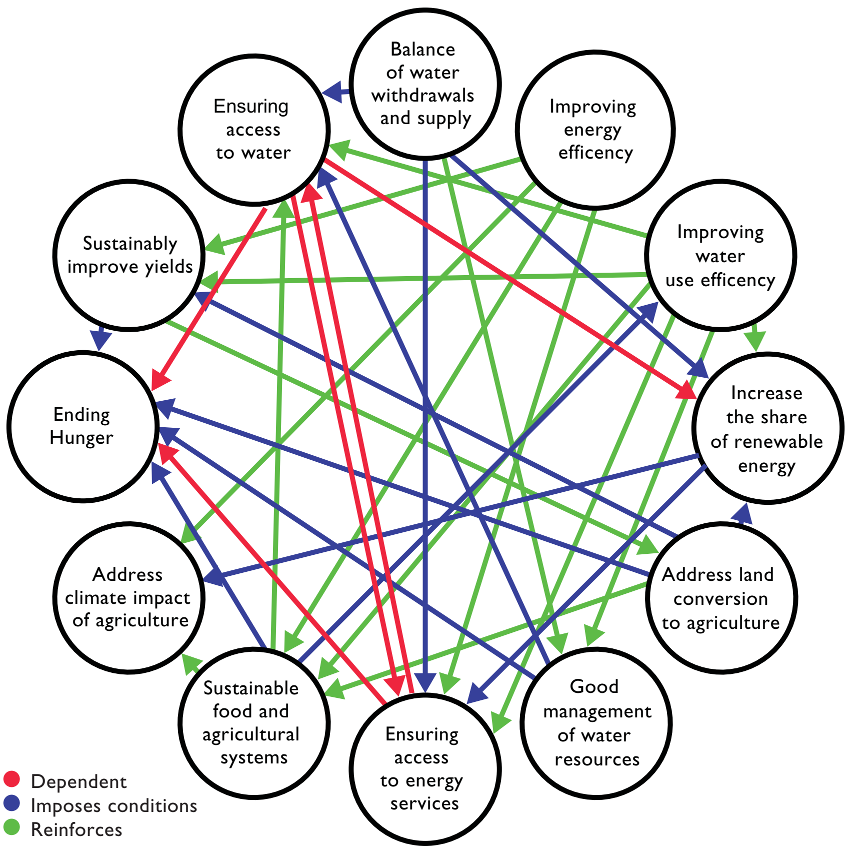
The analysis of the Stockholm Environment Institute shows three main types of interactions. Some are interdependent: one target has to be realized in order for another to be viable, usually because access to water, energy or land for food production needs to be ensured. Other targets impose conditions or constraints on one another. Some targets reinforce each other, highlighting potential synergies.

Achieving access to energy, for instance, often depends (red arrow) on water access, while the targets on sustainable water withdrawal levels and the ambition to increase the share of energy from renewable sources impose conditions (blue arrow) on how access to energy services can be ensured.

Improved water efficiency and energy efficiency reinforces (green arrow) both the energy access and the sustainable water withdrawals targets. Ending hunger, in turn, depends on access to energy services and water (as both are needed to produce food). Similarly, the targets on the sustainable improvement of yields, addressing land conversion for agriculture, and sustainable food and agricultural systems set conditions for eradicating hunger.

Integration through a nexus approach could help the SDGs to manage complexity, and make the goals easier to communicate and to implement. The approach may also support more effective negotiations, by enabling countries to see more clearly where their interests coincide, where they diverge, and how they might reconcile their differences. ■

Interactions between proposed water, energy and food targets



Source: Stockholm Environment Institute

The language code of SDG 5

What does the future hold for gender equality and human rights?

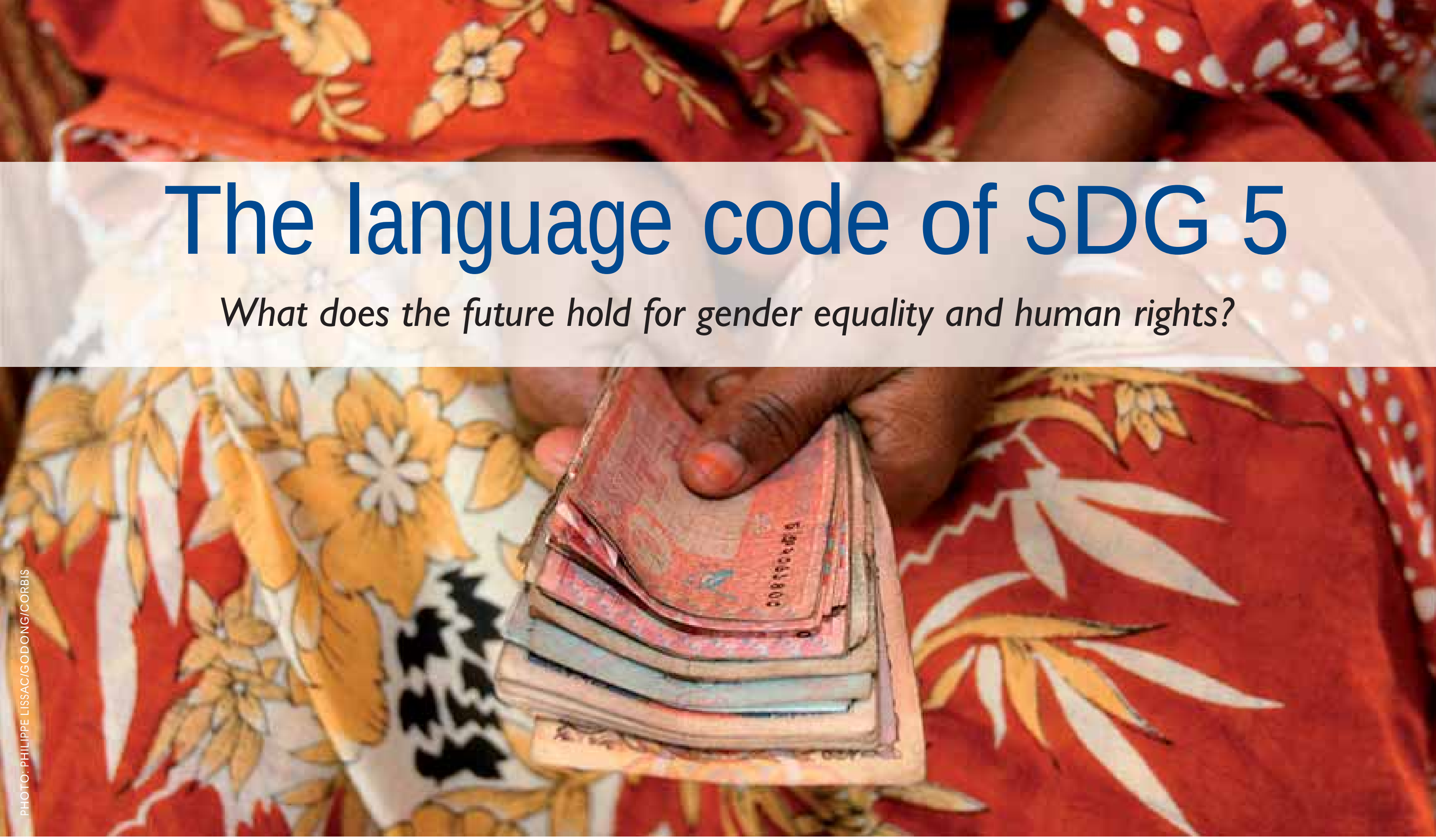


PHOTO: PHILIPPE LISSAC/GODONG/CORBIS

Despite progress under the MDGs, gaps are still very much in evidence when it comes to rights and opportunities for women and girls. Which begs the question: Can the SDGs make a difference? Here, the Quarterly examines the language of SDG 5 for clues.

BY NASTARAN SHARIF

The *Economist* recently described the 169 proposed targets of the SDGs as "wasted opportunity" and so "sprawling and misconceived that the entire enterprise is being set up to fail." *The Heritage Foundation*, a research think-tank based in Washington DC, admitted that the SDGs could be a useful tool to measure progress, but claimed that the goals are "articulated in such imprecise language that it makes them immeasurable."

Critics consider the SDGs too vague and indefinite; they favor the MDGs, which they believe were more focused. Proponents of the SDGs, on the other hand, defend the new targets as all-encompassing and the result of a fully inclusive process. After all—they point out—the SDGs, unlike their predecessor, are formulated through voices from developing countries and civil society.

In the midst of this tug of war, a closer look at the language of the SDGs may offer some direction.

MDG 3 vs. SDG 5

MDG 3 committed to "promote gender equality and empower women," a formulation that at first glance appears focused. SDG 5 aims to "achieve gender equality and empower all women and girls." The differences are obvious. Whereas MDG 3 pledged to "promote," SDG 5 commits to "achieve." Moreover, the explicit inclusion of "girls" and of the word "all" expands this right to include both age and number. Under closer scrutiny, MDG 3 appears reduced in substance.

Both goals have their attached targets. Under MDG 3, these address gender disparity in primary and secondary education; the situation of women in waged employment in the non-agriculture sector; and the representation of women in parliament. Although this focus was based on statistical needs, both critics and proponents agreed that the targets fell short of addressing gender inequalities.

Human rights: an "invisible" component?

The human rights shortcomings of the MDGs were widely criticized. According to the UN Development Group "a set of indicators measuring the extent to which an enabling legal and policy environment is present to promote and protect the exercise of these rights and freedoms should be preserved as an indivisible [human rights] component of the post-2015 framework."

When compared to the substance of the MDGs, the SDGs are more open and inclusive. According to *The Center for Economic and Social Rights,* the SDGs address the critical element of human rights much more effectively, with a stronger focus on gender targets. The six targets of Goal 5 do this by addressing discrimination against women everywhere; violence against women and girls; child, early and forced marriage and female genital mutilation; unpaid care and domestic work; women's participation in decision-making; and their sexual and reproductive health and reproductive rights, including HIV vulnerability.

Nonetheless, despite the clear move toward a human rights-based approach, SDG 5 is still limited by the absence of the word "human rights" itself. This omission may—in the end—leave these targets without teeth. Optimistically, progress will develop and the follow-up agenda to the SDGs post-2030 may transfer into to a new lingua franca of all-inclusive humanitarianism, turning the "invisible" component of human rights into a "visible" one.

All optimism aside, a final question remains: where's the fuel? Even if the SDG 5 language was to be considered inclusive, it will still need to be implemented. According to the European Parliament, one of the greatest setbacks in the implementation of the MDGs was the inadequacy of funding, particularly for gender equality. SDG 5 sets out to achieve gender equality and address women's rights. This is an ambitious goal, which requires significant investment. Under MDG 3, investment in gender equality increased from US$8bn in 2002 to US$28 billion in 2013. These resources focused on education and health, and pointed to a single goal: MDG 3.

Investment: a shift in focus

SDG 5 will attempt to increase and expand investment in gender equality in the economic and productive sectors. An OECD study describes how under SDG 5, there will have to be intensified investment in sectors such as energy, banking and financial services. In 2013, investment in those sectors represented only two percent of all investment in gender equality.

According to the IMF, investment in the economic and productive sectors is necessary for sustainable growth but is not sufficient on its own. Efforts must go beyond small investments in microcredit and enterprise development. To this end, a significant increase in gender-related domestic public finance is necessary. Investments to strengthen access to health and education, as well as infrastructure and its efficiency, would provide women with better access to finance and the general economy.

Legal reforms

Also being promoted under SDG 5 are legislative and administrative reforms to ensure women's equal right to economic and productive resources. Data and monitoring will be strengthened, and countries will be able to track and publish public spending on gender equality.

Governments are encouraged to create an environment that is conducive to the broad-based empowerment of women and girls and receptive to gender equality. Government and donors are further encouraged to invest in women's organizations, to enable their effective participation in countries' national planning and budgetary processes.

The international community has been encouraged, and promises have been made, but do the SDGs voice a clear commitment? The linguistic forecast does not show a significant shift from the MDGs. Although SDG 5 mentions legal reforms and technology (5.a, 5.b and 5.c), the topic of funding remains untouched. Could the silence on funding be a negative indicator on the level of commitment established on initial consensus? In the end no forecast can be made for the success of SDG 5, but the apparent global support and awareness alone qualifies as a paramount achievement.

With access to financing, either individually or as a group, women are able to participate directly in the economy and enjoy a greater degree of independence.

PHOTO: PHILIPPE LISSAC/GODONG/CORBIS

Welcoming the SDGs: No more "business as usual"

Developed through an extensive and inclusive consultation process lasting over three years, the SDGs are the broadest, most ambitious development agenda ever agreed at the global level. In his role as corporate secretary of the World Bank, **Dr Mahmoud Mohieldin**, led his institution in helping to shape the goals. Here, he outlines for the *Quarterly* his views on the new agenda.

BY ARYA GUNAWAN USIS

OQ: *As an expert involved throughout the process, do you think the final document is the best that the world can have?*

MM: The new development agenda is universal, calling for action by low-, middle- and high-income countries alike. In the current draft document, Member States pledge that no one will be left behind. It focuses on people, planet, prosperity, peace and partnership (5 Ps) as indivisible concepts. The new SDGs contain an all-encompassing and nuanced set of targets that generate momentum and accountability for sustainable development, including ending poverty by 2030.

OQ: *Were stakeholders forced to make many sacrifices for the sake of compromise?*

MM: Given the scale of this effort, it is natural that there could be some reservations by some UN Member States. However, the overwhelming consensus is that it is the best possible outcome and an important set of instructions to end poverty and preserve the planet. As many have said, the 2030 agenda and the SDGs that it enshrines are a great step forward, but the real work lies ahead of us.

OQ: *How do you see the transition from the Millennium Development Goals (MDGs) to the SDGs?*

MM: The progress achieved under the MDGs, which close at the end of the year, was substantial. Global poverty, for example, was halved five years before the deadline. This reduction, however, occurred at the global level; at the country level, incidences of extreme poverty still persist. In this context, the SDGs set out to finish the unfinished business of the MDGs. In comparison to the establishment of the MDGs, this process has been far more transparent, inclusive and discursive with much debate and compromise. In developing the SDGs, each country had the opportunity to determine goals and targets that fit their national interests, to promote economic growth and investment with the intention of ending poverty and protecting the planet.

OQ: *What are the most important lessons learned from the MDGs?*

MM: A very important lesson is that we can rally the world around a set of issues important for development. In addition, the consensus reached on the 2030 agenda outcome document will ▶

"As many have said, the 2030 agenda and the SDGs that it enshrines are a great step forward, but the real work lies ahead of us."

◀ provide momentum for negotiations on a new binding climate change treaty to culminate at the Paris Conference of the Parties (COP) climate change conference later this year.

OQ: *Given that the SDGs, with 17 goals, address an even broader agenda than the MDGs, what would you consider to be the minimum requirements for countries to implement these goals?*

MM: The SDGs identify and aim to tackle systemic barriers to sustainable development such as inequality, unsustainable consumption and production patterns, inadequate infrastructure and lack of decent jobs. Member States stressed that the desired transformations will require a departure from "business as usual" and that intensified international cooperation on many fronts will be required. This includes a revitalized global partnership for sustainable development encompassing multi-stakeholder partnerships.

Agenda 2030 also calls for increased capacity-building and better data and evidence for measuring sustainable development. The High Level Political Forum on sustainable development, set up after the Rio+20 Conference, will serve as the apex forum for follow up and review and will thus play a central role. The UN General Assembly, the Economic and Social Council (ECOSOC) and specialized agencies will also be engaged in reviewing progress in specific areas.

OQ: *One of the biggest challenges in the implementation of the SDGs is financing. How significant was the recent Financing for Development Conference in Addis Ababa, Ethiopia, in refining the "how" of the new agenda?*

MM: As you rightly point out, financing is critical, and one of the key factors that will define the successful implementation of the SDGs. The infrastructure agenda alone will need an investment of US$1tr a year, an amount seven times that currently available in official development assistance (ODA). This necessitates strong partnerships and innovative thinking, including domestic resource mobilization, smarter and more targeted use of ODA, a better environment for the private sector to be able and willing to invest in development, and the strategic use of remittances, among others.

The conference held in Addis Ababa in July was a significant development with regard to the means of implementation of the 2030 agenda. The language used in Addis is reflected in the 2030 agenda document and is very much aligned. Addis was a key stepping stone on the global development path, giving important

PHOTO: RAWPIXEL/SHUTTERSTOCK.COM

positive momentum to help conclude a critical year for multilateral consensus on a global and universal development agenda.

OQ: *There is wide acknowledgement of the importance of engaging the private sector in the new agenda. How would you define its role?*

MM: The importance of involving the private sector in the development agenda to address the SDGs cannot be emphasized enough. The private sector is an indispensable force for sustainable development—it sparks the innovation, improves the productivity and economic efficiency, and creates the jobs and growth needed to end extreme poverty and boost shared prosperity.

There needs to be a paradigm shift in that the private sector should be actively sought out to be equal partners in the implementation of the SDGs. The private sector could create opportunities and platforms for efficient funding. Similarly, we need to think outside the box and chart smart and non-traditional avenues for funding, involving the private sector as a partner. But leveraging the power of the private sector means mitigating risks—it's imperative to balance the need for sufficient risk/reward rates with the need for affordable services for all. That requires governments and the private sector to work closely together.

OQ: *Data alignment, including metrics, on various aspects of development is another crucial issue when it comes to the implementation of the SDGs. What is the World Bank doing to address this particular challenge?*

MM: Global expertise combined with country-level engagement is core to the way the World Bank Group operates, allowing us to tackle the toughest development challenges. At the beginning of the process and in the initial engagement of our institution with the UN and the development community, the World Bank identified three areas of focus and work: finance, data, and implementation.

Finance, data and implementation encapsulate huge challenges, but steps are underway on all three fronts. We are in good shape with our work on data—with our Memorandum of Understanding with other multilateral development banks (MDBs) and the UN, as well as ongoing work on the data revolution.

On finance, the World Bank Group is a "leveraging machine," able to help countries unlock domestic public resources and crowd-in private domestic and foreign capital to raise the trillions needed to finance vital development.

On implementation, the World Bank Group is positioned to build on its experience and track record to help clients achieve the SDGs in accordance with national priorities and via smart partnerships that pull in the wider development community, including the other MDBs, civil society, and the private sector.

OQ: *As an institution that has been labeled the "champion" of energy poverty eradication, OFID is greatly encouraged by the inclusion of universal energy access in the SDGs (Goal 7). As an insider to the process, how would you describe the general understanding among stakeholders of energy as a catalyst for the success of the wider agenda?*

MM: The interlinkages between climate change and energy issues is particularly significant, and it has been underscored that without solutions to climate change and energy poverty there can be no irreversible poverty eradication. Participatory processes are required to assess what kind of services the end-users truly find most useful. It has been the opinion of many that providing access and increasing the amount of renewable energy should be seen as issues supporting each other; small-scale options of renewable energy could be solutions for sustainable rural energy production and access.

PHOTO: WORLD BANK

"The private sector is an indispensable force for sustainable development—it sparks the innovation, improves the productivity and economic efficiency, and creates the jobs and growth."

PHOTO: : IFAD/GMB AKASH

OFID in the Field

In full alignment with the SDGs, OFID's strategic plan for the period 2016–2025 takes an integrated approach to development, focusing on the critical water-food-energy nexus. In terms of poverty eradication and sustainable development, these three areas represent the defining challenges of the coming decades. While OFID has almost 40 years' experience in tackling these issues, it is now doing so in a way that carefully considers their interrelated nature. In the following pages, **Damelys Delgado** highlights a recently completed OFID project from each component of the nexus.

PHOTOS: OFID/LUISCELA MORENO

Honduras: Promoting development through the wind

Access to modern energy, no matter its source, is essential for almost every aspect of human life, including the basic needs of light, heat and food preparation. In Honduras, a successful private initiative has transformed life for 100,000 households in rural Choluteca through the use of wind power.

The share of oil and gas in the global energy supply is estimated by the World Energy Council to be around 50 percent. While fossil fuels are expected to maintain their dominance until 2035, renewable technologies will assume a growing share, supplementing the provision of electricity from traditional sources.

The 2014 Report of REN21 (Renewable Energy Policy Network for the 21st Century) estimates that renewable resources currently constitute 19 percent of global energy consumption. Wind power, a prime renewable, is an important component of the energy mix in a world where all sources of energy are needed to find a way of serving the 1.3 billion people living without access to electricity.

Clearly, the most affected by lack of energy are the poorest countries. In Central America, an estimated eight million people, the equivalent to 20 percent of the total population, do not have access to electricity, with Guatemala, Honduras and Nicaragua experiencing the biggest gap. The majority of these people live far from urban centers and viable electrical grids. Because expanding the grid over long distances is economically unfeasible, on-site generation is the most affordable option, given the region's wealth in renewable resources.

A success story for 100,000 families

This article describes a successful case of renewable energy provision in Honduras, one of the least-developed countries in Latin America. Honduras experiences persistent poverty, food insecurity and socioeconomic inequality. Close to half of the total population of 8 million people, live in rural areas. Seventy percent of the rural population lives in poverty and 60 percent live under conditions of extreme poverty.

When the San Marcos Wind Farm opened in February 2015 in Choluteca, the southernmost and poorest department of Honduras, more than 100,000 households gained reliable access to modern energy services. The launch of 25 turbines with a combined 50MW of installed capacity has contributed to the efforts of the Honduran government to diversify the energy mix by increasing the share of renewables.

OFID's Luiscela Moreno, who is in charge of the project, said: "The wind farm provides energy to families that did not have access to electricity, 1,100 direct jobs were created, roads were built, the zone was reforested, one school refurbished." She continued: "When I visited the project, I had the opportunity to talk with the team and see the quality of the wind farm. I felt proud and more committed to keep working on projects like this with strong developmental impact and benefiting mainly the poor communities."

The country's current generating capacity is around 1,700MW, but Honduras remains heavily dependent on fossil fuels which provide 58 percent of its energy supplies. The National Plan proposes that, by 2022, 60 percent of domestic demand will be supplied by renewable resources. The Honduran Association of Renewable Energy Producers highlights that, in addition to low and stable rates contributing to national competitiveness, renewables bring other benefits, such as reducing the fossil fuels bill and providing foreign exchange savings. Currently, the country spends 13 percent of GDP on hydrocarbons, the highest expenditure in Central America.

The San Marcos Wind Farm was co-financed by OFID through a loan to the private company *Vientos de Electrotecnia* (VESA), a supplier of electric power through wind conversion. VESA is responsible for the generation, as well as the construction, operation and maintenance of the power plants. The installation was rated the "Renewable Infrastructure of the Year 2015" by the 13th Latin American Leadership Forum on Infrastructure.

VESA is owned by *Grupo Terra,* a large regional group with extensive experience in renewable energy projects in five countries, developing thermoelectric, hydroelectric, wind and solar projects, for a total capacity estimated at over 563MW.

VESA sells its energy to the *Empresa Nacional de Energía Eléctrica* (ENEE), under a 20-year power purchase agreement, begun on completion of the project. Twenty years is the minimum life for a turbine engine, depending on the quality of the operation and the maintenance regime, as well as the wind forces it experiences. ENEE is the state-owned power company responsible for the transmission and distribution network in Honduras.

After the inauguration of the San Marcos Wind Farm at the beginning of 2015 and its evident success, VESA requested a second OFID loan to expand the facilities to between 12MW and 13.2MW. Based on these plans for a future increase in energy provision through wind power, the *Quarterly* will soon be pleased to report additional alleviation of energy poverty in Honduras, supported by the private sector and OFID. ■

OFID's Luiscela Moreno *(left center)* at the San Marcos wind farm, which gave 100,000 poor households access to electricity when it opened in February 2015.

Philippines: Fostering rural productivity in the uplands

No matter the severity of the constant threats from nature, the Philippines remains wholly committed to pursuing a vibrant agriculture sector.

Better land governance and increased investment in agricultural infrastructure are critical for higher productivity, job generation, and the reduction of poverty in many parts of the Philippines.

This was the statement delivered by Arsenio Balisacan, Socioeconomic Planning Secretary and Director-General of the Philippines' National Economic and Development Authority, at the spring 2015 meetings of the World Bank.

Mr Balisacan highlighted that increasing agricultural production without providing access to urban centers where produce can be transported to markets, can be counterproductive for farmers. "Connectivity is the key to getting the rural communities to participate in the growth process," he stated.

According to the World Bank, agriculture accounted for 11 percent of the Philippines' GDP in 2014. However, a large part of the sector operates at subsistence levels and is vulnerable to yearly weather changes. The country, which is the world's largest archipelago, is prone to natural disasters and frequently battered by tropical storms. One of the most recent, Typhoon Haiyan in November 2013, was recorded as the deadliest of modern times.

Approximately six out of ten people in rural areas depend on agriculture for their livelihood. Of the country's 93 million population, more than 30 percent is rural.

The International Fund for Agricultural Development (IFAD) details the complexities of poverty and agriculture in the country, an archipelago consisting of 7,107 islands, with widely varying degrees of rural poverty. "Among the causes of rural poverty are a decline in the productivity and profitability of farming, smaller farm sizes and unsustainable practices that have led to deforestation and depleted fishing waters," An additional constraint is that poor people have little access to productive assets and business opportunities, microfinancing services or affordable credit.

The challenges are immense and the government's prolonged land reform program has created uncertainty in rural markets. According to Balisacan, the Philippines probably has the world's longest land reform program—40 years. It is still an unfinished business.

Rice, maize and cassava are the main subsistence crops, while coconuts, sugar cane, bananas and pineapples are grown for export. The sector is constrained by several factors, including inadequate infrastructure and irrigation systems, as well as inferior distribution facilities.

A positive mindset

The government remains upbeat, however, and is pursuing a policy to boost productivity, global competitiveness and food security, while alleviating poverty and empowering the rural poor. Within this framework, irrigation and farm-to-market roads have the highest priority.

Jointly with IFAD, the Asian Development Bank, the government of the Philippines and local authorities, OFID has co-financed a project in the Cordillera Highlands, a northern region marked by severe poverty. Targeting poverty reduction and livelihood improvements among indigenous communities, the project concentrated on the Abra, Apayao, Benguet, Ifugao,

An indigenous woman works on her orange orchard in the Philippines' Mountain Province. She is just one of some 190,000 people to benefit from the wide-reaching activities of the OFID/IFAD/Asian Development Bank project.

Kalinga and Mountain provinces. Altogether it benefited over 190,000 people.

The project set out to increase farm income through sustainable agricultural development and to enhance living standards through improved land tenure and food security, in addition to watershed conservation.

To reach its goals, the project pursued social mobilization and land titling for the ancestral domains of the indigenous people. The project achieved the support of the community to preserve watersheds, to implement a wide reforestation plan and to promote agroforestry through farmers' field schools.

Other components of the project were the promotion of agribusiness and marketing, microfinancing, income-generating activities and small rural enterprise development. It also included the rehabilitation of roads and irrigation schemes, as well as the construction of community facilities such as day-care centers, clinics and schools.

OFID's Iman Alshammari, who is responsible for public sector operations in the Philippines, shared her thoughts about the project: "Before I started working for OFID, hard work to me meant sitting in front of a screen for a few hours, reading and writing in the comfort of my well-lit office. For these farmers, hard work means rising with the sun and pushing to the limits of their physical strength."

She continued: "Through this project, we have helped many people fulfil their dream of sending their children to school or building a roof so that they can sell their produce when it's raining. It is always gratifying to see that our efforts big or small are paying off."

It will be a long time before the Philippines achieves full agricultural development. Every step taken, however, is a step toward reducing poverty and securing a better quality of life for its people. ■

PHOTO: REUTERS/THIERRY GOUEGNON

Solutions for a thirsty and crowded Abidjan

As Côte d'Ivoire continues to pick up the pieces after years of political and civil unrest, for millions of citizens the word "water" has come to represent not only a survival issue, but the hope of building a sustainable future.

In the developed world, access to water and sanitation systems is taken for granted. In the developing countries, however, almost 900 million people have no access to safe drinking water and 2.5 billion lack basic sanitation services. During times of conflict, conditions deteriorate.

The first civil war in Côte d'Ivoire began in 2002 and lasted about five years. This led to the displacement of more than a hundred thousand people to neighboring countries, such as Liberia and Ghana. However, the most significant human displacement occurred internally. When the conflict ended, an estimated 1.5 million people were forcibly settled in the outskirts of the capital Abidjan. Inadequate at the best of times, the water supply system was ill prepared to accommodate an explosive and disorderly population increase.

Struggling to move on

The civil war disrupted the economic, social and political fabric of Côte d'Ivoire. According to the World Bank, the level of poverty increased from 35 percent in 1998 to about 50 percent ten years later.

A second civil war in 2011 disrupted the country's path toward achieving the MDGs and further endangered access to basic social services.

A bird's eye view of Abidjan, where an OFID project has extended water supply and sanitation services to thousands of families living in informal settlements.

When the Ivoirians were again able to begin a reconstruction process, significant efforts were undertaken to restore access, especially to water.

Water supply and sanitation have been prioritized in several of Côte d'Ivoire's national development plans. The country boasts a dense hydrological network, and the World Health Organization estimates that 80 percent of the population enjoys sustainable access to improved drinking water sources. However, the same source states that just 24 percent of the population has access to proper sanitation facilities.

Reinforcement of Abidjan's water supply system

At the end of the first civil war, 40 percent of the inhabitants of Abidjan—a highly industrialized city with over 4.5 million inhabitants—were without a sustainable water supply. Rectifying this became a national emergency.

In April 2007, OFID received a formal request from the government for financial assistance and joined with the Islamic Development Bank to co-finance a project to provide safe water and sanitation services to Abidjan, in particular to the huge number of displaced people living in informal settlements.

The project consisted predominantly of civil works covering the installation of boreholes with pumps, the construction of a water treatment plant and an extension of the water supply network to include 75 standpipes and 2,000 private connections. The new facilities were inaugurated in December 2014.

Women and children, who had previously carried the burden of fetching water, have benefited most from the improvements. People are also saving money, as they no longer have to pay the high prices demanded by water resellers. The project has also reduced the risks associated with the use of unsafe water sources and the inadequate sewerage system. The direct impact on the people's health was immediate.

Asked about the project, Mona Alessa, OFID country officer for Côte d'Ivoire said: "I can't describe how happy and excited I am that this project is finally completed and the water treatment plant operating. Children can now go to school and get an education instead of walking long distances to fetch water, and women can work and earn an income and so improve living standards for their families."

With the support of the international community, Abidjan is today able to meet the water and sanitation needs of its citizens. OFID's share has helped a crowded community achieve a better quality of life. Without adequate water supply and sanitation systems, such an improvement would be impossible.

OFID and St Lucia resume cooperation

After a gap of over twenty years, OFID and St Lucia are back in harness and working to bring a much-needed boost to the Caribbean island's road sector.

BY ARYA GUNAWAN USIS

The new project forms part of a priority program to improve transport links between St Lucia's capital Castries and the town of Gros Islet in the northwest corner of the island. Its ultimate aim is to open up trade and other economic opportunities and bring direct benefits to the area's 100,000 residents.

Specifically, the project will upgrade around 7km of main road to a four-lane dual carriageway with seven roundabout junctions and bridges for pedestrian safety. Due for completion by the end of 2018, it will also improve some 20km of secondary roads.

The region in question holds around 55 percent of the island's population and is a popular destination for rural and urban migration. As such, its development is highly dependent on an efficient road network.

As well as facilitating the distribution and marketing of industrial and agricultural products, the improved and widened roads will also have a positive impact on the tourism sector.

St Lucia's Prime Minister, Dr Kenny Anthony, signed the loan agreement with OFID Director-General, Suleiman J Al-Herbish, at OFID Headquarters on June 29. OFID is sharing the

The new dual carriageway has reduced congestion and travel time and improved safety conditions for all road users.

PHOTO: BENJAMIN HOWELL/ALAMY STOCK PHOTO

Prime Minister Dr Anthony *(left)* and Director-General Mr Al-Herbish initial the agreement, which marks a new phase in the partnership between St Lucia and OFID.

cost of the project with the Kuwait Fund and the Government of St Lucia.

Dr Anthony, who is also Minister of Finance, Economic Affairs, Planning and Social Security, has personally welcomed the project. Describing it as very valuable to citizens and the corporate sector, he believes that it will improve the speed and efficiency of freight transfers, enable customer access, and increase workforce productivity.

Speaking in the media, Dr Anthony explained that the road network improvement and expansion would help alleviate problems that have been mounting for decades, and which have come to a head in the present day.

"Today, we are witnessing traffic volumes in excess of 24,000 vehicles per day, which in itself suggests that even an upgrade to four lanes will not provide completely free-flowing traffic conditions. This investment, however, will reduce the perennial crawling traffic and improve travel times considerably for commuters using this route," he told Barbados' *Nation News* newspaper.

OFID's interest in the project was sparked, in part, by the inherent benefits for the education sector. Arij Senussi, who is responsible for OFID's public sector operations in St Lucia, explained: "Children in the project area face major constraints in reaching school. In many cases, students drop out of secondary school because of the high cost of travel," she said.

But the main disincentive is the treacherous road, which is one of the most dangerous in St Lucia, with a high flow of traffic and hazardous curves. "This safety issue was an important factor that we took into consideration when assessing this project," Senussi added.

A good relationship moving forward

OFID's early cooperation with St Lucia involved loans for projects covering the education, water supply and sanitation and transport sectors. All of these were successfully implemented and completed.

According to Senussi, the long break in relations was due to shifting priorities on OFID's part. Resuming cooperation had been a challenge but, after working closely with the government, a very good relationship had been established with the country, she indicated.

Already, the government has shown an interest in submitting two new projects to OFID for consideration: another road project and one involving the rehabilitation of the old city of Castries.

"We welcome these new requests and will consider them for funding. We are also looking at other ways to expand OFID's presence in the country, including through activities that could be considered by our private sector team," said Senussi. ■

Read the full interview with St Lucian Prime Minister Dr Kenny Anthony on page 42.

OFID and Madagascar continue longstanding partnership

With a relationship stretching back almost four decades and a milestone thirtieth loan secured in July, Madagascar is looking forward to continued support from OFID as it addresses priority sectors in its national development strategy.

By Alesandra Solano

In June, OFID and Madagascar signed two new loan agreements—representing the 30th and 31st approved operations—in a fruitful partnership that has contributed over many years to economic growth and poverty alleviation in the African island nation.

The agreements were signed at OFID headquarters in Vienna by the Malagasy Minister of Finance and Budget, François Gervais Rakotoarimanana, and OFID Director General, Suleiman J Al-Herbish. Speaking at the ceremony, the Minister described his country's cooperation with OFID as exemplary and praised the institution's long-term support.

"Madagascar has just overcome a crisis and there are a number of priority programs and projects that need to be launched, primarily in the agricultural and energy sectors," Rakotoarimanana said, referring to the freshly secured funding.

An uphill struggle

The challenges remain daunting for a country classified by the World Bank as one of the world's poorest. In its national development program, launched in 2014, the Malagasy government has pledged to "fight against poverty through inclusive growth." OFID's latest round of financing—for a hydro-agriculture project and an energy project—will support this vision.

With per capita energy consumption among the lowest in the world, Madagascar's energy sector faces significant challenges. Only about 20 percent of the population has access to electricity, while the remainder relies primarily on biomass, mainly in the form of firewood.

Rakotoarimanana told the *Quarterly* that his government had already taken short-term measures to tackle the energy problem, but that it would need the support of technical and

PHOTO: IFAD/HORST WAGNER

financial partners. “It is of crucial importance for Madagascar to find suitable energy solutions; as we often say, we cannot create jobs in darkness,” he emphasized.

OFID’s contribution to the sector is a US$15m loan toward a project that aims to improve the accessibility and reliability of electricity services. The project will foster the development of productive activities, while contributing to job creation and inclusive growth, ultimately benefiting around two million people.

Harnessing agricultural potential

The second of the two loans just signed is for a hydro-agricultural project in northwestern Madagascar, which seeks to contribute to rural poverty alleviation and boost food security.

Agriculture accounts for roughly 30 percent of the country’s GDP, and the vast majority of households rely on an income derived from farming in some shape or form. The dominant food crop is rice, which is grown in the central plateau, eastern forests and lower river valleys and estuaries.

Despite its importance, rice production is beset with difficulties, largely due to the sub-sector’s inability to adapt to climate change. Previously self-sufficient, the country has been a net-importer of rice since 1980.

The OFID-supported project focuses on the Melaky region, where farmers are especially vulnerable. The area enjoys plentiful fertile land, but this remains largely unexploited due primarily to the lack of water. As a result, poverty levels are extremely high, as is food and nutrition insecurity.

The project involves the construction of a diversion dam on the Beboka River along with an irrigation scheme over some 1,600 ha of paddy fields. Also envisaged is support to farmers to help them sustainably manage both the land and water resources. The anticipated increase in production is expected to translate into a 70 percent boost to household incomes.

With some 1,500 households representing roughly 8,000 people standing to benefit from the new infrastructure, the project represents an opportunity to break and reverse the long-term vicious cycle of poverty in the area. ■

Malagasy Minister of Finance and Budget François Gervais Rakotoarimanana *(left)* and OFID Director-General Suleiman J Al-Herbish conclude the agreements.

PHOTO: LUKAS GOJDA/SHUTTERSTOCK.COM

Road agreements pave the way for economic opportunity in Sri Lanka

With the provision of new financing totaling US$77m, OFID is staunchly behind Sri Lanka's efforts to prioritize investment in infrastructure and boost the country's transition to a modern middle-income nation.

BY FATMA ELSHHATI

This summer, OFID committed a total of US$77m in two separate loans to Sri Lanka for projects involving the rehabilitation of important road infrastructure. The new agreements represent the latest in a raft of funding approved by OFID over the past three years to support development of the country's transportation sector.

The agreements were signed at OFID's offices in Vienna by Ravi Karunanayake, Sri Lanka's newly appointed finance minister, and OFID Director-General Suleiman Al-Herbish.

"Transportation is a key investment area in our country," Karunanayake stated, explaining that many of the roads and highways had not kept abreast of the demand triggered by Sri Lanka's rapid economic growth.

With one of the fastest expanding economies in South East Asia, Sri Lanka has been a model in the region, meeting nearly all the set targets of the Millennium Development Goals, which expire this year. Yet it has struggled to keep its infrastructure development up to pace, largely due to the years of civil conflict and military rule, which came to an end in 2009.

The new government, elected in early 2015 has embarked on an ambitious pro-poor development plan, which includes boosting industry and trade in the next five years by improving transportation routes between provinces.

Industrial and agricultural exports are the mainstay of the country's economy, but the inadequate transport infrastructure makes the movement of goods both time-consuming and expensive.

"If we want to lower the cost of our exports and make them competitive, we need to prioritize the development of our transport network," Karunanayake told the *Quarterly*.

In this context, the road sub-sector is key, accounting for all but a fraction of freight land transport. Although the network is dense and well laid out, most roads were built more than 60 years ago. Maintenance, rehabilitation and new construction have not kept up with the increased volumes of traffic, which now exceed the design capacity of many roads.

With the help of external donors, the government hopes to advance the reform and development of the transport sector. "We are trying to maximize the limited resources that are coming from friends such as OFID," Karunanayake told the *Quarterly*.

"We aim to ensure that these infrastructural developments are used to the best of their potential," he added, disclosing that by mobilizing donor assistance the government plans to spend around US$1.5–2bn a year to complete its ambitious development plan.

With the post-2015 Sustainable Development Goals in place, Sri Lanka is gearing up for the path ahead, in particular for addressing Goal 9: Building quality, reliable and sustainable infrastructure.

Delivering economic and social benefits

The two OFID-sponsored projects have been identified as critical to the country's development.

The rehabilitation of the A05 road corridor, which OFID is co-financing to the tune of US$60m, will upgrade and widen 151.3km of road that forms part of a major highway traversing the Central, Uva and Eastern provinces. Together, these high-poverty areas are home to some three million people.

The second project—supported with a US$17m loan—will upgrade 27km of roads in the Western province, one of the country's most populated regions.

In terms of economic benefits, the upgraded roads will stimulate manufacturing, mining, tourism, agriculture and trade by lowering the cost of goods and encouraging the production of higher-value consumables. By improving connectivity for the country's rural population, the two projects also promise extensive social benefits. ■

"If we want to lower the cost of our exports and make them competitive, we need to prioritize the development of our transport network."

RAVI KARUNANAYAKE

Sri Lankan Finance Minister Ravi Karunanayake *(left)* and OFID Director-General Suleiman Al-Herbish exchange remarks at the signature ceremony.

Nicaraguan Minister of Finance, Iván Acosta Montalván, met OFID Director-General Al-Herbish in his office to discuss his country's development challenges and future cooperation with OFID.

OFID promises support to Nicaragua's SDG aspirations

As Nicaragua prepares to embrace the SDGs, OFID has reiterated its commitment to the country, one of its most active partners in the Latin American and Caribbean region.

BY ALESANDRA SOLANO

The pledge was made in a meeting at OFID headquarters in September between the Nicaraguan Minister of Finance and Public Credit, Iván Acosta Montalván, and OFID Director General, Suleiman J Al-Herbish.

The Minister's visit was a courtesy call in follow-up to the mission the Director-General headed to Nicaragua in October 2014.

Reiterating OFID's support to the Central American nation, Mr Al-Herbish said that the institution stood ready to streamline its cooperation with the government's development priorities.

The Minister described his country's relationship with OFID as exceptional and ascribed its endurance to both partners being aligned towards the same goal: the fight against poverty.

"Our relationship has been very important since the beginning and continues to grow stronger by the day. We have had important investments along the way which have made an impact on the growth of Nicaragua's economy," he said.

Nicaragua and OFID have been partners since 1979, with cooperation extending to the public sector, the private sector and trade, as well as a large number of community level grant-financed activities.

Embracing the SDGs

Having successfully reduced its child and maternal mortality rates—ahead of the 2015 MDG deadline—and made progress in reducing malnutrition, Nicaragua is preparing to embrace the upcoming SDGs.

However, the country faces many challenges. Acosta Montalván divides these into three main areas: "First, we need to build an economic structure that brings competiveness to the country. We would then need to strengthen education within our population. And then we need to be open to more projects that will position the country in the global economy map," he said.

The Minister pointed to education as one of the most critical factors in promoting social and economic inclusion. "Our people are our most important agents in generating employment and boosting productive capacities and so contributing to our country's economic development," he stated.

Acosta Montalván went on explain that Nicaragua wanted to open its doors to projects that would transform the country and position it on the global economy map. "We're looking to boost economic growth by building a long-lasting economic investment," he said, referring to his country's aspirations.

One area of strong economic advantage, said the Minister, was Nicaragua's experience in exporting raw materials. In the long run, he disclosed, the country would like to become a world class logistics hub and set itself up as one of the most competitive countries in Latin America.

Ongoing Projects

OFID has three ongoing public sector operations in Nicaragua, one in the energy sector and two in the transportation sector.

In the energy sector, OFID is co-financing the National Program for Sustainable and Renewable Energy, which aims to increase access to electricity from 65 percent to 85 percent. During his mission to Nicaragua last year, the Director-General received an extensive briefing on the project's implementation and positive impact. Since that time, OFID has continued to receiving encouraging feedback about the project's progress.

In the transport sector, OFID is co-financing two rural roads in remote areas. The population is already benefitting from the projects as both the labor and the cobblestone required to build the roads is being sourced locally. Both projects are using a community-based implementation system that promotes a sense of entrepreneurship, belonging and the necessary technical know-how to ensure the projects' long-term sustainability. ■

With its strategic location on the Central American isthmus, Nicaragua has ambitious plans to establish itself as a world class logistics hub.

PHOTO: HXDBZXY/SHUTTERSTOCK.COM

OFID

diary

July–September 2015

JULY 22

Emergency aid grants approved

Islamic Relief Switzerland (US$100,000) and **CARE Austria** (US$150,000). To support Islamic Relief Switzerland's food assistance operation in Aleppo and CARE's water, sanitation and hygiene services provision program to displaced communities in Idleb governorate, Syria.

AUGUST 4

Private sector loan agreements signed

Trade and Development Bank of Mongolia. US$25m. To help enhance the bank's capacity in supporting local corporates and, in particular, SMEs with their foreign trade finance requirements.

ACLEDA Bank PLC. US$15m. The term loan will assist the bank in its lending operations to MSMEs in support of Cambodia's socioeconomic development.

AUGUST 25

Grant agreement signed

United Nations Industrial Development Organization. US$300,000. To improve productivity and competitiveness of fisheries value chains in the Latin America and Caribbean region with a focus on shrimp farming. Beneficiary countries include Colombia, Cuba, Dominican Republic and Nicaragua.

SEPTEMBER 3

Public sector loan agreement signed

Armenia. US$25m. Infrastructure and Rural Financial Support Program. To reduce rural poverty by installing small and medium scale irrigation systems, providing household water supplies, and setting up a rural finance facility for smallholders and rural entrepreneurs.

SEPTEMBER 8

Emergency aid grant approved

International Humanitarian Relief. US$20,000. To provide essential clothing items for Syrian refugees in Austria.

SEPTEMBER 15

152nd Session of the Governing Board

Public Sector loans approved

China. US$15m. Sichuan Healthcare. To improve the quality of healthcare delivery by constructing a 13-story inpatient building for a hospital in Ziyang City. The new facility will boost annual outpatient capacity to over half a million and accommodate around 35,000 inpatients per year.

Cuba. US$25m. Trinidad Water Supply and Sanitation System Modernization. To improve access to safe drinking water and provide basic sanitation services for over 30,000 people in Trinidad city and neighboring townships, thereby helping enhance health indicators and living conditions.

Malawi. US$14.85m. Integrated Urban Water and Sanitation Project for Mzimba Town. To help raise health and living standards, as well as improve livelihoods among some 100,000 people by rehabilitating and expanding water supply infrastructure.

Rwanda. US$15m. Nyagatare-Byumba-Base Road. To upgrade a 73km stretch of road that passes through key agricultural areas. Around 1.2 million people in the Northern and Eastern provinces are expected to benefit from improved trade opportunities and access to markets and social services.

On July 22, Mr Al-Herbish received in his office Dr Ali Taieb Nia, Minister of Finance and Economic Affairs of Iran *(center)* and Dr Mohammad Khazaee, Iranian Governor to OFID.

Grants approved

German Cooperation for International Cooperation (GIZ). US$350,000. This grant will cover the provision of OFID/GIZ scholarships to 10 young professionals from developing countries in the areas of renewable energy and energy efficiency.

International Humana People to People Movement. US$500,000. This grant will co-fund a project that will boost access to quality education in under-served rural populations in DR Congo, Guinea-Bissau, Malawi and Mozambique by implementing a teachers' training program. Around 15,000 primary school children/year are expected to directly benefit from the scheme.

Instituto per la Cooperazione Universitaria Onlus. US$500,000. To enhance access to modern energy services in four rural areas of Burundi by rehabilitating four power plants and strengthening the capacity of the country's rural electrification agency. As a result, nearly 46,000 people will enjoy better living standards and incomes.

Nubian Vault Association. US$350,000. This grant will support a program aimed at enhancing access to affordable and sustainable housing in Burkina Faso, Mali and Senegal. Around 32,000 people will directly benefit from the initiative, which promotes the use of the age-old "Nubian Vault" construction technique that uses earth bricks and mortar.

United Nations Development Program/Program of Assistance to the Palestinian People. US$400,000. To support early recovery efforts in Gaza through the creation of employment opportunities for young professionals. This will be done by supporting short to medium term employment opportunities for some 300 people, targeting skilled workers, new graduates, persons with disabilities and women.

SEPTEMBER 22

Public sector loan agreement signed

Nepal. US$20m. Small Towns Water Supply & Sanitation Sector Project (Phase III). To enhance water supply and sanitation services in a selected number of small towns through the provision of water supply networks, sanitation facilities and wastewater treatment schemes, alongside institution strengthening and regulatory and policy support.

Meetings attended by OFID

JULY 13–16

ADDIS ABABA, ETHIOPIA
Third Financing for Development Conference

AUG 30–SEP 1

ALPBACH, AUSTRIA
European Forum Alpbach

SEPTEMBER 1

VIENNA, AUSTRIA
Austrian Development Agency High-Level Discussion: "Smart Development Goals—How to Make Sense of the SDGs"

SEPTEMBER 3–4

MEXICO CITY, MEXICO
8th Steering Committee Meeting of the Global Partnership for Effective Development Cooperation

SEPTEMBER 3

VIENNA, AUSTRIA
Austrian Federal Economic Chamber
Forum on "Business and Development"

SEPTEMBER 10–11

BERLIN, GERMANY
Meeting of senior officials of the Deauville Partnership and "Promoting Job Creation in the MENA Region" conference

SEPTEMBER 14–24

OXFORD, UK
37th Oxford Energy Seminar

SEPTEMBER 16–18

BARCELONA, SPAIN
3rd Congress of UN Habitat's Global Water Operators' Partnership Alliance

www.ofid.org

Ayesha Riyaza, Ambassador of Pakistan to Austria, visited Mr Al-Herbish to discuss ongoing cooperation.

Mr Al-Herbish receives Marion Paradas, Ambassador and Permanent Representative of France to the UN and the International Organizations in Vienna.

152nd Session of the Governing Board

Meeting in its 152nd Session in Vienna on September 15, the Governing Board approved US$142m in new financing for development operations in over 20 partner countries. Of this total, US$70m was provided in public sector lending for projects in China (healthcare), Cuba and Malawi (water supply & sanitation) and Rwanda (roads). Two facilities, including a maiden equity participation in the healthcare sector, were approved through the private sector window; while US$25m was committed to support international trade finance activities in Turkey and Guatemala, the latter being a new country to OFID's trade portfolio. Fresh grant funding of US$2.1m will help finance local capacity building and small-scale development schemes in a number of countries, including Palestine. Further details of pubic sector and grant approvals can be found in the *Diary*.

Governing Board Chairman
Abdulwahab A Al-Bader of Kuwait

Aisha S Omar
Ad hoc Alternate Governor, Nigeria

Wilson Marcelo Pastor Morris
Governor, Ecuador

Majed Ali Omran
Governor, United Arab Emirates

Dr Mohammad Khazaee
Governor, Iran

LOAN & GRANT SIGNATURE

photo gallery

Bolivia receives US$70m for road construction

Bolivian Chargé d'Affaires Ricardo Martinez signed the agreement for a highway construction project that will open up rural areas and connect important urban centers.

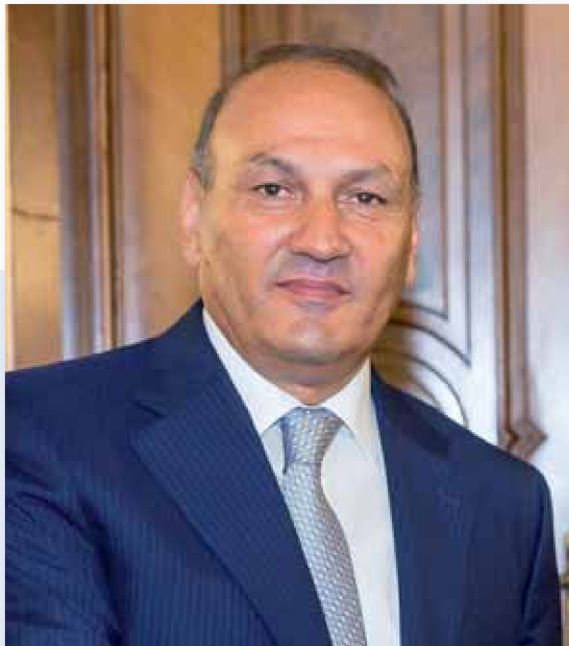
US$50m for water supply and waste management in Maldives

Mr Al-Herbish and Abdulla Jihad, Minister of Finance and Treasury of the Maldives, sign the agreement for a project to construct water supply systems and solid waste management facilities in the archipelago.

The full list of loan and grant signatures can be found on pages 34-35.

US$300,000 grant for UNRoD activities in Palestine

Vlademir Goryayev, Executive Director of UNRoD welcomed OFID's continued support to his organization, which is mandated to protect the legal rights of Palestinians affected by the separation wall.



Armenia receives US$25m for rural development

Armenian Finance Minister Gagik Khachatryan concluded the agreement for a project to promote living standards and income generation by improving rural water supply and irrigation services.

US$300,000 to support shrimp farming in Latin America

UNIDO Director-General Li Yong and OFID Director-General Al-Herbish conclude the grant agreement, which will help boost the productivity and competitiveness of the shrimp value chain in Colombia, Cuba, Dominican Republic and Nicaragua.

PHOTO: PRESSMASTER/SHUTTERSTOCK.COM

New Corporate Plan looks to the future

Featuring four mutually reinforcing objectives, OFID's recently approved strategic plan represents a comprehensive framework to guide the institution through the challenging decade ahead.

BY FARIS HASAN AND GEOFFREY SKIPPER

When the first 10-year Corporate Plan was launched in 2006, it was OFID's initial attempt at a structured approach to long-term planning supported by financial analysis. The new OFID Corporate Plan 2016-2025, approved at the 36th Session of the Ministerial Council on July 21, builds on the achievements and lessons of the original, while laying out an ambitious and concrete roadmap for the critical upcoming decade of development.

As evidenced by the recent approval of the United Nation's Sustainable Development Goals (SDGs), the next 10 years will be especially important in the fight to eradicate extreme poverty. The new Corporate Plan defines itself by placing an emphasis on the integrated "nexus" approach to provide access to modern energy, clean water and adequate nutrition, a focus that was welcomed by the ministers.

One of the coming decade's many opportunities lies in strengthening this nexus approach, which makes a direct and significant difference in living standards in many poor countries. The plan includes transportation as a fourth component to the nexus, recognizing the importance adequate roads and ports play in the effort to increase food security and farmers' incomes. Nexus-related investment lowers costs, improves access to power and markets, and facilitates further development of the industrial and service sectors. Strengthening the nexus plays an essential role in achieving nearly all of the SDGs.

The lack of financing available to private companies presents another opportunity. By providing funds to small and medium-sized enterprises (SMEs) and microfinance via lending to domestic banks, OFID will support the primary drivers of employment in the developing world. Direct corporate loans allow larger companies to expand operations, while guarantees increase the ability of local borrowers to obtain affordable trade finance.

While the plan identified these opportunities, it also examined OFID's strengths and achievements. The last decade saw OFID notch up numerous achievements, including an annual 15 percent growth in operations, extended cooperation with other development finance institutions and cooperation agreements with 10 partner institutions. Among the lessons learned from the previous plan were the need for adaptability to deal with changing environments, the need to grow sustainably, the importance of value added and of investing in well-trained and motivated human resources, and the usefulness of widening the network of OFID's relationships.

The Corporate Plan's analytical approach to these issues has been distilled to four objectives: optimal resources deployment, financial stability, development effectiveness, and enhanced visibility for the organization. As the heart of the Plan, each of these objectives feeds into and strengthens the others.

Focus on the four objectives

The first objective deals with the deployment of optimal resources. To fulfil OFID's poverty eradication mandate, public sector, private sector, trade finance and grant operations will all expand. If normal economic conditions prevail, OFID's resources will grow by 50 percent to over US$10bn by 2025. The allocation of these resources will continually adapt to meet the needs of OFID's partner countries. Both private sector and trade finance lending will grow at a faster rate than that of the public sector to cover support for SMEs as well as manufacturing and trading companies.

The global financial crisis had a significant impact on sustainable development in the past decade. The worldwide economic downturn prevented the full implementation of the previous plan and made OFID's mission to eradicate poverty all the more difficult to achieve. Therefore, the second objective of ensuring financial stability was crafted to takes this into account. As a safeguard against any future financial slowdown, the Corporate Plan 2016-2025 now includes multiple scenarios including a prudent financial case as well as scenarios for both weak economy and proactive lending situations.

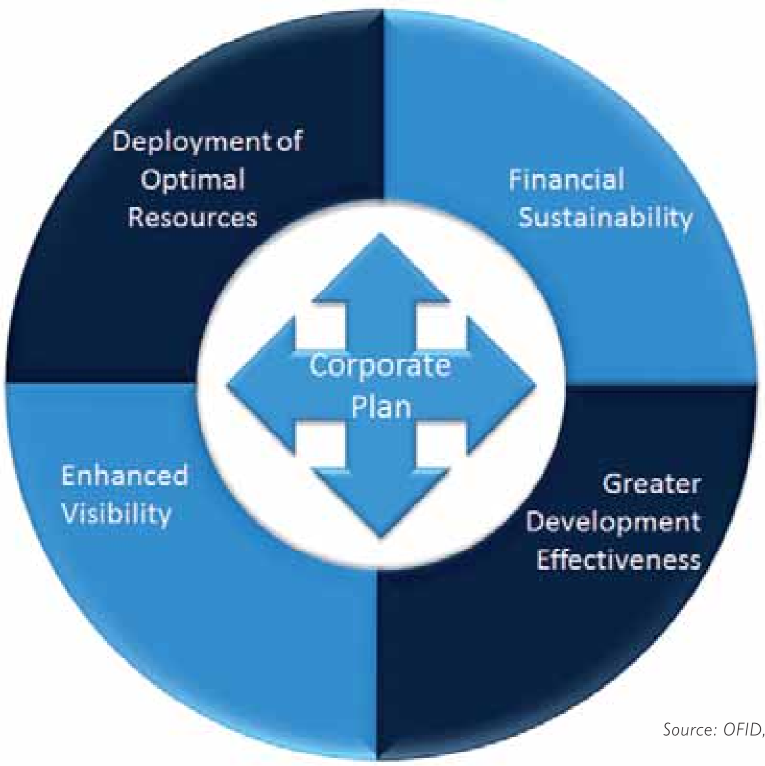
"In many ways, OFID has moved up the learning curve since the last crisis," said OFID Director-General Suleiman J Al-Herbish, as he introduced the new Plan to the Ministerial Council.

Financial stability will permit continued growth by implementing risk controls to keep OFID's assets liquid and by maintaining sustainable growth through returns from operations and investments. Preparations are also underway that would allow OFID to borrow funds if additional resources are needed.

The selection and approval of good projects forms the basis of the third objective: promoting effectiveness. OFID's well-known record of performance in the transportation sector and its recent, growing credibility in the energy sector are examples of the shape this objective can take. Close engagement with all stages of a project and benchmarking performance are also important in boosting effectiveness. As operations grow and expand, enhancing professional training and developing junior members of staff is another key component of this objective. This will be in line with OFID's active support of the Global Partnership for Effective Development Cooperation

The fourth and final objective involves enhancing OFID's visibility to strengthen engagement with the organization's stakeholders as well as co-financiers. This importantly enhances the Fund's credibility by demonstrating success stories from the "on the ground" activities. Greater visibility also increases the likelihood of attracting more co-financiers. This step is especially important as OFID consolidates its role as a development and financial institution.

OFID's Corporate Plan comprises four interdependent objectives



Source: OFID, CPES Unit

Finding a balance

Striking a balance between the four objectives is critical to the success of the new Plan. Putting too much emphasis on expanding operations, for example, might come at the expense of financial stability. Similarly, a focus purely on maintaining stability might reduce the opportunities for visibility and the selection of effective projects.

How successfully these objectives are reached, is set by performance evaluations and key performance indicators for each department. The KPIs provide a gauge to measure progress and allow all employees to remain on track toward achieving the objectives. Having an effective way to monitor performance ensures that the goals of the Corporate Plan will be realized in the most efficient way.

Through the joint work between the Management and the Governing Board, the Corporate Plan 2016-2025 builds on OFID's nearly 40-year legacy and puts the organization's resources and experience to the best use. As with any machine, the key to success is the proper functioning of each of its parts. By providing a list of KPIs and a mechanism to measure how they are met, the plan lays out a roadmap for a meaningful impact in the eradication of poverty in the poorest countries. ■

St Lucia: Small island, big dreams

As a small island developing state, St Lucia faces a unique set of challenges. Here, Prime Minister **Dr Kenny Anthony,** talks to the *Quarterly* about managing the shift to a tourism-based economy and OFID's role in supporting his country's development.

Interview by Arya Gunawan Usis

Dr Kenny Anthony, Prime Minister and Minister of Finance of St Lucia

OQ: *What are the key development challenges confronting St Lucia and how are you addressing them?*

KA: We've been forced to convert our economy to one based on tourism. We are a tourism-dependent economy now. Some fourteen percent of our GDP is derived from tourism-related services. This shift happened very quickly, largely because of the collapse of the agriculture sector. We lost our strength in the banana industry; it virtually collapsed right before our eyes. So we've had to manage the transition from an agriculture-based to a service economy. Another major challenge is unemployment, which currently stands at around 23 percent. This, of course, is a direct consequence of the economic meltdown that we have all experienced in the last few years. Thirdly, there is the broader issue of infrastructure and creating a platform for further investment. Investment and infrastructure walk hand-in-hand. If investors see that you have modern infrastructure, capable of coping with the volume of traffic and allowing easy movement from one place to another, then they are more likely to see investment opportunities. We are also working to improve our health infrastructure and have constructed two modern hospitals. So we are in a period of transformation, a period of adjustment.

OQ: *Is there any plan to revitalize the agricultural sector?*

KA: We are making adjustments. It has been difficult, because our farmers have abandoned the banana industry, because of the collapse of the sector. So we've had to reduce the banana industry to the most efficient farmers. We are trying to encourage young people to return to agriculture. We have a university agriculture program that has brought several hundred young people into the sector. And there is land available. The whole idea now is to redesign agriculture, ensure that we convince our farmers and our young people to handle agriculture as a business. That is what they have been lacking. The people need to appreciate and understand that you cannot have agriculture in the traditional way. Essentially, it is a business. We need to explore linkages between the agriculture sector and tourism. With the redesign of the agricultural sector—where we produce essentially for


PHOTO_ATGIMAGES/SHUTTERSTOCK.COM

the tourism sector—we can reduce all food imports and become more self-sustainable.

OQ: *It has been reported that the tourism sector recorded a six percent increase in the first five months of this year. What policies are you implementing to maintain this growth?*

KA: We have a range of policies. First, aggressive marketing. Tourism cannot survive without marketing. We have to continue to attract visitors from our traditional markets and also explore new markets. Tourism becomes boring very quickly, because you are competing not only against your neighbors but the entire world community. Therefore, you need to constantly improve your product, upgrade it, change it. So, whoever comes to St Lucia, they feel that there is a different kind of experience. And, of course, what matters fundamentally in tourism is not just the beauty of the island, or the quality of the hotels; it is really about the people who manage the industry. So we are investing a lot in training our people so that they can be very responsive. There is a lot to be done, but marketing remains the key. And the marketing has to be very strategic to make visitors appreciate the uniqueness of the island.

OQ: *You have just signed an agreement with OFID for a road project. How will this project contribute to the socioeconomic development of your country?*

KA: This project seeks to rehabilitate a very significant section of the road network in St Lucia, which links the two key centres of economic activity: the capital Castries and the tourism sector in the North, where most of the hotels are located. Some 27,000 people use the road on a daily basis, so there's massive congestion. What this project will do is to make the movement of traffic much easier, reduce travel time and—surely—increase productivity. It will also provide the crucial tourism sector with badly-needed infrastructure and at the same time allow us to increase investment in the sector. There are other benefits to be derived as well: the project will offer significant employment opportunities for the people of Saint Lucia, who are very anxious to get to work.

OQ: *How do you see the relationship between St Lucia and OFID moving forward?*

KA: We are pleased to have renewed our relationship with OFID, which has handled my small state with the utmost civility, respect and sensitivity. It may seem a simple point to make, but it is important to us. We are a small country with just 180,000 people. And for all practical purposes, we are insignificant in the world community. We are grateful that OFID could reach out to us and work with us to make this project a reality. It is an important statement of the major friendship that we have. It is exceedingly difficult for the smallest states like ours to get funding from multilateral sources, so it is to OFID's credit that it is willing to extend support to us. I am pretty certain that we are going to be approaching OFID with other projects in the near future. There is great potential for us to strengthen our relationship. ■

"If investors see that you have modern infrastructure, capable of coping with the volume of traffic and allowing easy movement from one place to another, then they are more likely to see investment opportunities."

CONFERENCE WATCH

Event:	**Third International Conference on Financing for Development (FfD)**
Theme:	Time for global action
Hosted by:	Government of Ethiopia United Nations Department of Economic and Social Affairs
Venue:	Addis Ababa, Ethiopia
Date:	July 13–16 2015

by Said Aissi

Addis Ababa summit agrees financing framework for post-2015 agenda

With more than 100 concrete measures that draw upon all sources of finance, technology, innovation, trade and data, the Addis Ababa Action Agenda lays out a comprehensive global framework for implementing the SDGs.

One hundred and thirty-eight high level government officials, including eighteen heads of state and government, addressed the groundbreaking conference, which was the first in a series of landmark events leading up to the formal adoption in late September of the new post-2015 sustainable development agenda: "Transforming our world: the 2030 Agenda for Sustainable Development."

The Third FfD, which was also attended by development finance institutions, civil society and the business sector, built on the intensive groundwork launched at the 2012 Rio+20 summit, notably the insight of the intergovernmental group of experts on financing for development.

Participants took note of the progress made in the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development despite a number of crises and downturns in economic growth. They pledged to develop the current and the potential sources of financing and to promote a more vigorous international cooperation framework.

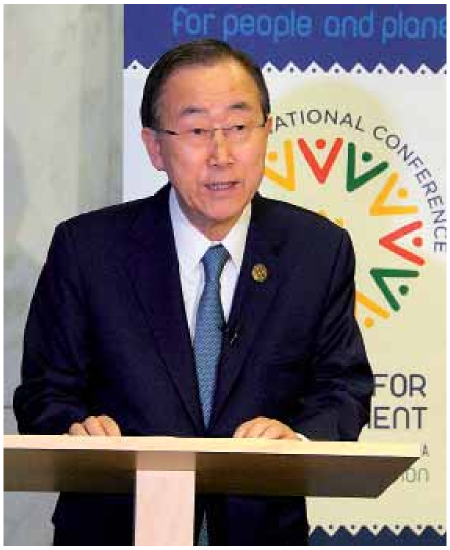
The conference agreed a multi-stakeholder universal plan based on five pillars: people, peace, planet, prosperity and partnership. Applicable to developed as well as developing countries, the plan's overarching object is to eradicate poverty, restore dignity and promote shared prosperity. The plan was endorsed by the UN and is now a key component of the post-2015 transformational agenda.

The conference recognized that the agreed SDGs and their target were set at a much higher level than ever considered and concluded that the means of implementation must be comparably ambitious. The Addis Ababa Action Agenda underscores the financial interconnection of the SDGs and spells out the optimal conditions of their rollout.

The Agenda cautions that achieving the SDGs requires a transformational vision that builds on the lessons of the MDGs and guards against "business as usual'' mindsets. It calls on a solid and accountable global partnership because "nobody can do it alone."

It recalls the Monterrey Consensus and the Doha Declaration which highlighted the mutual dependence of the development framework and the means of implementation. These conferences, held in 2002 and 2008 respectively, also set principles for the much-needed and often-advocated global partnership.

Of particular importance are the principles of solidarity with the poorest and the most vulnerable, and the need for developing global opportunities for shared prosperity and for the preservation of the planet's natural resources. Equally important in the context of international solidarity is the principle of common but differentiated responsibilities and the principle that each country has prime responsibility for its development.



In his opening statement to the Third FfD, UN Secretary-General Ban Ki-moon urged states to reboot commitments and bolster inclusive growth.

PHOTOS: MINASSE WONDIMU HAILU/ANADOLU AGENCY/AFP

Sources of funding

The Addis Agenda acknowledges the need to mobilize more financial resources, public and private, domestic and external, and underscores the critical importance of developing countries accessing private savings. It calls for innovative approaches that alleviate obstacles and reduce risks, and stresses the importance of other means of development such as trade, technology and knowledge-sharing. Regarding the effective use of these resources, the conference underscored the need to enable and empower the national institutions involved in the SDG processes.

The experts reported broad estimates of the funding required, notably for specific sectors. They emphasized the intersectoral linkages, which make estimates hazardous, and guarded against "fit-all solutions." Pragmatically, the experts and the stakeholders agreed to focus on mobilizing more of the current sources and gaining more effectiveness in their use.

Noting the inherent limitations of official flows, including official development assistance (ODA), the governments and their partners subscribed to the need for more effective financial engineering to help channel world private savings to support SDGs in developing countries.

According to a report by the multilateral development banks (MDBs) to the Development Committee of the World Bank, current external development flows amount to about US$1tr. They include ODA estimated at US$138bn as well philanthropy, remittances, South-South flows and foreign direct investment. As to domestic resources, they have always been the major source of financing national development plans. There is ample evidence that more of these resources can be mobilized for national development, even in the least developed countries; ideas to this effect are among the options identified by the experts. ▶

PHOTO:BENOIT DOPPAGNE / BELGA MAG / BELGA/AFP

The Addis Summit brought together developed and developing nations to thrash out a financing agenda for the SDGs. *Pictured from left:* Beninese President Thomas Boni, Ethiopian Prime Minister Hailemariam Desaleg and Belgian Deputy Prime Minister and Minister of Development Cooperation Alexander De Croo.

The Third FfD called on development finance institutions (DFIs) to be more innovative and to enhance their catalyst role in developing policies and structuring operations. In this context, the MDBs are expected to scale up their support to the SDGs and more particularly to play a role in the financing infrastructure for which the Addis outcome suggests a dedicated forum. To be responsive, the DFIs believe that "the global community needs to move the discussion from billions in ODA to trillions in investments of all kinds: public and private, national and global, in both capital and capacity."

The summit also addressed the critical importance of reporting progress and highlighted the need for relevant and timely data. A UN interagency task force will undertake this mission based on countries' official data. Other stakeholders, notably non-governmental, will contribute to showcasing progress and to pointing out actions needed to help achieve the SDGs. A stocktaking conference will be called by 2019.

OFID confirms allegiance to Addis action agenda

In a statement delivered on behalf of OFID at the FfD's seventh plenary session, Fuad Albassam, Assistant-Director General, Operations, welcomed the conclusions and the outcome document of the Summit. In particular, he applauded "the emphasis on inclusive social contracts and on the recognition of the aspirations of developing countries to a higher standard of living through social, economic and environmental programs."

Albassam noted the convergence of OFID's policies and procedures with the deliberations and the conclusions of the conference and observed the focus of the SDGs on food, water, and energy, some of OFID's core activities.

He went on to highlight OFID's strong and long lasting relations with its partner countries and its understanding of their development objectives. "We agree that an effective global partnership is an essential requisite of the post-2015 agenda," he stated, adding that OFID was committed to helping its partner countries assume their legitimate role.

"OFID will continue supporting—technically and financially—the public and private investments of its partner countries and their trade, as well as their efforts to develop their capacities," he told delegates. "We will consult with our partner countries in how we can help them achieve their SDGs and deploy all resources available to them."

Fuad Albassam,
Assistant-Director General, OFID.

Albassam stressed OFID's commitment to the principle that no one would be left behind in the new agenda, stating: "We commit to dialogue with all our partners to enhance the relevance and the effectiveness of all our operations."

Event:	**Alpbach Political Symposium at European Forum Alpbach 2015**
Theme:	How Much InEquality can Europe Bear?
Venue:	Erwin-Schrödinger Saal, Alpbach, Austria
Date:	August 30–September 1, 2015

by Namat Abu Al-Soof

Inequality: A force for bad or good?

At a time of turmoil in Europe, this year's Alpbach Forum looked at the theme of "InEquality" from two sides: as a deficiency hampering opportunities and reducing resources, and as a driver for change and diversity.

As part of the wider Forum, the Alpbach Political Symposium brought together international decision makers from all sectors of society to debate the impact of inequality on democracy, European integration, sustainable development and energy access, among other issues.

The opening ceremony focused on the European Union and—in the light of current events—explored the increasingly complex refugee crisis. Addressing delegates, Austrian President Heinz Fischer said that Europe and the world were facing the worst refugee crisis since World War II. "This is not someone else's suffering that does not concern us," he declared. "On the contrary, it is our moral obligation—and an investment in peace—to treat those refugees with dignity."

Contributing to the debate, Croatian President Kolinda Grabar-Kitarovic called on the EU to cooperate with Russia on resolving the situation in Syria, which had become one of the causes of the refugee crisis in Europe. Urging European leaders to action, she said they should "coordinate their actions, rather than isolate themselves from each other."

Borut Pahor, President of Slovenia said he was convinced that the EU could solve the refugee—and other—problems if it had more joint management mechanisms ▶

PHOTO: PHILIPP NADERER

Austrian President Heinz Fischer *(sixth from left)* accompanied by some of the high level politicians who attended the forum.

OFID at Alpbach

At Alpbach, OFID Director-General Suleiman J Al-Herbish, chaired an OFID breakout session titled "Eradication of Energy Poverty: A Key to Reducing Inequality". The session addressed the following questions:

- Is the world community on the right track to achieve universal access to modern energy by 2030?
- How can we move from promises to concrete action?
- What is the scale of the required investment?
- What is the business case for fighting energy poverty?
- What are the roles of the different stakeholders?

In introductory remarks, Al-Herbish reiterated that eradicating energy poverty was crucial to realizing inclusive and sustainable development. He acknowledged that the challenge was daunting, but that "finding solutions for this harsh reality is something that drives me every day as a development practitioner and as a responsible global citizen."

He continued: "To borrow the words of Mr Ban Ki Moon: Energy is the golden thread that connects economic growth, social equity, and environmental sustainability."

Mr Al-Herbish outlined OFID's instrumental role in pushing energy poverty up the global action agenda and highlighted the institution's fruitful partnerships with a wide range of stakeholders. The goal, the Director-General said, was not just to leverage resources but also to pool expertise and pursue new opportunities.

"Our objective is ensuring access to modern energy services in a technology-neutral manner," he said. "From our experience, there is no one-size-fits-all solution. The energy mix should satisfy the basic energy needs of the poor in accordance with the conditions of each country."

The Director-General informed participants that OFID's priority was energy access, especially in delivering it to rural areas, which vastly outweighed the urban sector in terms of energy poverty. He also emphasized OFID's strategy of tapping into a variety of mechanisms in order to meet the diverse range of energy needs.

"From experience, we know that the biggest need in the fight against energy poverty is investment on the ground. To achieve this, we partner with the public sector, the private sector and civil society," he explained, adding that OFID had found the synergies from these partnerships very positive.

OFID's Faris Hasan, Director, Corporate Planning and Economic Services, also spoke at the session, making points about inequality in energy consumption and its consequences for peace, political instability and economic prosperity. He also elaborated more on OFID's approaches in fighting energy poverty and the level of required investment to achieve universal energy access.

Other speakers included: UNIDO's Dr Pradeep Monga, Director, Energy Branch, and Special Representative of the Director General on Energy, who talked about public policy and UNIDO's role in the Sustainable Energy for All initiative; Edu Willemse, External Relations Manager, SNV Netherlands Development Organization, who spoke on the role of NGOs and energy access as a business opportunity; and Marcus Wiemann, Executive Director, Alliance for Rural Electrification, who presented the roles of the private sector, entrepreneurs and youth, including as examples SNV work in Africa and OFID/SNV projects.

PHOTO: OFID/NAMAT A AL-SOOF

Director-General Suleiman Al-Herbish *(center)* and Director of Corporate Planning Faris Hasan *(second from right)* with representatives from UNIDO, ARE and SNV.

PHOTO: PHILIPP NADERER

From left: Croatian President Kolinda Grabar-Kitarovic, moderator Anke Plättner, Austrian President Heinz Fischer, and Slovenian President Borut Pahor.

◀ and coherent policies. He further ventured: "A sustainable solution to the current refugee crisis is a peaceful solution to the conflict in the areas of origin of the refugees."

The three trillion dollar planet rescue plan

The Symposium also examined the new Sustainable Development Goals and, specifically, how to meet the challenges involved in making the transformation to sustainability a reality.

Speaking at the final plenary session, Amina J Mohammed, the UN secretary general's special adviser on post-2015 development planning, described the new agenda as the first real answer to global development and the most inclusive process in human history. Referring to the broadness and transparency of the process of developing the goals, she said: "What we've had with the SDGs is a paradigm shift in the way we form an agenda."

Noting that the dozens—or even hundreds—of indicators through which the SDGs will be measured would not be ready until March 2016, Ms Mohammed conceded: "I suspect the next years will be a cacophony and what we'll be working on is making it a symphony." She stressed, however, that it was important to strive for optimism over cynicism. "The risks of failing to agree a coherent commitment for the next 15 years far outweigh the risks of political squabbling in the coming months," she said.

PHOTO: MICHAEL STEINDORFER

Addressing the forum, Amina J Mohammed, Special Advisor of the UN Secretary-General on Post-2015 Development Planning.

Ms Mohammed continued: "We have to deal with the tough choices and the push back that we will get, but we need to argue and negotiate it through until such time as everyone sees that the red line is the sustainable development agenda and a more just, peaceful and equal world. Inequality and exclusion are just so deadly; we can't leave people or countries behind. It's incredibly dangerous."

Jeffrey D Sachs, Director of the Earth Institute at Columbia University and Special Advisor to Ban Ki-Moon, also gave his views. Urging accelerated progress in order to complete the 15-year task, he said there would have to be "deliberate, cooperative, global efforts." This would have to be done "country by country and city by city all over the world."

He added: "[we have to] ... draw attention to what is important and convince creative people all over the world to work on these problems to find solutions and then implement them to spread the best practices globally."

On financing the SDGs, Professor Sachs, an economist, estimated that the costs would account for approximately three percent of the world's annual income and production. "That is about three trillion dollars, which is a big number, of course. The key point here is that we can afford this and should afford it because it's a good deal." ■

Kuwait launches initiative to shore up local fisheries

Between August 17 and September 8, the Kuwait Institute for Scientific Research (KISR) released some 120,000 juvenile fish into Kuwaiti coastal waters as part of a broader campaign to protect and enrich the country's marine resources.

BY NADIA BENAMARA

Raised by KISR's aquaculture marine fish hatchery team, two types of fish (blue- and yellow-finned sea bream) were initially selected based on local popularity and price.

Members of the public helped release twelve batches into the sea at various locations in hope the fish will enter vacant ecological niches and eventually enlarge wild stocks of the same species.

"Educating the public side by side with this initiative is an important prerequisite for its success," said KISR's aquaculture program manager, Dr Khaled Al Abdul Elah in a statement to the *Quarterly*.

Fishing was a leading industry prior to the discovery of oil in Kuwait. Overfishing and environmental degradation have since impacted fish stocks and driven up the price of seafood.

According to the country's central statistical bureau, Kuwaiti fisheries met merely 30 percent of the country's demand for fresh fish (including shrimp) in 2013. The remaining 70 percent was imported.

KISR's aquaculture program is also working to strengthen the local fishing industry and bridge gaps between supply and demand through advanced research and data collection.

A fluorescent color code was, for example, injected into the spines of the 120,000 juvenile fish.

Specifying site, date and weight upon release, it will allow researchers to determine growth rates, movement patterns and program efficacy when some fish are recovered at a future time.

Having developed numerous commercial hatchery technologies, the aquaculture program claims the world's first reported success in breeding Hamoor (orange spotted grouper), Sobaity (blue-finned sea bream) and Zobaity (white pomfret) under domestic aquaculture conditions.

Dr Abdul Elah told the *Quarterly:* "Producing farmed market-sized fish such as *hamoor, sobaity* and *sheam* [yellow-finned sea bream]...for local consumption will ease the pressure on wild stocks and together with our initiative help enhance future food supply for Kuwait."

PHOTO: KISR

Assisted by members of the public, the KISR team released a dozen batches of young fish into the ocean.

PHOTO: GEMENACOM/SHUTTERSTOCK.COM

Can Qatar grow 50 percent of its vegetables locally by 2023?

BY NADIA BENAMARA

Scarce water, limited arable land and scorching heat make domestic crop cultivation a highly challenging proposition for Qatar, which currently imports up to 90 percent of its food. Now agricultural technology company Zulal Oasis is promising to help local farmers overcome constrictive climate conditions.

Zulal Oasis—a joint venture between Qatar's agricultural investment fund, Hassad Food, and the Primaflor group of Spain—recently developed an integrated hydroponic growing system.

Company officials claim it will enable farmers to cultivate fresh, high quality produce year round whilst reducing groundwater use by as much as 90 percent.

Hassad Food Chairman and Managing Director Nasser Mohamed Al Hajri announced the results of its pilot project involving several varieties of tomato on August 24.

"The technology proved to be perfectly suited for Qatar's climate," said Hajri. "It also exceeded expectations regarding yield and quality, producing more than 37kg per square meter of highest quality European standard."

Farm specialists, private investors and members of the press were invited to tour the Zulal Oasis test facilities at Al Shahanyiah, 60km west of Doha, three days later.

Housed within a purpose-built 800 square meter greenhouse, the company's state-of-the-art growing system requires neither soil nor substrate and recycles 100 percent of irrigation water into a closed circuit cooling system that automatically adjusts to outside temperatures.

Supporting fruit, vegetable, herb and flower production, the Zulal Oasis model would also enable farmers to diversify crops according to local demand.

Zulal Oasis did not release any financials, but company officials insist production costs would be lower than imported products of the same quality.

Zulal Oasis board member Hamad Al Hajri told *Qatar Today*: "In our strategic plans, we have targeted bringing 1,000 hectares under cultivation using this technology by 2023, which will cater to 50–70 percent of the local demand for vegetables."

The company hopes to achieve this goal by licensing its technology to local farmers and private investors, to whom it will offer complete technical services, training and other support.

"While we immediately started promotion activities, the response hasn't been what we had hoped for, primarily due to the lack of knowledge in such investments and the absence of major agro-businesses in the country," said Hajri.

Still, he's hopeful that the Kingdom, which has already begun implementing the Qatar National Food Security Program, will give sustainable production models such as this serious consideration.

PHOTO: AFP PHOTO/STR

A Saudi woman holds an application as she heads to register to vote in the port city of Jeddah on August 30, 2015.

First Saudi Arabian women register for local elections

Women have exercised their right to register as voters and candidates in upcoming municipal elections for the first time in Saudi Arabia's history.

BY NADIA BENAMARA

Safina Abu Al-Shamat, a school teacher, and Jamal Al-Saadi, a businesswoman, were first in line at designated (women only) centers in Mecca and Medina, August 16.

"The participation of Saudi women… was a dream for us," said Saadi to the Saudi Gazette. "[It] will enable [us] to have a say in the process of decision-making."

Saudi voters are to elect two-thirds of an estimated 3,160 officeholders to 284 municipal councils on December 12. The other third will be appointed by the Minister of Municipal and Rural Affairs.

According to the government's official election site (www.intekhab.gov.sa), women made up 22 percent of new voter registrations, which totaled over half a million.

Altogether some 1.7 million Saudis are now registered to vote. Prior municipal elections, held in 2005 and 2011, were restricted to male voters and candidates.

Abdul Malik Al-Junaidi, current president of the Jeddah municipal council, told the Saudi Gazette he would be voting for a female candidate come December and hoped to see women attain council membership through polling rather than appointment.

"Women candidates will have a great chance to win, especially since several businesswomen, medical doctors, university teachers and journalists are in the fray," said Al-Junaidi.

A final list of approved candidates won't be released until November 29, but election officials reported 16 percent of all registered candidates as female.

For Haifa al-Hababi, an architecture professor at Prince Sultan University in Riyadh, campaigning is all about setting a precedent.

"I work with a lot of Saudi female students," said Hababi in an interview with Al Arabiya News. "I'd like to give them more opportunities. By running, I'm setting myself as a role model and example for these girls' fathers that they can do anything they want in the future."

A Saudi woman's right to vote was first decreed by the late King Abdullah in 2011. His successor, the current King Salman bin Abdulaziz Al Saud, has publicly supported women voting, calling women crucial partners in the country's ongoing development, according to the Saudi Press Agency.

One of the Kingdom's best known women's rights activists, Dr Hatoon Al Fassi, framed recent developments for an international audience on Washington DC's National Public Radio.

"A woman, in order to reach these centers and register, she's breaking so many barriers and so many taboos," said Fassi. "You won't believe the determination Saudi women are having. Here we are, exercising our citizenship for the first time. It's just amazing and we are not letting it down."

Nationwide voter registration took place August 22 to September 14. It began and ended a week early in the two holy cities of Mecca and Medina in order to keep streets free for Islam's annual Haj pilgrimage.

50 years of sharing

OPEC celebrates half century of Vienna as its home

On September 1, 2015, the OPEC Secretariat celebrated five decades of residence in Vienna. Here, OPEC Editor **Maureen MacNeill** looks back to the roots of a relationship that has matured, endured and eventually created its own identity.

Courtesy of the OPEC Bulletin

PHOTO: OPEC

The Host Agreement between the Republic of Austria and OPEC was signed on September 1, 1965, by then Secretary-General, the late Ashraf T Lutfi *(right)* of Kuwait, and Austrian Foreign Minister, the late Dr Bruno Kreisky *(left)*.

Fifty years ago, OPEC met the City of Vienna. Perhaps it was not the most romantic first date. No gentle words of persuasion were needed. Over time though, these two entities have come to know each other in a personal way—the characters, the events, the stories—and have developed a shared history and a deep and mutual respect.

The OPEC Secretariat was originally established in 1961 in Geneva, Switzerland. In April 1965, the Eighth (Extraordinary) Meeting of the OPEC Conference approved a Host Agreement with the Government of Austria, effectively moving the Organization's headquarters to the city of Vienna on September 1, 1965.

"When the Secretariat moved to Vienna in 1965, OPEC was still a very young organization—only five years old—and unknown to many. Over the past 50 years, it has faced and overcome many obstacles and challenges, it has grown in stature and is now a major stakeholder in the global oil market," says OPEC Secretary-General, Abdalla Salem El-Badri.

He adds: "I would like to thank the Austrian people for their support and the City of Vienna for being excellent hosts and fully supportive of our Organization as it has grown in size, expertise and influence. Long may our successful relationship continue as we tackle the challenges and opportunities that lie ahead."

The OPEC Secretariat has been housed in various locations around Vienna over the years. Its headquarters was first appointed in two small buildings along Möllwaldplatz 5 in the city's fourth district. It then moved to Dr-Karl-Lueger-Ring 10 (renamed Universitätsring in 2012) in the city's historic first district before moving in 1977 to Obere Donaustrasse 93, alongside the Danube Canal, in Vienna's second district.

In November 2009, the OPEC Secretariat returned to the city's first district near the former headquarters of the Vienna Stock Exchange at Helferstorferstrasse 17—its present home.

The original Host Agreement was signed by Ashraf Lutfi, then OPEC Secretary-General, and Dr Bruno Kreisky, the Austrian Foreign Minister at that time. It marked the beginning of a relationship that has grown and strengthened over the years.

Many OPEC members of staff—past and present—have come to Vienna from far away, just to work at the Organization. They have shared their lives with Austrians and their families have grown up together and gone to the same schools. They have learned the local language and culture and often decided to make Austria their permanent home.

Enis Al-Attar, now 81, was employed at OPEC for 26 years until he retired in 1996. He describes his time at the Organization as being "the best years of my life." He says with affection: "I retired 20 years ago, but I still dream about life in OPEC."

Born in Austria of an Austrian mother and Iraqi father, Attar spent most of his childhood growing up in Iraq—the peaceful and lovely Iraq of old.

After leaving Baghdad in 1961, due to deteriorating conditions there, he landed a job in Middle East Airlines as the company's top man in Austria. Through this connection, he got to know many of the staff at OPEC when it moved to Vienna in 1965.

"OPEC was known to the Arab world, therefore, it was known to me," he stresses. "The Secretary-General was a very nice man. I visited him and introduced myself and the airline. We were providing services to OPEC Countries. I developed a personal relationship with many and became good friends."

A job as Administrative Assistant was created for him in OPEC in 1976. The title then changed to Administrator, a position Attar occupied until his retirement. "I did many tasks that were not part of the job description because of my knowledge of language and contacts," he says. "Fluency in Arabic was appreciated by many."

With OPEC, he traveled a lot, supervised conferences and had a large scope of work, including being involved in three changes of staff regulations. "It was an honor to be in Member Countries and to know Governors who became Secretary-General."

In fact, 'Attaché Attar'—a title he received because of the role he played in relaying a message during the 1975 siege on OPEC by the infamous Carlos the Jackal—received a medal from the Austrian government a few months after his retirement, in part because of his role in that incident, but also because of other work he did that improved relations between the Austrian government and OPEC.

"I was a contact person between the two … nothing official, but being Austrian and speaking German makes it easier to do the job," he explains.

It was Kreisky himself who gave Attar the nickname 'Attaché Attar' after he was escorted to the Interior Ministry with a message from Carlos. "I sat next to Kreisky. I didn't have a title, so he called me 'Herr Attaché,' and the title stuck with me throughout my career at OPEC."

Revisiting old faces

"He had a sense of humor," states Djemal Berrouka, speaking of Ali Jaidah, OPEC Secretary-General 1977–78. Berrouka enthusiastically discusses the Secretaries-General he knows from the photos that adorn the walls of the press room at the OPEC Secretariat. It's his first visit to the new Secretariat and his face brightens as he relives old times.

Berrouka, 82, joined OPEC on June 21, 1972, during the last six months of the term of the then Secretary-General, Dr Nadim Pachachi of Iraq. The trained lawyer was offered a position as Attendant Legal Studies Officer in the Organization's Legal Department and left his job at the Foreign Office in his native Algeria to travel to Vienna.

Berrouka spent eight years at OPEC and had a front-row seat during the formative years that made OPEC the Organization it is today; at the time it was evolving quickly and went through a great many changes.

He also served as Senior Legislation and Contracts Officer as of August 1974 and finally as Head, Office of the Secretary-General after 1974 until his tenure ended in 1980.

"It was a very exciting time, pivotal historical moments. When I joined, there were about 50 people on staff," he recalls. That is in contrast to today's total staff of around 150.

Berrouka was instrumental in preparing the first Summit of OPEC Heads of State and Government, which was held in Algiers in 1975.

This landmark meeting addressed the plight of the poorer nations and called for a new era of cooperation in international relations in the interests of world economic development and stability. It led to the Algiers Solemn Declaration, which "reaffirmed the natural solidarity which unites OPEC Countries with other developing countries in their struggle to overcome underdevelopment" and called for measures to strengthen cooperation between these countries.

It was as a result of this that the OPEC Special Fund (later to be renamed the OPEC Fund for International Development) was established in January 1976 by the then 13 Member Countries of OPEC.

"All media the world over became focused on this Organization called OPEC. This (first summit) caused ten times more press," comments Berrouka.

"It was a fantastic opportunity for me. The older I am, the more I realize the importance of this. I was at the time just rolling along, not ▶

First premises, Möllwaldplatz 5, in Vienna's fourth district.

Second office, Dr-Karl-Lueger-Ringer 10, in Vienna's first district.

The third Secretariat building at Obere Donaustrasse 93, in Vienna's second district.

Enis Al-Attar, former Administrator, describes his time at OPEC as "the best years of my life."

realizing the importance. The solidarity of this union was so strong that nobody could move it, despite the cultural and ethnic differences. It was an economic organization that became the society of OPEC.

"It was also so good to know different nationalities. Not a superficial connection, but deep. I gained so many things knowing such varied people from different nationalities and civilizations," observes Berrouka.

He still remembers organizing and taking the trip to Paris that January in 1976 when the OPEC Special Fund was made concrete at a north-south dialogue there. That year saw many more meetings, to set up the Fund. Fund meetings were held at the OPEC Secretariat until May 1980, when the institution was endowed with financial and legal authority and its new name. It thus became a permanent organization, with the same status as the Secretariat.

In September 1980, Berrouka was appointed Secretary of the Fund and tasked with the job of finding a building for the fledgling institution, as well as negotiating a separate agreement with the Austrian authorities. He stayed at the OPEC Fund until his retirement.

"I came with 17 proposals (for a building). They kept two ... the ad-hoc Committee for the OPEC Fund Governing Board decided to select the Deutschmeister Palais." This building on Parkring 8 in the first district was designed in 1864–68 by the Danish-Austrian architect, Theophil von Hansen, as a residence for Archduke Wilhelm Franz of Austria (1827–94).

OPEC's move to Vienna

Djemal Berrouka, former Head of the Secretary-General's Office, was instrumental in preparations for the first OPEC Summit in Algiers in 1975.

When OPEC came to Vienna, Austria was recovering from the war and seeking to attract international organizations to set up their headquarters in the country. "It was a neutral state like Switzerland and Sweden. It was the cleverness of the foreign ministry to turn this into a positive thing," affirms Berrouka. Austria had the required conditions to turn Vienna into an international center.

Another reason OPEC chose Vienna as its home is that the country was willing to grant diplomatic status to the Organization and its officers, states Attar, elaborating: "Kreisky gave diplomatic status and advantages ... there were financial benefits to OPEC. The headquarters agreement was redone a few times with improvements so that OPEC staff had the same privileges as the UN. Now it is the same as all diplomatic missions here."

In fact, it was Berrouka who called to the attention of OPEC Secretary General, Dr Abderrahman Khène, of Algeria (1973–74) the need to open negotiations on the diplomatic status of OPEC with the host authorities under the principles of the most favored organizations clause.

The high level of cooperation with the Austrian authorities was great, he says. "They gave such a satisfactory answer to our various requests for improvement. They were very, very cooperative. This showed in their 'Gastfreundschaft' (hospitality) ... I am still enjoying this hospitality today.

"OPEC was one of the first to make its headquarters here. First there was the International Atomic Energy Agency (IAEA), then the United Nations Industrial Development Organization (UNIDO), and then OPEC," says Attar, adding that many international organizations came to Vienna after OPEC, perhaps also encouraged by the Organization's presence.

"The existence of OPEC brings many advantages to Vienna. It has even encouraged tourism," maintains Attar. "A few days ago there was a report that Arab tourism to Austria has increased by 180 percent."

Vienna 50 years ago

Attar also says that Austria has changed a lot during 50 years. After settling in the city in 1957, he saw a lot of improvement even by 1965.

Attar notes that the city already had an international feel about it by 1965 when OPEC arrived. "Vienna never lost its jolliness. It was also a city loved by the Arabs historically—I don't know why."

There is a very famous Arabic song called 'Layali Al onns fi Vienna' (Merry Nights in Vienna) from a 1945 film, which OFID Director-General Suleiman J Al-Herbish has traditionally brought someone to sing whenever he hosts a reception. "Every Arab knows it," says Attar.

Aside from that, there is an endless amount of cultural attractions to choose from, he says. "I think Vienna has 22,000 seats available every night at the opera, orchestras, small theaters, and so on."

After 50 years of activities in Vienna, OPEC extends its warmest thanks to its host city, as well as to the country of Austria. And on behalf of its 12 Member Countries and the staff of the Secretariat, the Organization wishes to thank the City of Vienna and its officials for their hospitality — and looks forward to many more years in this beautiful city.

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Our vision

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

Our mission

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

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