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OFID
Quarterly

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

Addressing inequality

Toward a fairer tomorrow



Exclusive interview with IFAD's new President
WFP Chief Economist on short-termism
Nexus development in Africa
EXPO 2017 in Astana, Kazakhstan
Photo-essay: Development in Vietnam

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Uniting against Poverty



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The incontrovertible truths of inequality

As this magazine went to press, professors and researchers from across the US delivered interdisciplinary talks on problems related to inequality at the inaugural Inequality in America Symposium at Harvard University. The conference featured four sessions, all aimed at addressing inequality in a variety of sectors, including employment, healthcare, immigration and civil rights.

That some of the leading academic minds in the US have deemed a new conference on American inequality necessary says something about the problem: if even the richest country on the planet—with far more scope to raise progressive tax revenues and spend on public services and social protection—still struggles to overcome inequality, what chance does everyone else have?

What the conference shows us is that fundamental challenges remain to this day when it comes to understanding the causes, effects and best ways to deal with inequality. Despite the disagreements (and there are many of them), one certainty is that inequality, whether relating to income, wealth, opportunity, gender or anything else, still exists between countries and within countries. See our lead feature on page 4 for a more detailed investigation.

Another certainty, as the World Food Programme's Arif Husain argues on page 11, is that in our globalized world, there is nowhere to hide. With the progress of technology, 'visibility' has increased exponentially so that the 'haves' can see the 'have-nots', and vice-versa. OFID's very own Director of Communication argues something similar on page 10. Before now, perhaps we could live in our own worlds, oblivious to each other's pains and gains. Today, this is not possible.

Equality, like fairness, is an important value in most societies, irrespective of ideology, culture and religion. It is OFID's view that the have-nots—the world's most vulnerable populations—should be supported through the promotion of people-centered sustainable development projects; or more specifically, projects that meet basic needs—such as food, energy, clean water and sanitation, healthcare and education—and aim to encourage self-reliance and hope for the future.

This organization puts its money where its mouth is in this respect: by extending concessionary financial assistance in the form of loans and trade financing; by participating in the financing of private sector activities in developing countries; by providing grants in support of technical assistance,

food aid, research and similar activities, and humanitarian emergency relief; and by contributing to the resources of other development institutions whose work benefits developing countries.

The 160th Session of OFID's Governing Board met recently in Vienna and approved nearly US\$250 million of new development funding to benefit developing countries across the globe (see page 36). Director-General Suleiman J. Al-Herbish explained that much of the funding is directed toward improving the water and sanitation, and energy sectors, of the organization's Partner Countries.

"OFID has made clear its readiness to fund projects on the ground in support of energy, water and food projects in developing countries across the world. We are fully committed, more generally, to supporting all 17 of the United Nations Sustainable Development Goals," Al-Herbish said. "This new funding demonstrates our determination and will support improvements to the living standards of some of the most vulnerable people on our planet."

"OFID has made clear its readiness to fund projects on the ground in support of energy, water and food projects in developing countries across the world."

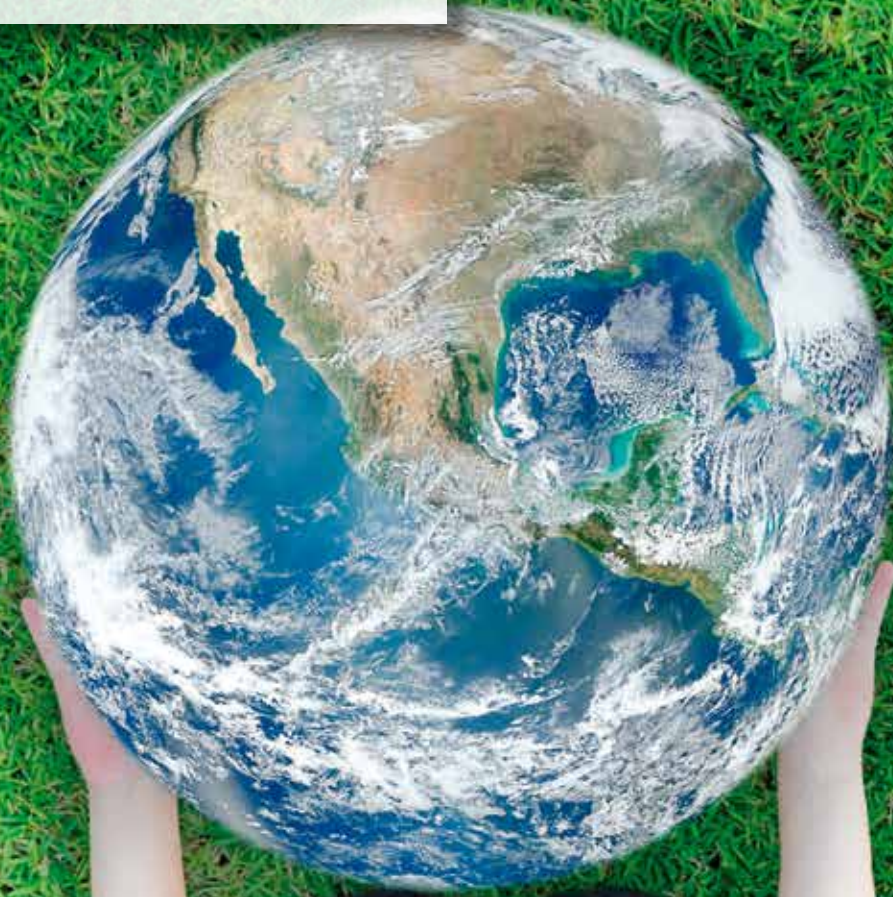
Suleiman J. Al-Herbish

Every town and village in the world needs a decent school, health center, road, electricity supply and internet connection, and the inhabitants thereof need opportunities to reach their full potential—regardless of sex, race or religion. This is surely an incontrovertible truth and it is exactly what OFID focuses on helping to provide to low and middle-income countries around the globe.

The cover of this magazine takes its inspiration from the graphic depicting Sustainable Development Goal 10: Reduced inequalities*. Over the following pages, we examine how the world is fairing on its journey toward a fairer, more equal tomorrow, and how OFID is playing its part. ■

**OFID supports the United Nations Sustainable Development Goals (SDGs). The cover of this magazine takes its inspiration from the graphic representing SDG 10: Reduced inequalities—Reduce inequalities within and among countries.*

SPECIAL FEATURE



Overcoming inequality: Toward a fairer future?

Inequality is a big and complex topic. There are many types—economic, gender and opportunity to name just three. As well as being deserved of its own United Nations Sustainable Development Goal (SDG), the reduction of inequality also touches all of the other 16 goals in one way or another. But is inequality the result of nature or is it down to the laws of humankind? Is it possible to achieve a fairer, more equitable world or does such a future exist only in fairy tales?

BY STEVE HUGHES

Today's world faces a powerful threat to progress; "one that is constraining national economies and destabilizing global collaboration in ways that put humanity's most critical achievements and aspirations at risk." These are not the words of a sensationalist newspaper or an alarmist politician. They're from Jim Yong Kim's foreword to the World Bank's *Poverty and Shared Prosperity 2016* report. The President of the World Bank is not known for getting overexcited. The threat he is referring to is not terrorism or climate change; nor is it war or a global pandemic. It's simply the gap between the 'haves' and the 'have-nots'; the difference between the rich and the poor.

From 1820 to the 1990s, global inequality rose steadily. Then, the Gini index—the most commonly used measure of inequality among statistician types, representing the income or wealth distribution of a nation's residents—fell in 2013, most



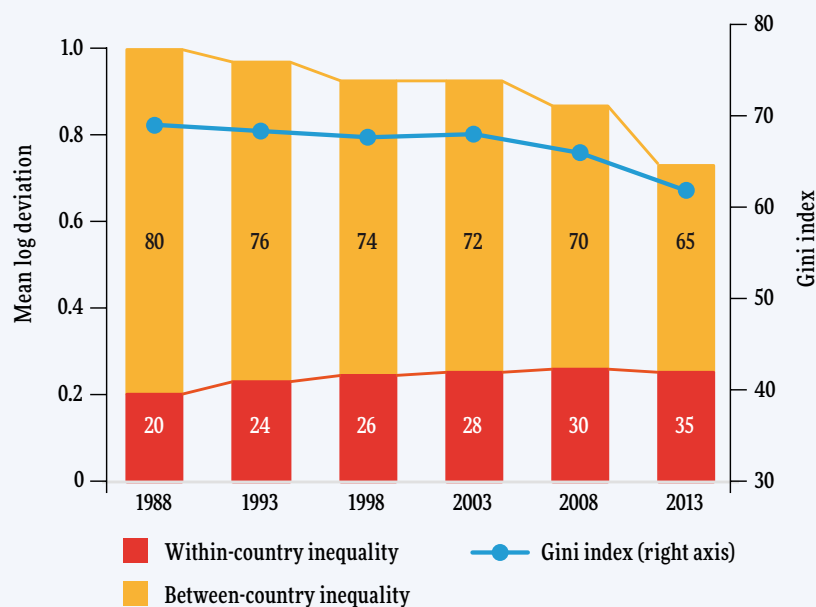
Average within-country inequality is greater than it was 25 years ago, according to the World Bank's report (pictured above).

markedly beginning in 2008 (see the blue line in the graph, overleaf). According to the World Bank's report, this "unprecedented drop in global inequality" was driven by converging average incomes across countries propelled by rising incomes in highly populated countries like China and India. As a result, the report explains,

between-country inequality declined. In contrast, within-country inequality, the other component of global inequality, took on a bigger role. Today, average within-country inequality is greater than it was 25 years ago.

Within-country inequality is the measure that many commentators confer with most importance. "It's good to highlight that a lot of the progress we've made with between-country inequality has been supported by global processes like improved international trade flows," says the World Bank's Senior Director for Poverty and Equity, Carolina Sanchez. "But from the

Global inequality, 1988–2013



Source: Lakner and Milanovic (2016), Milanovic (2016), World Bank (2016)

◀ perspective of the average person, within-country inequality is a more important indicator because this is what people see on a day-to-day basis. And within-country inequality is an important determiner of an economy's long-term growth prospects."

The International Monetary Fund (IMF) reports that in emerging markets and developing countries, inequality trends have been mixed, with some experiencing declining inequality. However pervasive inequities remain when it comes to access to education, healthcare and finance.

The World Bank is explicit: the poorest children are four times less likely than the richest children to be enrolled in primary education across developing countries. Among the estimated 780 million illiterate adults worldwide, nearly two-thirds are women. Poor people face higher risks of malnutrition and death in childhood and lower odds of receiving key healthcare interventions. "Such inequalities are associated with high financial cost, affect

economic growth, and generate social and political burdens and barriers," it states. "But leveling the playing field is also an issue of fairness and justice that resonates across societies on its own merits."

A recent report by the non-profit group Development Finance International (DFI) and the international confederation Oxfam ranks governments based on what they are doing to tackle the gap between the rich and poor. In its executive summary, the *Commitment to Reducing Inequality Index*, or the CRI as it's known, links inequality with crime and insecurity, lower economic growth and poor health: "Failure to tackle this growing crisis is undermining social and economic progress and, crucially, the fight against [SDG 1] poverty." Many agree. In *Causes and Consequences of Income Inequality: A Global Perspective*, the IMF argues: "Equality, like fairness, is an important value in most societies. Irrespective of ideology, culture, and religion, people care about inequality. Inequality can be a signal of lack of income mobility

While between-country inequality has fallen, within-country inequality, seen by many as a more important measure, is on the rise (see above graph).

and opportunity—a reflection of persistent disadvantage for particular segments of the society."

But how do we approach a problem of such scale and complexity? CRI co-author Matthew Martin argues that inequality is not inevitable, regardless of a country's wealth or historical legacy. "It's a matter of policy choices," he says. "These decisions can dramatically reduce inequality—the evidence shows this across the world. Our report emphasizes that when countries introduce the right policies, they can have a significant impact on inequality, pretty much regardless of their income level."

What are these policies? The CRI measures government efforts in three areas or 'pillars': social spending on public services; progressive taxation, where corporations and the richest individuals are taxed more in the name of redistribution; and higher wages for ordinary workers and stronger labor rights, especially for women. These pillars were selected "because of widespread evidence that strong positive progressive actions by governments in these three areas have played a key part in reducing the gap between the rich and poor."

The WB's Sanchez agrees with this sentiment. "When you look at the experience of different countries across the world over the last 25 years, you see patterns," she says, explaining that strong and sustained economic growth is a precondition for reducing inequality, as is a good

The Gini coefficient

The Gini coefficient provides an index to measure inequality. The coefficient is between 0, where everyone earns the same, and 1, where one person earns all the money. It was developed by the late Italian statistician Corrado Gini.



PHOTO: COURTESY OF THE WORLD BANK

Carolina Sanchez, Senior Director for Poverty and Equity, World Bank.

macroeconomic environment. The countries that have managed to reduce inequality, she argues, have been particularly successful in translating growth into employment creation. “A focus on the labor market is critical,” she says. “Jobs are the main source of income, after all. Investing in people—and particularly in children’s health and education—is vital to allow people to take advantage of the opportunities on offer.”

Most of the countries at the top of the CRI’s list are from the Organization for Economic Cooperation and Development (OECD). As wealthier countries, they have more scope to raise progressive tax revenues. More of their citizens and corporations have higher incomes and are members of the ‘formal’ economy, so they can pay more taxes. In turn, these countries have more scope to spend on public services and social protection. However, it’s not a clear-cut win. The US, for example, does comparatively poorly (37th) when it comes to addressing inequality through labor policies, ranking below nine non-OECD countries.

Although there are no shining stars, Sanchez points to the progress made by Latin America. While it continues to exhibit high inequality and has historically been a very unequal region, she says it’s made significant progress in the last

couple of decades. “Some governments in this region have really focused on the labor market and used their income to protect the poor.” The CRI singles out Argentina, Costa Rica, Chile and Uruguay: “In all of these countries, governments have made strong efforts to reduce inequality and poverty through redistributive expenditure and (in some cases) by increasing wages.”

Not everyone is so sure about the best way to tackle inequality. Economists such as the American Nicholas Gregory Mankiw argue that while a progressive system of taxes and transfers might make *outcomes* more equal, it doesn’t address the underlying inefficiencies that lead to the inequalities in the first place. At a more fundamental level, Mankiw argues: “...it is worth noting that addressing the issue of rising inequality necessarily involves not just economics but also a heady dose of political philosophy. We economists must recognize not only the limits of what we know about inequality’s causes, but also the limits on the ability of our discipline to prescribe policy responses.”

Others, like Sanchez, are more optimistic, arguing that measuring the problem and monitoring trends over time helps the international community focus its efforts. The CRI’s co-author, Martin, similarly, believes that while it’s difficult for countries to do a great deal about the gap between them and much wealthier countries, “they can do a great deal about what’s happening within their own countries.” The CRI makes three main recommendations: that governments, international organizations and other stakeholders work together to “radically and rapidly” improve data on inequality and related policies; that more should be done to analyze the distributional impact of proposed policies and to base policies ►

SDG 10 and reduced inequality: How are we doing?

The 2017 Report of the UN Secretary-General, *Progress towards the Sustainable Development Goals*, notes that progress in reducing inequality within and among countries has been mixed. Among its findings are the following edited excerpts:

- The voices of developing countries still need to be strengthened in decision-making forums of international economic and financial institutions. Moreover, while remittances can be a lifeline for families and communities of international migrant workers in their countries of origin, the high cost of transferring money continues to reduce such benefits.

- From 2008 to 2013, the per capita income or consumption of the poorest 40 percent of the population improved more rapidly than the national average in 49 of 83 countries (accounting for three-quarters of the world’s population) with data, according to the World Bank.

- Duty-free treatment and favorable access conditions for exports from least developed and developing countries have expanded. From 2005 to 2015, the proportion of tariff lines globally with duty-free treatment for products that originate in developing countries increased from 41 percent to 50 percent; for products that originate in the least developed countries, the proportion rose from 49 percent to 65 percent.

- The least developed countries and small island developing states continue to require additional assistance to ensure that they share in the benefits of sustainable development. In 2015, total resource flows to the least developed countries and small island developing states amounted to US\$48 billion and US\$6 billion, respectively. Eight donor countries met the target of 0.15 percent of gross national income for overseas development aid to the least developed countries.



Matthew Martin, CRI co-author.

PHOTO: COURTESY OF MATTHEW MARTIN

◀ on reducing inequality; and that governments improve their effort “dramatically” on progressive spending, taxation and workers’ pay and protection.

In short, despite decades of progress in boosting prosperity and reducing poverty, many people on our planet continue to suffer

from substantial inequalities. There is no one-size-fits-all solution. While there are patterns and trends showing positive results, appropriate policy approaches depend on the underlying drivers and country-specific settings.

The IMF says that in advanced economies, policies should focus on reforms to increase human capital and skills, coupled with making tax systems more progressive. In emerging economies and developing countries, the IMF argues it’s important to ensure “financial deepening” is accompanied with greater financial inclusion and to create incentives for lowering informality. “More generally, complementarities between growth and income equality objectives suggest that policies aimed at raising average living standards can also influence the distribution of income and ensure a more inclusive prosperity,” says the IMF’s foremen-

2030

The target year for the SDGs, which include SDG 10—reducing inequality.

tioned *Causes and Consequences of Income Inequality: A Global Perspective*.

Should we be optimistic about making good progress by 2030 in line with the SDGs? Sanchez reckons there’s reason to be positive on the basis of what we’ve seen during the last few years. “But I think it’s cautious optimism,” she says. “We know that a lot of progress in terms of reducing inequality has been driven by the reduced differences between countries due to the rapid growth of the likes of China, Ethiopia, India and Indonesia. But in-country inequality remains extremely high.”

Martin agrees. “It’s a very mixed picture,” he says. “At the global level, reducing inequalities seems a little like the ‘orphan’ SDG in the sense that people are not focusing on it nearly as much as they are on direct measures to reduce poverty. We need to do much, much more on this particular front.” ■

SDG 5 and gender equality: Deeply-rooted discrimination?

The numbers of men and women in the world are roughly equal. This means that there are currently around 377,500,000 women and girls on the planet. Unfortunately, despite big gains under the Millennium Development Goals, many of these women and girls are still deprived of their basic rights and opportunities because of gender inequality.

“If women are given the same access to productive assets as men—as well as to credit, education and to knowledge—agricultural production, for example, will increase by 25 percent,” says Maria Helena Semedo, Deputy Director-General of the United Nations’ Food and Agriculture Organization (FAO). “This would reduce the number of food insecure people by hundreds of thousands and many women would no longer be classified as vulnerable.



PHOTO: OFID/STEVE HUGHES

Maria Helena Semedo, FAO Deputy Director-General.

“Women need access to land,” she continues. “Often, for cultural or legal reasons, they don’t have this access. In many cases, they’re not even allowed to open a bank account.”

The United Nations argues that the empowerment of women and girls: “... is essential to expand economic growth and promote social development. The full participation of women in labor forces would add percentage points to most national growth rates—double digits in many cases.”

Semedo says: “We need to create the enabling environment to empower women. The legal framework is important, but we need to provide support from a cultural standpoint, too, so they are intellectually able to take advantage of the opportunities.”

“Investing in women has a multiplier effect.”

Closely echoing the argument of Gilbert F. Hounou, the President of the International Fund for Agriculture and Development (IFAD—see page 38), Semedo says investing in women has a multiplier effect: they invest in their family and their community. If you want to reduce inequality, she says, invest in women.

The State of Food Security and Nutrition in the World 2017 report by the FAO, IFAD, UNICEF, WFP and WHO shows that after steadily declining for over a decade, global hunger is on the rise again, affecting 815 million people in 2016, or 11 percent of the global population. In the context of SDG 5, the report shows that almost one-third (33 percent) of women of reproductive age worldwide suffer from anemia, which also puts the nutrition and health of many children at risk. Women are likely to be more food insecure than men in every region in the world. Similarly, the prevalence of obesity is higher on average among women than men. Generally speaking, poor women often face additional hurdles to access resources and services. The report notes that an increasingly important cause of food insecurity and malnutrition is conflict, where women are put in riskier situations (see page 11 for more on this).



OFID Quarterly's Steve Hughes interviewing Maria Helena Semedo, FAO Deputy Director-General.

PHOTO: OFID/STEVE HUGHES

The Report of the UN Secretary-General, *Progress towards the Sustainable Development Goals*, shows that more vigorous efforts are needed to overcome the deeply-rooted discrimination against women and girls that often results from patriarchal attitudes and related social norms. The below edited excerpts are among the Report's findings:

- Child marriage is declining, but not fast enough. Around the year 2000, nearly 1 in 3 women between 20 and 24 years of age reported that they were married before 18 years of age. Around 2015, the ratio was just over 1 in 4.
- The average amount of time spent on unpaid domestic and care work is more than threefold higher for women than men, according to survey data from 83 countries and areas. Available data indicate that time spent on domestic chores accounts for a large proportion of the gender gap in unpaid work.
- Globally, women's participation in single or lower houses of national parliaments reached 23.4 percent in 2017, just 10 percentage points higher than in 2000. Such slow progress suggests that stronger political commitment and more ambitious measures and quotas are needed.
- Women are still underrepresented in managerial positions. In the majority of the 67 countries with data from 2009 to 2015, fewer than a third of senior- and middle-management positions were held by women.

Communication, inequality and migration: Making matters worse?

What impact do modern communication technologies, social media and the 24-hour availability of news have on issues related to global inequality and migration? Are they part of the solution or are they contributing to current problems? The answers may not be as clear-cut as we would wish.

BY FERNANDO J. GARAY

As thousands of men, women and children were traveling from Syria to Western Europe at the peak of the European refugee crisis nearly two years ago, reports emerged of their use of smartphones to find the best routes on land and water, communicate with other refugees and keep in touch with friends and family both back home and at their final destinations. They were using Google Maps, WhatsApp, Facebook and a number of other apps to navigate unknown territories and conclude their journeys safely. From this perspective, it seems that the new communication technologies and social media were empowering refugees. But were they actually encouraging people to migrate at the same time?

A team of researchers from The Open University in the UK and *France Médias Monde* in France recently conducted surveys of mostly male Syrian and Iraqi refugees in their 20s in Paris and Cherbourg, France. Among these refugees' common sentiments was that their decision to leave their homes was based on a desire to escape civil war and violence—they feared for their



PHOTO: JENNY MATTHEW/SALAMY STOCK PHOTO

Communication technology: The democratization of information access can empower refugees.

lives and saw no future. They said their decisions were not a reaction to news stories or information that could have encouraged them to travel to Europe in search of hopes, dreams and a better future.

The refugees' answers appear to prove there was no direct link between the availability of information and the decision to migrate during the recent crisis. Rather, the breadth of the information avail-

able and how refugees were able to use it suggests that a democratization of information access can empower individuals and make their efforts during crisis situations more bearable. Nonetheless, the new communication technologies are making people aware, whether rich or poor, of how others live in very distant places—bringing inequality to the forefront more than ever before.

Beyond all of this, we should consider the impact of migration on inequality. Migrants often help strengthen the economies of the countries where they establish themselves by expanding the labor pool and contributing new skills. Once they have settled, they send remittances back home, helping improve the living standards of the relatives that stayed behind and the economies of their countries of origin (see *OFID Quarterly*, April 2016).

“Migrants are all too often viewed as a problem in destination countries when they can and should be seen as a potential solution to inequality in and between nations,”

“
**Migrants...
should be
seen as a
potential
solution to
inequality.**”

David Khoudour,
OECD

says David Khoudour of the Organization for Economic Cooperation and Development (OECD) in a recent article. Khoudour explains that contrary to conventional wisdom, most migrants are not the poorest people from the poorest countries. “Most come from middle-income countries like China, India and Mexico. And within these countries, they are not the poorest either. Moving to another country requires a certain amount of capital—financial, human and social—which the poorest do not possess. For that reason, very unequal countries do not always see high levels of emigration: the poor do not have the financial means to

move abroad and the rich would lose their economic and social power by doing so.”

All of these facts are a stark reminder that appearances can be deceptive. With anti-immigrant feelings on the rise in the West, it’s important to remember how immigrants have contributed to economies and nations throughout history. Also, a more interconnected world may highlight inequality like never before, but at the same time it can help and empower those in need, and in the case of some refugees, keep them connected, increase their safety and make them less dependent on traffickers. ■

Haves and have-nots

Arif Husain, Chief Economist of the World Food Programme, talks to the *OFID Quarterly* about inequality, conflict and the problems of short-termism.

INTERVIEW BY STEVE HUGHES

“Inequality has always existed—at the village level, the state level, the country level and beyond. There have always been rich and poor. But the level of inequality over the last two decades has increased dramatically. There are some powerful statistics: the world’s wealthiest people—those owning over US\$100,000 in assets—represent less than 10 percent of the global population, but they own more than 80 percent of global wealth.

In our globalized world, there is nowhere to hide, and with the progress of technology, ‘visibility’ has increased exponentially so that the “haves” can see the “have-nots,”

and vice-versa. Before, we could live in our own worlds, oblivious to each other’s pains and gains. A person living in an African village, with a life expectancy of 40, with a radio and a bed and a roof over her head, felt OK because she had the best of what she knew. But today, social media, the internet and television mean that she sees all the things she doesn’t have, but not the way to reach them. Inequality is as much about opportunity as it is about income or anything else.

Inequality is perpetuated in many ways—and some of them are surprising. Let’s take my own organization, which is the largest humanitarian agency of the United



PHOTO: OFID/STEVE HUGHES

“Will we beat hunger, poverty or inequality by 2030 in line with the Sustainable Development Goals (SDGs)? It depends on how quickly we can resolve some of the world’s conflicts.”

Arif Husain



PHOTO: WFP/JACQUES DAVID

WFP's Chief Economist Arif Husain visits Central African Republic refugees in the village of Mobay Mbongo, Democratic Republic of the Congo.

◀ Nations. We are 16,000-strong, working deep in the field in about 80 countries around the world, assisting some 80 million people every year. The people we help are affected by disasters caused by conflicts, droughts, disease, earthquakes, hurricanes and more. Since we are a completely voluntarily funded organization, we can only give what our donors give us for specific countries. Some may get nicely wrapped parcels of food or cash, but others may receive smaller amounts at irregular times.

Inequality in humanitarian assistance may not really be a surprise but the difference today is that it's much more visible. Whether in Burundi, Chad or the Democratic Republic of the Congo, people ask why we give so much more to Syrians and nothing to them when they

suffer the same or even more.

I struggle to give them an honest answer, but the reality is that some crises receive more attention because they are the focus of geopolitical attention. Other crises are neglected or forgotten because they take place in countries of less strategic interest. When we talk about inequality, we have to see it from many different angles, and we have to see how we, too, may contribute.

One of the single most important reasons that we've seen an increase in inequality is because of conflict. Conflicts are game-changers and suck up all of our resources. In a conflict situation, we're simply trying to feed people—feed, feed, feed—because there's no other option. We're spending billions making sure people affected by conflict are simply surviving,

815
million
people were
chronically
hungry in
2016.

and these resources are no longer available for anything else.

The world is experiencing very challenging times and a rise in conflict is behind many of the negative trends we see today. Global hunger is on the rise again, after steadily declining for more than a decade. The number of chronically hungry people has risen from 777 million in 2015 to 815 million in 2016—that means one in nine people or 11 percent of the global population. Furthermore, 108 million people are in 'severe hunger' compared to 80 million last year. That's a 35 percent increase. And if you take the top 13 global hunger crises, 10 are conflict driven.

The worrisome thing about conflict is that unlike a flood or an earthquake, it does not go away on its own, so people cannot return

home to resume a normal life. With conflict, lives and livelihoods don't improve until conflict is resolved. And the longer the conflict continues, the harder it is to stop it—it feeds on itself. Consider Syria, which is in its seventh year. Just to put that in perspective, imagine you were six years-old when the war began. Today, you would be thirteen years-old. Conflict is virtually all you know and you've completely missed out on a childhood or an early education. We're seeing the beginnings of 'generational losses' and history tells us that doesn't bode well for a country's recovery—think Afghanistan, Somalia, Sudan.

If we want a peaceful, compassionate, affordable and equitable world, we first need to end and prevent conflict. We must invest in the world's vulnerable youth, who sometimes seem to see themselves worth more dead than alive and become ready fodder for extremism and violence. Investing in children's health and nutrition, education and social protection is a good start,

“Imagine all the money that is spent on assisting people affected by conflict—including refugees in Europe and beyond. All that money could have been spent on sustainably developing so many more communities and countries.”

Arif Husain

together with helping to build rural economies, where most of the vulnerable people live. We believe women, men, girls and boys must have equal access to food and nutrition, resources, rights and opportunities. Gender equality and women's empowerment is a key aspect of our operations. Our work with school meals, nutrition, small-holder farmers and cash based safety net programs is about trying to boost access to food and build livelihoods so we can begin to bridge the gap between haves and have-nots.

Will we beat hunger, poverty or inequality by 2030 in line with the Sustainable Development Goals (SDGs)?

WFP's Director of Emergencies Denise Brown and Chief Economist Arif Husain, visit an agricultural project initiated by the FAO in Tshikapa, DRC.

It depends on how quickly we can resolve some of the world's conflicts. When there is a conflict, it's not only about that conflict. It's about the opportunity cost of that conflict for the whole region or even the world. Imagine all the money that is spent on assisting people affected by conflict—including refugees in Europe and beyond. All that money could have been spent on sustainably developing so many more communities and countries.

In 2016, the world spent US\$27 billion on humanitarian assistance. It was the fourth consecutive increase. Still there was a 40 percent gap between what was needed and what was available. Half of this amount went to people in just five mainly conflict-affected countries—Syria, Yemen, Iraq, South Sudan and Ethiopia. The rest went to 43 countries and covered from as little as five percent to 95 percent of humanitarian needs in these countries.

I've never seen anything like this before: we've had crisis after crisis, one on top of the other. We know that political solutions are needed to end most conflicts, but while we wait for peace, we also need two things: full access to all people who are in desperate need, and enough money to sustainably help them until they can return safely to their lives and livelihoods.

People still die of hunger and still can't afford the very basic necessities of life like clean water because we're always thinking about today. We must learn to look into the future and invest in the success of our successors. This means we invest today for a better future tomorrow, regardless of whether it gets us re-elected or not. In a globalized world, we can no longer use the worn-out excuse that we're unaware of what's going on around us and pretend it isn't happening or that it's somebody else's problem.”



OFID in the Field



OFID is fully committed to supporting the 2030 Agenda for Sustainable Development and all 17 of the United Nations Sustainable Development Goals (SDGs)—a comprehensive, far-reaching and people-centered set of universal and transformative goals. Goal 10 focuses on reducing inequality, and all of OFID's work, which aims to support the world's most vulnerable populations, contributes to this end in some respect. Over the coming pages, we take a look at three OFID-supported projects in Tajikistan and Afghanistan, Botswana and Nicaragua that demonstrate the organization's reach and resourcefulness. The projects highlight how reducing inequality can transform lives.

Tajikistan and Afghanistan: Sustainable energy changes lives

BY ARYA GUNAWAN USIS

A recently completed project in Tajikistan and Afghanistan, supported by OFID, has changed the lives of residents by enabling them to enjoy an electricity supply—provided through renewable energy and energy efficient technology—for the first time. Using local resources and providing training will ensure the benefits are felt well into the future.

Darai Nolak is a hamlet in the district of Baljuvon, Tajikistan, about 150km to the east of the capital Dushanbe. Until recently, Darai Nolak residents were still part of the world's one billion plus people without access to electricity. To meet energy needs, they used traditional sources such as firewood and animal waste. But since early 2017, some Darai Nolak residents have entered a new era. Thanks to a communal micro-hydro system, daily life has been made far safer and easier.

Darai Nolak's hydropower unit serves about 50 households, two community mosques and one school, and means that lighting, television and radio sets and basic electronic appliances can now be used. Hydropower units with slightly different capacities have also been installed in two other villages. Aspiringon village, in the same Baljuvon district, was similarly lacking electricity but now has a plant with a 13kW capacity. Tens of houses, one school and one mosque enjoy electricity supplied by the plant. In Shibantai village, in the

Temurmalik district, a 16kW hydropower unit supplies one school with 300 students, four business premises and a hospital. Previously, Shibantai only received a limited daily electricity supply from the government from just after twilight until 9pm.

The same OFID-funded project also installed 36 mid-sized solar panel systems. The resulting electricity supplies small businesses such as barber and coffee shops. It also supports community services, including clean water pumps for irrigation and drinking water. In one village, electricity from a solar panel pumps enough to meet the needs of some 20 families. Elsewhere,

farmers' cooperatives use the water to irrigate previously unused fields. The project has clearly provided opportunities for improved income and local food security.

The project, which also extends to Afghanistan, has brought about similarly life-changing improvements in targeted communities there. Eight mini hydropower electricity plants and 11 solar panels have been installed to pump clean water. Nearly 400 solar panels were also made available for household use.

Projects implemented in Central Asia—including in Tajikistan—have sometimes used imported parts from Russia or China. But for this project, turbines were

Electricity harnessed from solar panels has provided numerous families with clean water for drinking and irrigating crops.





PHOTOS: WELTHUNGERHILFE



◀ produced locally in Afghanistan. Such turbines are more resilient and fit for rural areas, and can be more quickly repaired by local technicians if they are damaged; thereby building a value chain in the region.

In mid-2016, two Tajikistani technicians were sent to help—and also to learn about—turbine production in Afghanistan for a project in Kabul. Following a two-week ‘internship’, the two technicians had learned the skills necessary to produce and repair turbines. Similar training was also organized in Tajikistan and dozens of electricians

learned turbine production and repair skills.

In accordance with the prime objectives of the project, this use of local resources will ensure the results are sustainable and that progress can be made without continued external support.

Commenting on the project, Dr Walid Mehalaine, Head of OFID’s Grants and Technical Assistance Unit, said: “This intervention is in line with OFID’s flagship Energy for the Poor Initiative, which has been implemented through various financing windows including the Grants Program. The impact this

Field promoters receiving training to use more energy efficient household items, such as a heat-exchanger for stoves and a special pressure-cooker (right).

project has had on the beneficiary population shows explicitly how access to modern, reliable and affordable energy can dramatically improve people’s lives and spur development in other sectors.”

From September 2014 to April 2017, OFID contributed US\$800,000 to the project through its Grants and Technical Assistance Program. The Federal Ministry for Economic Cooperation and Development of Germany also supported the project, disbursing a total of US\$720,000, while the Bonn-based non-governmental aid agency, *Deutsche Welthungerhilfe* (WHH), contributed US\$72,000 and acted as the implementing partner.

WHH noted that in the Tajikistan target areas, thanks to the introduction of electricity, around 700 tonnes of trees that would otherwise have been cut down for fuel should be saved each year. Similarly, hundreds of tonnes of animal waste will no longer be burned and can instead be used as fertilizer. In this sense, the project has helped to prevent deforestation as well as to avoid the negative health effects associated with burning more traditional forms of energy.



Field promoters learn how to install more energy-efficient windows.

Improving financial inclusion in Botswana

BY JUSTINE WÜRTZ

The OFID-supported Micro-finance Enhancement Facility (MEF) is helping to reduce income inequality by giving entrepreneurs and small businesses in poor countries a start.

Nkaelang is a builder and family man. Close to his home, the village of Kanye is bustling with economic activity driven by its proximity to Botswana's capital, Gaborone (70 km

away), and the industrial town of Lobatse (40 km).

Seeing the potential, Nkaelang secured a loan from Letshego Bank to build an apartment block of five self-contained units. "Once this property is complete, I will use the revenue I make from renting the apartments to build a house for my family," he said.

Nkaelang's plans don't stop there: "When that's finished, I will

“
The income I make from these rentals will provide for my family.”

build more apartments to rent out. The income I make from these rentals will provide for my family. I will use the money to send my children to private schools which I could never afford before.”

Nkaelang's dreams of a home for his family and an education for his kids are quite common, but his opportunity to finance these things is not. Most entrepreneurs in developing countries face extreme



PHOTO: KFW

◀ difficulties when it comes to securing loans to start a business or fund a project. For most, it's next to impossible.

Access to financial services is so limited in some regions that an estimated two billion adults worldwide don't even have a basic bank account enabling them to protect savings for long-term goals or cover emergencies.

The World Bank characterizes financial inclusion as when "individuals and businesses have access to useful and affordable financial products and services that meet their needs...delivered in a responsible and sustainable way." Financial inclusion is a key enabler to reducing poverty and boosting prosperity, not just for individuals but for whole communities and economies.

2 bn

**An
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account.**

World Bank Group President Jim Yong Kim has called for universal financial access by 2020.

Letshego Bank is one of more than 100 microfinance institutions in 40 countries that have benefited from increased loan capacity through the MEF. The Facility was set up in 2009 by KfW Development Bank and the International Finance Corporation to support economic development and prosperity, globally.

The Facility extends short and medium-term financing to microfinance institutions, which in turn can provide more microfinance services such as credit, savings deposits and housing loans to the working poor in developing countries.

OFID, alongside other development finance institutions, sup-

ported the Facility at inception in 2009 with a US\$20 million investment. The investment was a part of OFID's approach to improving the access to liquidity for microfinance banks in view of the global financial crisis at the time. OFID committed a further US\$20 million to the Facility in 2014 to further support its important mandate for financial inclusion.

All this investment has had a catalytic effect by attracting commercial investors, too. The MEF now supports as many as 60 million low income borrowers in many of the world's poorest countries so that people like Nkaelang have the chance to follow their dreams. ■



For more information, see www.mef-fund.com

The road to prosperity in Nicaragua

BY SILVIA MATEYKA

Roads are the most important form of transport infrastructure in Nicaragua, providing vital access to social and administrative facilities and services, especially for people living in rural communities, who make up 41 percent of the country's six million inhabitants.

Currently, it's estimated that just 22 percent of the population has access to a paved road. Aware of the constraints imposed by this limitation, OFID provided a loan of US\$9.4 million and worked with the country's government to upgrade a critical road section connecting the towns of San Juan de Rio Coco and Las Cruces. The project, in the north of the country, was in line with the government's Human Development

Strategy, which targets the eradication of poverty through a Rural Roads Improvement Program.

Since completion in January 2017, the newly-paved road provides around 56,000 people with a reliable, safe and efficient means of travel. Women and men from local communities were hired to carry out the construction work, helping to create jobs, increase local capacity and embed a sense of ownership.

"It was a good way of providing employment," said one member of the local community who worked on the project. "Although only temporary, it has helped many of us." Another community member explained that the new road represented a "big achievement"; pointing out that the area is important in



PHOTO: DZMITRY KLIAPITSKIY/ALAMY STOCK PHOTO

 **22** percent
Only **22** percent
of the population has access
to a paved road.

PHOTOS: OFID/MIGUEL LINARES



terms of national production. OFID's Luis Aguilar, who is responsible for the organization's public sector operations in Nicaragua, said: "Limited transport infrastructure has presented a significant obstacle to both domestic and foreign trade, directly impacting Nicaragua's competitiveness, discouraging investments and hindering the country's economic development." He said the OFID-supported project "has improved food security, increased people's earning capacity and resulted in a better quality of life all round."

Transportation has been a key area in which OFID has helped build capacity in Nicaragua, explained Aguilar. To date, the organization has approved US\$36 million in support of the sector. More than 300,000 people living in rural Nicaragua have benefited from OFID's financing. All projects have aimed at enhancing the country's road network to improve trade, economic competitiveness and income generation, as well as pro-

OFID Operations Officer Luis Aguilar (below, sixth from right) says the OFID-supported project has improved people's quality of life.

viding access to social and public health services.

Support for Nicaragua's transportation sector is vital since a lack of maintenance and multiple natural disasters in the past have caused extensive damage to the

country's roads and highways.

The national road network consists of approximately 24,000km of roads of which only around 15 percent are paved—because of this, many are only passable during the dry season.



NEWSROUND

Astana 2017: Access to energy vital to achieving SDGs

OFID Director-General says alleviating energy poverty is at the core of the 2030 Agenda for Sustainable Development.

BY STEVE HUGHES

Speaking at Expo 2017 in Astana, Kazakhstan, Suleiman J. Al-Herbish said: “This Expo’s theme—Future Energy—reflects one of the most important of today’s global priorities: ensuring everyone has access to energy. This is at the very core of the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs).”

Inviting delegates to OFID’s Expo exhibition, where the organization hosted a panel discussion on energy and development featuring leading industry experts, Al-Herbish said: “Access to energy is essential for economic growth,

employment, education, poverty reduction, and health and safety. It has been the central theme of our work since 2007, when OFID received a special mandate from the Riyadh Declaration of the 3rd OPEC Summit. Since then, we have intensified our energy poverty alleviation initiatives.”

Al-Herbish said that the Expo represented “a new and valuable contribution to the urgent global dialogue on energy.” He said such events served to inform, inspire and innovate: to foster participation and the exchange of ideas; and importantly, to come up with solutions. “Solutions that OFID and its

partners,” Al-Herbish added, “stand ready to fund.”

The Expo, which addressed global energy-related challenges, attracted countries from around the globe including OFID Member States Algeria, Gabon, IR Iran, Qatar, Saudi Arabia, Venezuela and UAE. Prominent international organizations also attended, including UNESCO, the OECD, the World Bank, SEforALL and OPEC.

OFID’s participation included facilitating an information stand for the entire duration of the Expo—between June 10 and September 10—and staging an ‘OFID Day’, where the organization played

host to panel discussions and presentations.

Al-Herbish also met with Kazakhstan government ministers and high level officials Aidar Afrikhanov, Baiterek Deputy Chairman, and Erlan K. Khairov, Vice Minister, Ministry of Investment and Development. Discussions between OFID's delegation and several counterparts focused on cooperation, including private sector development.

When concluding his speech at the event, Al-Herbish reiterated his thanks to the Republic of Kazakhstan for hosting the Expo and added: "OFID looks forward to working more closely with [Kazakhstan] in the future to support sustainable development in Central Asia."

“
Access to
energy is
essential for
economic
growth.”

Al-Herbish



PHOTO: OFID/ALESANDRA SOLANO

Madagascar's airport project takes off

Construction begins on the upgrade and expansion of the island nation's two largest airports.

BY JUSTINE WÜRTZ

Madagascar's most important airports will be fully upgraded in a €215 million project supported by OFID. A private sector term loan of €30 million was extended to Ravinala Airports by OFID earlier this year.

"Efficient and modern transport systems are essential for economic development and growth," said OFID Director-General Suleiman J. Al-Herbish. "Support to the transport sector is one of the pillars of OFID's integrated development strategy and we are happy to work with Madagascar in these development aims."

OFID's participation is part of a syndication led by the International Finance Corporation of the World Bank Group. Other participants in-

clude the French development agency Proparco, the Development Bank of Southern Africa, and the Emerging Africa Infrastructure Fund. Together with capital contributed by the shareholders of Ravinala Airports, the financing will fund a new terminal at Ivato airport in Mada-

The international airport, Antananarivo, Madagascar.



PHOTO: GUICHAOUALAMY STOCK PHOTO

agascar's capital Antananarivo, and upgrade and expand existing terminals at Ivato and at Fascene airport on the tourist island of Nosy Be.

"Madagascar is a growing tourist destination, but the country's economic development has been hampered by poor transport infrastructure," said OFID's Head of Private Sector and Trade Finance Operations, Tareq Alnassar. "This project will help change the outlook of the country. Improved air traffic infrastructure will help boost tourism activities, increase international trade and provide much needed jobs. Public-private partnerships such as this can do much to promote development and help poor countries capitalize on their economic potential."

Madagascar is a large island nation situated off the coast of south-eastern Africa. It is famous for its diverse geography which includes highlands, tropical rainforest and beautiful shores, as well as spectacular and largely endemic flora and fauna.

OFID hosts luncheon for Nobel Laureates and young scientists

Director-General Suleiman J. Al-Herbish leads delegation to the 6th Lindau Meeting on Economic Sciences.

BY STEVE HUGHES



PHOTO: CHRISTIAN FLEMING / LINDAU NOBEL LAUREATE MEETING

OFID's delegation with Nobel Laureates and some of the OFID-sponsored young scientists and researchers.

I would like to congratulate the Lindau Foundation, as OFID's longstanding partner, for its continued success and valuable work."

In addition to Al-Herbish, OFID's delegation comprised Dr Deyaa Alkhateeb, Advisor to the Director-General, Dr Walid Mehalaine, Head of the Grants and Technical Assistance Unit, and Ms Souhad Khriesat, Grants and Technical Assistance Unit Officer.

The meetings take place in Lindau's city theater in Germany. ■



For more information, see www.lindau-nobel.org

The annual meeting, which sees Nobel Laureates meet with hundreds of young economists from many different countries, fosters the exchange of ideas—through lectures, discussions, master classes and panel discussions—among scientists of different generations, cultures and disciplines.

In a keynote address, President of the European Central Bank Mario Draghi spoke of the economic-related challenges facing the world: "We must be aware of the gaps that still remain in our knowledge... Policy actions undertaken in the last 10 years in monetary policy and in regulation and supervision have certainly made the world more resilient. But we should continue preparing for new challenges."

OFID's partnership with the Foundation dates back to 2009 when the organization sponsored the participation in the meeting of young scientists from developing countries. Since then, OFID has sponsored more than 300 young researchers from a variety of countries, and further sponsorship is planned. In 2011, in recognition of OFID's efforts to promote education, Al-Herbish was named an Honorary Senator of the Foundation.

Speaking at the OFID-hosted luncheon at this year's meeting, Al-Herbish said: "I have had the honor of taking part in several Lindau Foundation meetings. I have seen firsthand how the Foundation provides a forum for the exchange of knowledge between Nobel Laureates and young researchers.

What is a Nobel Laureate?

The Nobel Prize is an international award administered by the Nobel Foundation in Stockholm, Sweden. In 1968, Sveriges Riksbank established The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, a Swedish inventor and entrepreneur, and founder of the Nobel Prize. Each Prize consists of a medal, a personal diploma and a cash award. A person or organization awarded the Nobel Prize is known as a Nobel Laureate. The word 'laureate' refers to a laurel wreath. In ancient Greece, laurel wreaths were awarded as a sign of honor.



Find out more at www.nobelprize.org



The launch of the OFID-supported water project was attended by Malawi's President.



PHOTOS: COURTESY OF THE NORTHERN REGION WATER BOARD

President Mutharika: No more water woes

Malawi President Peter Mutharika recently helped launch an OFID co-funded project that will bring sustainable access to safe and potable water to the town of Mzimba in the northern region of the Southern African nation.

BY STEVE HUGHES

The project, which OFID supported with a loan of nearly US\$15 million, will rehabilitate and expand the town's water supply infrastructure and introduce sanitation facilities in primary schools, markets and waste management sites.

President Mutharika said the project demonstrates how the government is committed to ensuring the people of Malawi have safe water and good sanitation. The project is also expected to benefit women who currently travel up to 3km in search of water and often spend two to three hours at a water point. "With this project, those water woes will be a thing of the past," the *Nyasa Times Online* reported him as saying. "Water is life, therefore, as government, we are committed to ensuring that people have access to potable water and good sanitation."

The unveiling ceremony and launch was also attended by Belkacem Ouzrourou, Director of OFID's Public Sector Africa Region, who discussed the status of ongoing operations and future cooperation with country representatives. OFID's relationship with Malawi dates back to 1977. Since then, the organization has committed more than US\$145 million to development projects in the transport, health, water and sanitation, education and agriculture sectors.

More than 100,000 people are expected to benefit from access to potable water and / or improved sanitation facilities by 2025 as a result of this project, which is co-funded by the African Development Bank and the government of Malawi. In addition, approximately 450 job opportunities will be created for local semi-skilled and unskilled workers during the construction

phase, and up to 50 percent of such jobs will go to women.

According to the World Bank, Malawi is currently facing twin pressures arising from two separate issues—vulnerability to climate-induced shocks and fiscal management challenges. Climate shocks such as floods and droughts have made food security a recurrent issue, and have exacerbated energy and water delivery challenges that adversely affect private sector investment. Other pressures include addressing a scarcity of skilled human resources, providing health-care and managing population growth.

"With this project, water woes will be a thing of the past."

President Mutharika



New OFID-funded water infrastructure will boost rural development in Malawi.



PHOTOS: UNDP/MICHAEL ATWOOD

Solar lanterns to lighten load of IDP women

The UNDP recently handed over 600 solar powered lanterns to Somalia's Federal Ministry for Humanitarian Affairs and Disaster Management. The lanterns will be distributed to female-headed households within IDP (internally displaced persons) communities in Mogadishu as part of a renewable energy project financed by OFID (see opposite).

Solar lanterns can significantly improve safety, especially for women and girls in IDP communities, and provide the opportunity for school children to study after dark. The lanterns are also a clean and safe source of light that can replace potentially hazardous forms of lighting such as candles and kerosene lamps, helping to reduce the risk of fire, and the negative health impacts of burning kerosene indoors.

Each household will receive a pair of lanterns: one that can be used for cooking and charging mobile phones, and to provide safety by lighting the way to toilets and other areas of the camps; and one for the specific purpose of enabling children to study in the evenings.



Lighting up lives in Somalia

OFID grant supports model renewable energy project in Mogadishu.

The government of Somalia has launched a solar power system to be used by the Office of the Prime Minister in the capital Mogadishu. By serving as a demonstration project, the high profile initiative will promote the use of renewable energy across the African country.

The UN Development Agency (UNDP), working with the Ministry of Energy and Water and supported by grant funding from OFID, installed 298 solar panels—a 76KVA hybrid solar system—which will allow a saving of 35 percent on fuel consumption (or 120 liters daily) at Villa Somalia.

Somalia relies largely on imported oil and other fossil fuels for electricity generation and day-to-day activities, which has impacts on the economy and the environment. There is, however, significant potential in all regions for the use of renewable and



PHOTO: MINISTRY OF HUMANITARIAN AFFAIRS AND DISASTER MANAGEMENT

Significant potential exists for the use of renewable and alternative sources of energy in Somalia.



alternative sources of energy—such as solar and wind power—that have so far remained largely untapped.

OFID Director-General Suleiman J. Al-Herbish said: “It is clear that renewable energy sources have considerable potential in meeting many countries’ electricity needs. Actions like these, combined with the spirit of cooperation with like-minded institutions such as the UNDP, are integral to addressing the challenges of providing energy access in a sustainable manner.”

Somalia’s Deputy Prime Minister Mahdi M. Gulaid said: “The installation of the solar system in the building will help create a better working environment and indeed a greener environment. Solar energy potential could be better exploited in Somalia, which enjoys over 310 sunny days—almost 3,000 hours of sunshine—yearly. [This] makes it an ideal environment for generating clean energy through solar.”

The government is making strides toward encouraging the use of renewable energy across Somalia, and has incorporated these efforts in its National Development Plan.

UNDP Country Director George Conway said: “Innovation in the field of renewable sources of energy has a huge potential in Somalia, particularly at a time when the construction industry is booming with many Somalis investing in restoring their lost dwellings, and the government in public buildings and basic social infrastructure.”

Supported by OFID, the UN Environment Program (UNEP) and UNDP, the project also aims to scale-up the provision of affordable and clean energy across civil service offices in Somalia. Six additional government offices will each be provided with 1,500 watt solar systems in the near future and 50 young people will be trained to operate and maintain solar energy equipment. Source: UNDP ■

Guyana set to receive private sector boost

OFID Director-General Suleiman J. Al-Herbish signs agreement with Guyana’s Minister of Finance Winston Jordan.

BY STEVE HUGHES

The agreement, known as an AEPI, or an Agreement for the Encouragement and Protection of Investment, sets out a framework for OFID to begin private sector operations in Guyana.

Al-Herbish said the agreement would help OFID to further promote social and economic development in Guyana by financing and investing in the Republic’s private sector. “We have worked with Guyana for many years via our other financing windows, but this agreement will allow us to support the sustainable development of the Republic’s private sector, too,” he said. “OFID’s private sector and trade finance operations are growing in relevance and scope and represent an important instrument of development. We look forward to expanding our partnership with Guyana.”

Jordan thanked the Director-General and OFID officials for the organization’s continued commitment. “We hope this is the renewed beginning of the relationship [with OFID],” he said. “It’s important that we maintain the momentum and excitement.” He added that OFID had the potential to make a tangible difference to Guyana’s future, as it had done to its past.

“Adequately nurtured and properly promoted, the private sector has the potential to become the country’s engine of green



Guyana’s Minister of Finance Winston Jordan.

growth,” Jordan said. He added that the government was taking the necessary steps to create a supportive environment for private sector investment. The government, he said, has advanced a transformative program for the development of Guyana to move from a primari-

ly agricultural and mineral exporting country to a more diversified economy. “We have opportunities to exploit; we have a lot going for us,” he said, adding that the focus would be on sustainable and ‘green’ growth.

Between 1976 and mid-July 2017, OFID committed a total of more than US\$55 million to Guyana via the organization’s public sector operations. Much of this was provided as debt relief—some within the framework of the Enhanced Heavily Indebted Poor Countries Initiative*—while more than US\$29 million was earmarked for the Republic’s energy, agriculture and financial sectors. ■

**Endorsed by the Interim and Development Committees of the World Bank and the International Monetary Fund in September 1996, the Initiative represented a unified effort by the international community to address the external debt challenges of the world’s heavily indebted poor countries.*

PHOTOS: IMA/RAMBAUD



Arab World Institute celebrates 30 years

OFID hosts Director-General of Arab World Institute and emphasizes importance of human-centered development.

BY REEM ALJARBOU

Development Goals (SDGs). Culture should be recognized as the fourth pillar of the SDGs, along with the social, economic and environmental aspects.”

The Arab World Institute (*Institut du Monde Arabe*, or the IMA) promotes relations between the Arab world and France—and more generally, Europe—and celebrates its 30th anniversary this year. During his visit to OFID, Dr Al Zahrani outlined the Institute’s current focus, which includes such

The Director-General of the Paris-based Arab World Institute recently visited OFID Director-General Suleiman J. Al-Herbish to discuss the importance of the cultural dimension of development and potential future collaboration.

Receiving Dr Moheb Al Zahrani in OFID’s Vienna headquarters, Al-Herbish stressed that international development should be ‘human-centered’ and that the richness of diversity and culture should be maintained and promoted for all of humanity. “OFID funds projects that aim to empower people with the tools to take charge of their own development,” he said. “We work with local organizations wherever possible and we’re committed to respecting the culture of each of our partner countries in our journey toward the Sustainable



OFID Director-General Suleiman J. Al-Herbish and Dr Moheb Al Zahrani, Director-General of the Arab World Institute.

projects as attempting to establish official recognition of different levels of attainment for students of the Arabic language and celebrating leading cultural figures in the Arab world through the bestowing of new awards.

The IMA was founded in 1980 by France and 18 Arab countries to research and share information about the Arab world and its cultural and spiritual values. The Institute's mission is to drive dialogue between the East and West by offering a range of activities—including debates, conferences, seminars, performances, concerts, films, books, meetings, language courses and more—highlighting various aspects of the Arab world. The goal is to enable as many people as possible to access the culture. Since its creation, the Institute has been a key partner of universities

and international cultural institutions.

The idea of establishing the IMA began in the late 1970s when the French government recognized that the Arab world was culturally underrepresented in France, despite long-standing historical ties. The Institute was founded in 1980, and the following year, President François Mitterrand provided a significant boost by allocating a piece of land located on the banks of the River Seine to build a strategic headquarters.

Award-winning architecture

A competition to design the building was won by French architect Jean Nouvel in conjunction with the French architecture practice Architecture-Studio (the Saudi architect Ziyad Zaidan was also consulted). A striking feature is



The goal is to enable as many people as possible to access the culture.

the detailing of the building's façade, which includes several hundred light sensitive diaphragms that generate geometric patterns and regulate the amount of light allowed to enter. The façade draws inspiration from the traditional lattice work used for centuries in the Middle East. The inauguration of the building took place in 1987 and in 1989 the building won the Aga Khan Award for Architectural Excellence.

To celebrate the IMA's 30th anniversary, two major exhibitions are already under development. The first will focus on the link between the Arab-Muslim civilization and sub-Saharan Africa, and the second will focus on the coexistence of religions in the Arab world. ■



For more information, see www.imarabe.org

Long Day of Flight

The United Nations Refugee Agency's Long Day of Flight is a program of events that aims to raise awareness of the plight of refugees seeking a safer life in Austria. As part of the national initiative, OFID recently highlighted the challenges refugees face when settling in Austria via a well-attended exhibition.

BY DR LILIAN AL-BAZAZ AND SILVIA MATEYKA

Students from six local Austrian schools—along with other visitors—attended the exhibition at the OFID headquarters in Vienna. The event built on the success of last year's Long Day of Flight exhibition, which highlighted the dangerous journeys endured by refugees.

This year's exhibition focused on the trials and tribulations faced by refugees who choose to settle in Austria. Information about Austria's Traiskirchen refugee camp was on offer—along with recorded sounds of the camp played through loudspeakers, and tents and camp beds, to help create a more realistic



PHOTO: ELYA VATEL / SHUTTERSTOCK.COM



OFID staff members provide an overview to exhibition visitors at the OFID headquarters in Vienna, Austria.

◀ atmosphere—and visitors were invited to put themselves in the shoes of a refugee arriving at the camp after a long, dangerous and painful journey.

Visitors also learned about Austria's history of providing a safe refuge and gained insight into the asylum application process, which can often prove challenging for non-German speakers. In line with this, attendees were invited to play

a game produced by non-governmental institution Amnesty International, which aimed to highlight the difficulties in achieving a shared goal without being able to communicate properly—only gestures were allowed as players attempted to build a bridge together against the clock. The highlight of the exhibition was a presentation by Samer Amin, a refugee from Syria. ■



Exhibition visitors play a game designed to highlight the challenges of communicating without words.

Refugee life

Samer Amin is 27 and comes from a city called Idleb in northern Syria. He spoke with visitors to OFID's Long Day of Flight exhibition and answered a number of questions about refugee life...

What was life like before the war broke out?

I had a happy but difficult childhood. My family has a little farm with cows. Besides that I went to a small local school where my father was teaching. My elder siblings were studying at the university in Idleb. Life was good until one of my brothers had an accident in 2004 and as a consequence became blind.

Why did you have to flee?

In 2011 the revolution started. My friends and I founded a group and demonstrated by singing songs of freedom. We asked for the killing to stop. That's how my name was put on the blacklist. My friends and I were not able to leave our houses anymore; we even had to give up studying. The second reason is that I would otherwise have had to join the armed forces. But I didn't want to fight. I hate violence.

Did you leave Syria alone? Where are your relatives?

I left with my cousin Omar and my sister-in-law. They are now in Germany and Sweden. My parents and one of my elder brothers are still in Syria, as is one of my sisters. I also have two brothers and a sister who live in Qatar, and a brother who lives in Linz, Austria.



PHOTOS: COURTESY OF SAMER AMIN

Could you please describe your flight?

We started off in Izmir, Turkey. We stayed for three days and then took a boat to the island of Samos in Greece. For this, we had to pay €1,200 (approximately US\$1,400) each and we almost drowned. In Samos, we spent another three days waiting to be registered before moving on to Macedonia. From there, we took the train to Austria, passing through Croatia and Slovenia. The whole trip cost us about €2,500 (approximately US\$2,930) each. I took only winter clothes, my camera and some documents. We faced many challenges, mainly because of the language. December 2015 was very cold; we were freezing but couldn't find anywhere to sleep. Food was almost always bread and jam.

Why did you choose Austria?

I chose Austria because my brother was already in Linz and I had read a lot about the country. Nature here is just beautiful.

What was your first impression of Austria?

It was very difficult to communicate because I couldn't express myself. Everything was new and the circumstances in the camp were rather bad. But the people were nice, welcoming and helpful.

How is life here?

I have met many people and some of them have become my friends. I am a photographer and have already held two exhibitions. The most difficult part is the language and the laws. If you are not granted asylum, you can't work. The only thing you can do is wait. Waiting and not being able to do something is horrible. I try to use my time studying the language and supporting friends, if they need help. I am also working with a lawyer to be admitted to the asylum-seeking process here in Austria; otherwise I will be sent back to Croatia (the first country of the European Union I arrived in*).

When thinking about Syria, what do you miss most?

I miss my parents, my sisters and brothers and my childhood friends who are still there. My bed is still empty—no one has used it. My mum says it's to be kept for me; that I'll be back home one day.

What message would you like to convey?

I want the people here to know more about Syria; I want them to understand what's really going on back home. What you see on television and in the news reflects only 10 percent of the reality. We, the refugees, don't come here to take your work or your money. We come here because we

want a peaceful and safe life. And we will also do our part to make this process of integration work.

I hope that the war in Syria will soon be over. It's enough; the people are tired from fighting. And I hope that I will be able to see my family again, but at the same time, I hope that my asylum process will find a positive end. And I want to thank the Austrian people for being welcoming and supportive. This means a lot to us.

*The DUBLIN Regulation is a European Union (EU) law that determines the EU Member State responsible for examining an application for asylum. It provides for the transfer of an asylum seeker to the EU Member State through which the asylum seeker first entered the EU.



Samer Amin

OFID cements cooperation with Tajikistan

Ambitious road project to boost central Asian country's trade and development opportunities

BY FATMA ELZAHRA ELSHHATI

Tajikistan President Emomali Rahmon recently helped mark the official launch of a new OFID co-funded transportation project that will bring the central Asian country closer to neighbors Afghanistan, Uzbekistan, Pakistan, China and Kyrgyzstan for trade and development purposes.

A delegation from OFID, including Assistant Director-General of Public Sector Operations Fuad Albassam and Operations Officer Musab Alomar traveled to Tajikistan for the Kulyab–Kalaikhumb Road ceremony. The event was also attended by members of the Arab Coordination Group, including leading officials of the Saudi Fund for Development and the Islamic Development Bank, as well as the Minister

of Energy for the United Arab Emirates, Suhail bin Mohammed Faraj Faris Al Mazrouei.

During the ceremony, foundation stones were laid for additional sections of the road that will extend this ambitious project and link the western and eastern regions of Tajikistan. Other works will include the repair and construction of bridges and building a 1.2km tunnel. This latest component of the project—which is supported by a US\$10 million loan agreement between OFID and Tajikistan, in addition to other financing—was approved during the July meeting of OFID's Governing Board.

OFID Director-General Suleiman J. Al-Herbish has long-stressed the importance of transportation infrastructure to connect people and im-

“Transportation is an enabler of the energy–water–food nexus approach to development.”

prove lives, promoting inclusive economic growth and facilitating trade, integration and employment. The importance of the sector is underlined by its role as an enabler of the energy–water–food nexus approach to development (see page 48).

OFID's support to the transportation sector has been consistently high, with cumulative approvals amounting to around US\$4.3 billion. These resources have been utilized across all subsectors, from roads, seaports and airports, to railways, inland waterways and urban mass transit. They have been channeled predominantly through the public sector, although the past decade has witnessed growing investment in private sector initiatives.

This year marks the 20th anniversary of OFID's cooperation with Tajikistan. The majority of OFID's support has gone toward the country's transportation sector. Prime Minister Qohir Rasulzoda, who also met with OFID's delegation, explained that Tajikistan is working within the framework of its National Development Strategy 2030, which places priority on energy security, the flow of knowledge, food security and increased employment.

OFID began supporting Tajikistan's health sector in 1997. During its recent mission, OFID's delegation visited the Dangara General Hospital, which the organization helped equip via two loans totaling US\$8.15 million.

PHOTOS: NAKIB



Tajikistan President Emomali Rahmon helps mark the launch of the OFID co-funded transportation project.

OFID DIARY

JULY–SEPTEMBER 2017

JULY 14

AEPI signed

OFID signed an Agreement for the Encouragement and Protection of Investment (AEPI) with the Cooperative Republic of Guyana. The agreement sets out a framework for commencing private sector operations in Guyana. It was signed by OFID Director-General Suleiman J. Al-Herbish and Guyana's Minister of Finance Winston Jordan.

JULY 17

Private sector loan agreement signed

Inecobank CJSC, Armenia. US\$15 million. This loan, OFID's fifth loan to the bank, will be used to support the international trade activities of small- and medium-sized enterprises (SMEs) in Armenia.

AUGUST 4

Public sector loan agreement signed

Tanzania. US\$18 million. Uvinza-Malagarasi Road Project. Also being co-financed by the Abu Dhabi Fund for Development, the project will pave a 51km gravel road that serves around two million people in the Kigoma region in western Tanzania; an area that borders Burundi and DR Congo. On completion, the upgraded road will not only enable year-round transport but also boost access to

social services and popular tourist attractions that provide a good source of revenue.

AUGUST 7

Emergency aid grants approved

International Federation of Red Cross and Red Crescent Societies. US\$400,000. To help finance three mobile health units to serve communities in remote, rural areas of the Aleppo, Hama and Latakia governorates in Syria. In addition, equipment and essential medical supplies will be distributed to clinics run by the Syrian Arab Red Crescent, benefiting around 50,000 people.

International Committee of the Red Cross. US\$400,000. This grant is earmarked for distributing food and essential items to nearly 17,000 people in areas including the Red Sea coast in Taiz and the northern and central highlands in Yemen.



August 4: Abdallah Saleh Possi, Ambassador of Tanzania in Germany, and OFID Director-General Suleiman J. Al-Herbish sign an US\$18 million loan agreement to help finance a transportation project in Tanzania.

AUGUST 30

Emergency aid grant approved

International Federation of Red Cross and Red Crescent Societies. US\$200,000. To help procure essential relief supplies for mudslide victims in Sierra Leone and support emergency operations.

SEPTEMBER 13

Grant agreement signed

United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

US\$1 million. To enhance the quality of education and learning conditions for Palestinian refugee children in the village of Beit Inan in Jerusalem. This will include expanding the Beit Inan school by constructing additional floors and classrooms, providing furnishing and equipment and carrying out rehabilitation works.

SEPTEMBER 19

160th session of the Governing Board

Public sector projects approved

Argentina. US\$50 million. Gran Tulum Water Supply. To promote the socioeconomic development and living standards of around 520,000 people in San Juan province by building a new water supply system to meet current and future demands. In addition to improving health indicators, the project will help boost the agriculture sector by providing a reliable source of water for crop irrigation and livestock.

Côte d'Ivoire. US\$11 million. Rehabilitation of Cocody Bay (Lot 3). To carry out various environmental works at Cocody Bay and the Ebrie Lagoon to improve the health and living standards of around 1.9 million inhabitants in and around the capital Abidjan. The project is expected to reduce infant mortality and the incidence of vector-borne diseases, particularly malaria. Better environmental conditions will also attract commercial activities such as fishing and tourism, creating jobs and boosting development.

Cuba. US\$45 million. Solar Energy Development. To help Cuba diversify its energy mix by increasing the generation of electricity from renewable energy sources. This will be done by developing solar water heaters ►

September 13: OFID Director-General Suleiman J. Al-Herbish and UNRWA Commissioner-General Pierre Krähenbühl sign a US\$1 million grant agreement to support UNRWA's school for girls in the Palestinian village of Beit Inan.



PHOTO: UNRWA



PHOTO: OFID/MUSAB ALOMAR

September 11: OFID Assistant Director-General of Public Sector Operations Fuad Albassam with Tajikistan Finance Minister Abdusalom Qurboniyo co-sign a US\$10 million loan agreement for the Kulyab-Kalaikhumb Road project.

◀ and domestic photovoltaic systems to benefit the population across the country and by constructing two solar photovoltaic power plants in Las Tunas province. The project will benefit around 250,000 people.

Egypt. US\$53.2 million. Rehabilitation of Irrigation and Drainage Pumping Stations, Phase II. To replace and repair pumping stations for a reliable delivery of water for irrigation and to reduce losses, thus raising agricultural production. This will, in turn, help increase incomes and food security for more than 380,000 people.

Technical assistance grants approved

Access to Water. US\$800,000. To expand the scope of an earlier OFID-supported initiative that provides water kiosks and filtration systems to impoverished, rural communities in Senegal. The scheme will install equipment for inhabitants along the Senegal river region in Mali, Mauritania and Senegal. Approximately 250,000 people will be provided with safe drinking water.

Franco-Afghan Friendship (AFRANE). US\$400,000.

To build on the successes of an earlier OFID-sponsored project that enhances access to quality education in Afghanistan, particularly for girls and those living in isolated, rural areas. Activities will include: construction / rehabilitation of schools and dormitories; provision of vocational training and pre-admission training courses for girls; and teacher and school staff training schemes. An estimated 1,600 teachers and 95,000 pupils in five provinces will benefit from improved learning environments / quality of teaching, and better employment prospects / livelihoods.

Care Austria. US\$300,000.

To support the program "Udaan: Catching the missed opportunity" aimed at improving prospects for girls from poor and marginalized families in Nepal. The program will provide education and vocational training in 10 villages in the Kapilvastu district in the western region and involve around 500 girls.

Group for Environment, Renewable Energy and Solidarity (GERES). US\$420,000.

To support the development of sustainable biomass fuel supply chains in Cambodia to reduce the use of fuelwood and low-quality charcoal. Activities will include building the capacity of two organizations that produce and distribute improved cookstoves, and supporting charcoal producers to manufacture a "greener" product. Awareness-raising schemes will teach around 100,000 villagers the benefits of using more sustainable cooking devices, fuels and practices.

International AIDS Society (IAS). US\$300,000.

To support the attendance of participants from developing countries at the 22nd International AIDS Conference (AIDS 2018) in Amsterdam, Netherlands. The grant will also help fund a workshop in Beirut, Lebanon, that will gather experts from OFID Member Countries and others to discuss "HIV in Conservative Social Settings," the findings of which will be presented at an AIDS 2018 symposium.

Patient's Friends Society.

US\$1 million. To provide nuclear imaging equipment for the Al-Ahli Hospital in Hebron, benefitting around 2,800 patients per year.

United Nations Development Program (UNDP). US\$800,000.

To enhance access to reliable, affordable and sustainable energy products and services for rural populations in Tajikistan and Kyrgyz Republic through the promotion of scalable, private sector-led business models, with a focus on solar-based applications.

Varkey Foundation. US\$300,000.

To help finance the second phase of a teacher training program in Uganda, the first of which OFID co-funded. Phase II will establish technological infrastructure in Kampala to deliver training remotely. The project will create six training hubs in selected teachers' colleges, schools and coordinating centers in the West Nile region and is expected to train more than 960 teachers (reaching a further 9,600 teachers through 'cascaded' training). The project will benefit around 480,000 students.

October 2: OFID Director-General Suleiman J. Al-Herbish receives the new Ambassador of the Kingdom of Saudi Arabia to Austria, Dr Khalid Ibrahim Al Jindan.



August 28: OFID Director-General Suleiman J. Al-Herbish receives Haytham A. Shoja'adin, Ambassador of Yemen to Austria, who thanked OFID for a recent US\$400,000 emergency aid grant.

Meetings attended by OFID

JULY 9–10

ISTANBUL, TURKEY
22nd World Petroleum Congress: Bridges to our Energy Future

AUGUST 21–24

LINDAU, GERMANY
6th Lindau Meeting on Economic Sciences

AUGUST 28–31

THE HAGUE, NETHERLANDS
United Nations Representatives of Internal Audit Services Meeting

AUGUST 29–31

FRANKFURT, GERMANY
21st Annual International Financial Institutions Meeting hosted by the European Central Bank

SEPTEMBER 7

VIENNA, AUSTRIA
Austrian Chamber of Commerce Forum on Business and Development: Focus on Africa

SEPTEMBER 20–21

MADRID, SPAIN
International Finance Corporation Inaugural Global Debt Mobilization Conference

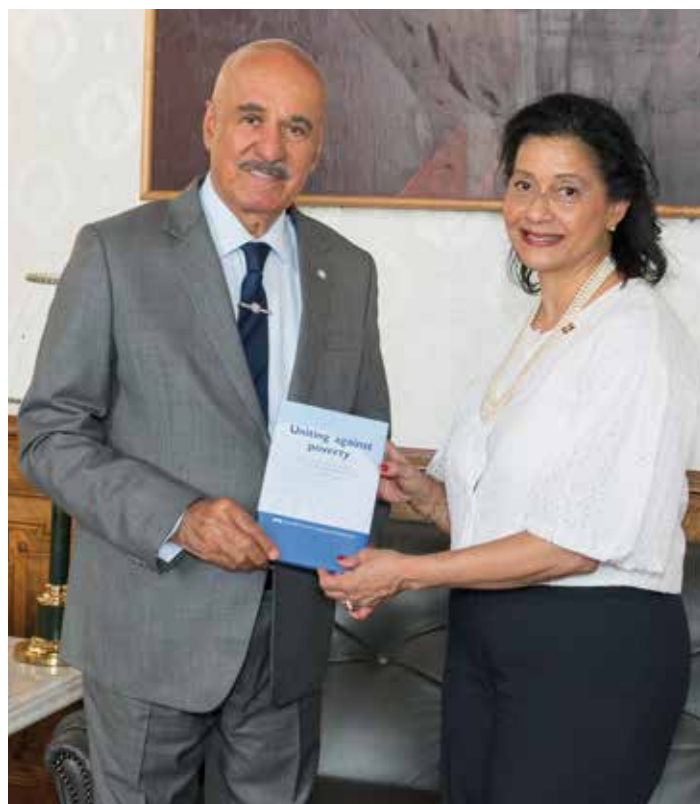
SEPTEMBER 25–26

BERLIN, GERMANY
Quadriga 10th International Social Media Conference

SEPTEMBER 27–29

VIENNA, AUSTRIA
European Bank for Reconstruction and Development Trade Finance Practitioners Trade Finance Forum

www.ofid.org



August 17: OFID Director-General Suleiman J. Al-Herbish receives Lourdes Victoria-Kruse, Ambassador of the Dominican Republic to Austria. Al-Herbish presented her with a copy of his second book of speeches *Uniting against Poverty*.

August 29

OFID Director-General Suleiman J. Al-Herbish receives Vivian N. R. Okeke, recently-appointed Nigerian Ambassador to Austria.



PHOTO GALLERY VISITORS



August 1

Al-Herbish welcomes Víctor Alfredo Veltze Michel, the recently-appointed Ambassador of the Plurinational State of Bolivia to Austria.

August 25

Al-Herbish receives Wilson Pástor Morris, Ambassador of Ecuador and OFID Governing Board representative, who paid a farewell visit.



August 18

Al-Herbish welcomes Shakir Mahmoud A. Al Rifaiey, new Head of OPEC's Secretary-General's Office.

**September 8**

Al-Herbish presents OFID's 40th anniversary coin to Hannu Kyröläinen, Ambassador of Finland to Austria.

**September 4**

OFID was pleased to receive one of its 2016 scholars—Noon Altijani from Sudan.

**October 3**

Al-Herbish receives Dr Vasilka Poposka Trenevskaa, Ambassador of Macedonia to the Slovak Republic and Austria.



Governing Board Chairman **Abdul Wahab Al-Bader** (fourth from left) with OFID Director-General **Suleiman J. Al-Herbish** (third from left) alongside other members of OFID Senior Management.

160th Session of the Governing Board

In September, OFID's Governing Board approved nearly US\$250 million of new funding to support developing countries across the globe. OFID Director-General Suleiman J. Al-Herbish explained: "OFID has made clear its readiness to fund projects on the ground in support of energy, water and food projects in developing countries across the world. We are fully committed, more generally, to supporting all 17 of the United Nations Sustainable Development Goals. This new funding demonstrates our determination and will support improvements to the living standards of some of the most vulnerable people on our planet."

OFID's newly-approved public sector loans, which total nearly US\$160 million, will support projects in Argentina, Côte d'Ivoire, Cuba and Egypt. Other approvals include eight grants totaling US\$4.32 million in support of organizations including the United Nations Development Program, Access to Water and the International AIDS Society; three financing facilities totaling US\$60 million under OFID's private sector facility; and US\$25 million to support international trade activities in Georgia under OFID's trade finance operations.

Adriana Verónica Quintero Román
Alternate Governor, Ecuador



Bader Ahmed Al Qayed
Governor, Qatar

Jean-Jacques Essono Nguema
Representative, Gabon



M. Abdullah Al-Kharashi
Governor, Saudi Arabia

SPOTLIGHT



Rural youth: One of the most important focus areas for development, according to IFAD's new President.

PHOTO: IFAD/GIULIO NAPOLITANO

The (rural) youth of today



PHOTO: IFAD/GIULIO NAPOLITANO

Gilbert F. Hounbo, the recently appointed President of the International Fund for Agricultural Development (IFAD), is a passionate advocate of rural youth, having been born and raised in rural Togo. Amid a busy schedule of meetings at IFAD's headquarters in Rome—and having only just returned from mission in Ethiopia—he spoke with the *OFID Quarterly* about the challenges of food security, making agriculture a more attractive sector for young people, and more...

INTERVIEW BY STEVE HUGHES

Gilbert F. Hounbo was recently appointed the sixth President of IFAD. He previously served as Deputy Director-General of the International Labour Organization (ILO) and was Prime Minister of the Republic of Togo from 2008 to 2012. Hounbo has also held leadership positions at the United Nations Development Programme (UNDP).

“One of the biggest challenges at the global level is our youth—even in advanced economies. But it's crucial when you look at it from the perspective of the Least Developed Countries. Unless we're decisive about it, the so-called dividends of youth will turn out to be a curse instead.

The majority of people in low-income countries live in rural areas. And at least half of them, if not more, are young people. This has implications for economic migration. I don't believe that migration can or should be stopped, but if we want to make it a more positive experience for all—and prevent people from being forced to migrate—we have to create hope and potential for young people.

At the moment, I don't feel like the agricultural sector is attractive enough to draw young people in.

But I'm convinced that by investing in technologies—improving seed yields and providing better access to weather, market and financial information, for example—we can make agriculture much more attractive. I would like to see us reach the situation where young people, either alone or in small groups, become as excited about starting up an agriculture-related company as they are by the lure of the city.

This is part of the answer to the youth unemployment challenge, and also part of the answer to the food security question. The challenge for us is getting to this position. Most members of the rural youth community will tell you that the first impediment is access to finance. I'm determined that the money IFAD lends to its members is geared toward rural youth. The private sector has an important part to play, too; governments are not able to create all the jobs we need or provide all the answers.

When it comes to providing better access to technology, I'm not advocating the most sophisticated forms. But we should remember that no young person seems satisfied with less than a smart phone these days, whether they're in Europe or Africa. We need to invest in broadband: it's important from a networking point of view. Communication apps have the potential to make a big difference in rural communities, and they're important to increase access to information. At a community level, the use of cheap and easy-to-operate technology can make a big difference. Drones, for example, can improve the understanding of land borders, titling issues, topography and more.

Access to simple technology and low maintenance equipment is important; if it's too difficult to maintain, communities will be quickly back to square one. It's very easy to double productivity in some cases. Today, we've returned from Ethio-

“When I see rural youth today—young boys and young girls—I’m reminded of myself all those years ago. I feel like there’s some unfinished business. So that’s where my drive comes from.”

Gilbert F. Hounbo

pia where we financed a small, unsophisticated irrigation project. Sometimes, just building simple channels to bring water from the highlands to the lowlands can double or triple production, and therefore income.

There is desperate need to improve rural infrastructure. I'm passionate about this because I was born and raised in a small village in the middle of Togo. My family produced cotton. When you've loaded a car or a truck with produce and there is just one road out of the village—and it's not even a proper road—you can struggle. Sometimes we'd be stuck for days, until there was enough manpower to dig us out.

I've lived through that. It's not a complaint, but what I do find unac-

ceptable is that 50 years later, things are still the same, or worse in some cases. I'm not being pessimistic. Many things have improved markedly. But when I see rural youth today—young boys and young girls—I'm reminded of myself all those years ago. I feel like there's some unfinished business. So that's where my drive comes from.



Gender equality is a big part of the sustainable development 'answer'

PHOTO: IFAD/SUSAN BECCIO

IFAD and OFID

The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations, founded in 1977 to mobilize resources for agricultural development in the poorer regions of the world. OFID played a significant role in the establishment of IFAD, channeling more than US\$861 million in contributions from OPEC Member Countries towards the agency's initial capital and first replenishment. Since IFAD's creation, OFID has maintained its support of the agency, contributing to additional replenishments of its resources. In addition, OFID itself has given a further US\$20 million as a special contribution from its own resources.

Notice that I talk about boys and girls. Gender equality is a big part of the answer. In Uganda, I met an interesting woman. I meet so many of them. Women spend on their families—on improving health and education. The Ugandan woman I mention, she began raising chickens by borrowing money from one of our saving and loan associations. She moved on to keeping goats and cows. Before long, she began importing medicine from the city and opened a pharmacy. And when she realized water was becoming short in her village, she borrowed money to construct a new borehole, 40 or 50 meters deep.

Things are happening on the ground; the challenge is how to scale it all up. IFAD is small and agile. We need to show our major resource providers that we can do more—not through words but through actions.”

PERSPECTIVES



PHOTOS: VU BAO KHANH

Voices from the field

Earlier this year, OFID Director-General Suleiman J. Al-Herbish led a delegation to Vietnam to sign a new loan agreement. OFID has supported the development of the Socialist Republic since 1978. Of the organization's total commitments to the country, 38 percent has gone toward transportation, 29 percent to agriculture and 28 percent has been earmarked for health projects. *Fatma Elzahra Elshhati*, part of OFID's delegation, took time out to speak with people touched by OFID's work. On the following pages are extracts from her interviews.



“We say transportation is the backbone of our country. Developing transportation plays an important role in supporting not only the economy, but each and every province to increase its productivity.”

*Troung Hung Long,
Director-General of the
Department of Management and
External Finance in Vietnam*



“The Vietnamese government has been joining hands with other international organizations, such as the World Bank and the Asian Development Bank, as well as OFID, to focus on poverty reduction. It helps our citizens to access services and improves their lives.”

Troung Hung Long



“I was involved directly in the renovation of this road as a community supervisor. Back then, this area was very isolated. It was difficult for transportation and for doing business. Having this road was the dream of every citizen here. Everything has changed.”

Nguyen Namh Tuan, on the OFID-funded upgrading of a road connecting schools, health centers and market facilities in the rural province of Ninh Binh.

“The road has helped with trade between this area and other regions. There have also been cultural exchanges with the outside regions. Traders from Thanh Hoa come to sell things in the morning market.”

Nguyen Namh Tuan





“I’ve been working at this school for 31 years. It was difficult for parents to bring their children to school before, but since this new road, we’ve had 200 more students joining.”

Ngo Thi Kieu Diem,
Headteacher, Lai Thanh
Kindergarten.



“Before, this road was bumpy and slippery, especially in rainy season.

Parents and children often fell on their way to school. Now it is safer and more convenient. When we have a sick child, it is much faster to bring them to the clinic.”

Ngo Thi Kieu Diem





“There are 700 to 800 patients that come to the hospital on a normal day. This has increased a lot because before we did not have the capacity. The OFID loan allowed us to improve the facilities and better serve our patients.”

*Pham Duc Huy,
Vice Director of the Central
Transport Hospital, Hanoi, on the OFID-funded
rehabilitation and upgrading.*



“The patients find the facilities much better. Our doctors were trained on how to use the new equipment including the MRI machine and CT scanner. This has helped provide faster and more exact diagnoses and is one of the many reasons why more patients come to our hospital.”

Pham Duc Huy



“He had been sailing the ocean for about 18 months. On the way back to China, he began to suffer from gastroparesis. In most cases, after five days there is little chance for recovery, but he suffered for 15 days. He arrived here in very bad shape, with a severe infection and high fever. This is a rare case. He has had a good recovery and will be released tomorrow. This was such a great success for us.”

*Nguyen Duc Duy, General Surgeon,
Central Transport Hospital, Hanoi*



“I am longing to be home with my family. When I left 18 months ago, my wife was pregnant with our second child. I was working as sailor. I began to feel pain. I made my way to Hanoi. When I got here, I was helped by Dr Duy, even though I arrived without any money. The doctors and nurses knew my difficult situation and helped me with my meals, daily exercises and treatment. Dr Duy was my surgeon. He saved me.”

Thieu Van Tuan

Unlocking Africa's growth potential

Weak infrastructure is limiting economic growth and restraining development across Africa. OFID has recently signed a cooperation agreement with the Africa Finance Corporation (AFC) to help address the continent's energy and infrastructure needs. *Fatma Elzahra Elshhati* interviews **Andrew Alli**, AFC President and Chief Executive Officer, to discuss the importance of this partnership in mobilizing resources for development, and more.



PHOTO: COURTESY OF AFRICA FINANCE CORPORATION

OQ: *OFID and the Africa Finance Corporation recently signed a co-operation agreement to co-finance development projects in Africa. How important is this type of cooperation?*

AA: AFC looks forward to a mutual and collaborative relationship with OFID. We focus on working with partners with a strong operational capacity, a demonstrable commitment to African development and a clear track record and history.

Africa suffers from an infrastructure paradox—there are plenty of projects, and plenty of funds available in the global finance system, but only very few are bankable. We believe that no one institution can solve the continent's critical infrastructure challenge. This calls for regional and international partnerships.

AFC's mission is to build the foundations for robust economic development across the continent, while seeking a competitive return on investment for its shareholders.

We have invested almost US\$5 billion in projects across 28 African countries in core sectors including power, telecommunications, transport and logistics, natural resources and heavy industries.

Our partnership with OFID will allow both institutions to leverage each other's strengths and help close the infrastructure gap.

OQ: *AFC focuses on energy and infrastructure. What role do these sectors play in supporting sustainable development in Africa?*

AA: Much of Africa's growth potential is dependent on increasing power generation capacity to support industrialization. To achieve a diversified economy, affordable and accessible energy at each level is critical.

Currently, a lack of access to reliable power, poor transport networks and weak telecommunications infrastructure limits growth and development across the conti-

4/10

Fewer than four out of 10 African countries are expected to achieve universal access to electricity by 2050.

nent. The combined generation capacity of the 48 countries in sub-Saharan Africa is roughly that of Spain. Currently, fewer than four out of every 10 African countries are expected to achieve universal access to electricity by 2050.

Solving Africa's energy crisis is critical to unlocking the full potential of the continent's natural, economic and human resources. It calls for a strong political will from policymakers to create the right climate and regulatory framework for private sector participation.

OQ: *How is the private sector helping to overcome the challenges of inequality?*

AA: Historically, most African governments pursued state-led economic development, but this has proved to be unsustainable. The role of the private sector has been recognized as critical. The infrastructure sector is one 'easy' area for the private sector to get more

involved—with the governments creating conducive environments to attract investors.

When it comes to improving infrastructure across the continent, it's a shared responsibility. Governments have to connect key markets and trading routes—and disregard borders—and work in partnership with the private sector, development finance institutions and civic organizations.

But it is critical to avoid treating Africa as a homogenous region. We must all recognize the differences between individual countries. Even African countries that are reaching / have reached a 'middle' development stage have nuances that distinguish them from other emerging markets and the rest of the world.

OQ: What message would you give to potential investors?

AA: There are huge opportunities for international investors. As one of Africa's leading project developers, AFC knows the challenges fac-

“In a decade, the continent will have the largest workforce in the world, along with 60 percent of the world’s uncultivated arable land and abundant energy resources, ranging from hydrocarbons to renewables. The continent is also home to four of the world’s 10 fastest-growing economies.”

Andrew Alli

ing both developers and investors and has successfully negotiated them in the past to bring about some of the continent's most significant infrastructure projects.

International private capital—especially foreign direct investment—has much to gain by broadening its investment in African infrastructure. The continent has 52 cities with populations of one million or more, but it has an extremely low level of intra-regional trade. Its urban population is

expected to increase by 50 percent by 2030. The purchasing power of Africa's middle-class is growing. In a decade, the continent will have the largest workforce in the world, along with 60 percent of the world's uncultivated arable land and abundant energy resources, ranging from hydrocarbons to renewables. The continent is also home to four of the world's 10 fastest-growing economies.

However, investors need to take an integrated approach. At every stage, they must have a deep understanding of the characteristics and dynamics of local environments and well-honed negotiation skills.

By using our local knowledge and sector expertise to identify and mitigate risks, we can help increase the number of viable, bankable projects across the continent, creating the market for other forms of capital to follow. This will help us, ultimately, to bridge the investment gap that currently exists.

A power plant project under construction in Tema, Ghana.



PHOTO: AFC INTERNATIONAL MEDIA PROJECT SITE VISIT



PHOTO: WWW.JEFFREYWALCOTT.COM

Energy, water and food in Africa: The nexus approach in action

BY IMAN ALSHAMMARI

Rapid changes in lifestyles have exerted unprecedented pressure on resources such as energy, water and food, with consequent environmental and social implications. Energy, water and food are inextricably linked. Access to these resources and their effective management underpins development progress, and addressing these challenges demands new ways of thinking and flexible forms of finance.

OFID supports the energy–water–food ‘nexus approach’ to

development. This approach recognizes the dynamic and complex interlinkages between energy, water and food. At this approach’s core is the belief that, as sectoral issues, energy, water and food cannot be considered in isolation from one another. Policies across these sectors must be aligned if we are to achieve sustainable development and energy access for all.

As part of this approach, the OFID–REEEP (Renewable Energy and Energy Efficiency Partnership*) Energy–Water–Food Nexus

project in sub-Saharan Africa has created a Revolving Capital Pool (RCP). The RCP provides sustainable and affordable access to finance for pioneering small- and medium-sized enterprises (SMEs). The SMEs require finance to invest in clean energy production and services in the agrifood sector. ▶

** REEEP is an international multilateral partnership that works to accelerate market-based deployment of renewable energy and energy efficient systems in developing countries.*

Case study one

Futurepump Ltd provides affordable and sustainable solar-powered irrigation pumps and services designed specifically to support smallholder farmers. Since its establishment in 2012, the company has targeted smallholders in Kenya.

The company's overall objective for the first 18 months was to install 825 solar irrigation pumps on smallholder farms and develop a proven business model for the consumer financing of solar irrigation (which can, in turn, unlock private sector investment). The model enables smallholder farmers to adopt sustainable irrigation solutions via flexible payment methods. This allows farmers time to experience the economic benefits of irrigation while removing the key barrier of up-front cost. This model enabled Futurepump to reach low-income farmers with less than one acre of land—a group that makes up the majority of Kenya's agricultural sector.

Much of Kenya's population is dependent on agriculture and those working in the sector constitute more than two-thirds of the country's total labor force. Farmers face a number of challenges: from unreliable weather conditions to high and volatile energy prices; from low crop yields to the lack of access to modern energy technologies. According to estimates, there are some 2.9 million smallholder farmers in Kenya. Only six percent of farmland is irrigated. Irrigation and energy use are interdependent, as most irrigation technologies require energy. Small-scale irrigation systems based on solar energy provide a viable alternative to manual pumping methods and contribute to increased yields.

Joseph, a farmer in Kendu Bay, Kenya, with his Futurepump that helps keep his banana crops healthy.

Futurepump has exceeded its manufacturing and sales targets, selling more than 1,000 irrigation pumps globally by November 2016. The majority of the company's total sales (785 units, 76 percent) were made in sub-Saharan Africa countries (366 pumps or 46 percent in Kenya). Another 109 pumps were sold to a distributor in Nepal.

In 2014, Futurepump Ltd was voted one of the top ranked start-ups by the Village Capital's Innovations for Agriculture program. The company has the potential to help transform the agricultural sector and is currently receiving its second round of financing.



PHOTOS: IWMI & JEFFREY M WALCOTT.COM

Case study two

Tanzania Redavia Asset Ltd provides competitively priced ‘pay-as-you-go’ solar power for solar-diesel hybrid food processing systems in frontier markets. The service has low upfront costs and is provided via innovative modular technology. The funding provided by the OFID–REEEP Revolving Capital Pool aims to help Redavia bring a cheaper and more reliable power supply to agribusiness and rural communities in Tanzania.

Tanzania’s economy depends on agriculture, which provides 85 percent of exports and employs about 80 percent of the work force. The country’s electricity demand has been increasing, and typically, food-processing operations are powered by off-grid diesel generators or the national grid, or a combination thereof. The grid experiences major problems regularly and food processors in Tanzania consistently rank unreliable power as a top constraint to growth.

Redavia allows businesses and communities to benefit from a cost-effective clean energy solution without upfront investment or knowledge of advanced technical

skills. The company’s solutions help reduce carbon emissions and support sustainable societies.

Redavia now has eight solar plants in operation, set to generate more than one million kWh per year. This should save more than 200,000 liters of fuel and about 660 tons of CO₂.

Redavia delivers much-needed clean energy to Tanzania’s off-grid communities, businesses and industrial customers. In 2014, the company received a Best Practices Award for technology innovation leadership in recognition of its pioneering work in Tanzania from Frost and Sullivan, a global research and consulting organization.



PHOTO: VASTRAM/SHUTTERSTOCK.COM

◀ The facility provides seed-level financing and incubation to SMEs involved in solar-powered irrigation systems, solar-powered agricultural processing and minigrid electrification. Two companies offering clean energy solutions in the agrifood value chain have been selected to receive zero-interest loans (see case studies on previous page and above).

The future

The OFID–REEEP Revolving Capital Pool fund will continue to be leveraged with financial support from the Austrian government, among others. It will become a highly scalable financial vehicle in support of nexus-related SMEs.

OFID’s grants span more than 128 countries on four continents. The organization would not be able to reach so many communities without its extensive network of financing partners. ■

The facts

- **767 million people** in the world live with an income below **US\$1.90 per day** and approximately **795 million** remain chronically undernourished.
- Nearly **1.2 billion people** lack access to electricity, while more than **2.7 billion** lack access to clean cooking energies.
- **663 million** lack access to safe drinking water.

Sources: World Bank, FAO, IEA, UNICEF

CONFERENCE WATCH

Event: **World Petroleum Congress**

Theme: Bridges to our energy future

Venue: Istanbul, Turkey

Date: July 9–13, 2017

OFID co-hosts launch of the Energy Access Platform website

BY JUSTINE WÜRTZ

One of the highlights of July's 22nd World Petroleum Congress in Istanbul, Turkey, was the launch of the eagerly anticipated Oil and Gas Industry's Energy Access Platform (EAP) website, which will bring new levels of collaboration between stakeholders on energy poverty alleviation efforts.

OFID Director-General Suleiman J. Al-Herbish fronted the launch, alongside WPC President Dr József Toth and Total S.A. VP Jean-Marc Fontaine. Al-Herbish said: "The EAP provides a space for oil and gas companies to collaborate with other stakeholders on a range of specific actions focused on energy access, including the identification of corporate social responsibility opportunities, and the better integration of energy access in policies and projects at country level."

Al-Herbish continued: "Today is a pivotal moment, both for OFID and for the members of the oil and gas industry who join us as we accelerate the effort toward Sustainable Development Goal (SDG) 7. The new website will open the EAP up to an even larger global audience, and we hope it will encourage many more to join our cause."

WPC President Toth added: "I'm happy to cooperate with OFID to raise awareness of the industry's

role in addressing access to energy for the poor."

Faris Hasan, Director of OFID's Strategic Planning and Economic Services (SPES) Department, which was integral in developing the website, said: "The launch of our Energy Access Platform website is a milestone in the partnership between OFID, the World Petroleum Council and the petroleum industry."

The EAP is the result of collaboration among OFID, the WPC, Total S.A., Royal Dutch Shell, OMV, Schlumberger, the Global LPG Partnership, the International Gas Union, the Boston Consulting Group and



OFID Director-General Suleiman J. Al-Herbish (second from left) headed OFID's delegation—which included SPES Director Faris Hasan (left), SPES Senior Officer Iman Alshammari and SPES Consultant Dr Namat Alsoof.



OFID Director-General Suleiman J. Al-Herbish at the 22nd WPC.



other strategic partners, like the Shell Foundation.

22nd WPC theme: Bridges to our energy future

Dubbed the 'Olympics' of the oil and gas sector, the WPC attracts large attendances and is one of the most significant strategic oil and gas expos in the world.

Organized by the WPC, the Congress brings together ministers, policy makers and CEOs from more than 100 countries and 1,500 companies to discuss opportunities and challenges facing the oil and gas industry.

OFID's delegation was headed by Director-General Al-Herbish and included representatives from the organization's SPES Department.

The Congress sought to build bridges to enable dialogue among all parties including government, industry, academia and society, and to explore solutions for increased sustainability in the production and use of the world's petroleum resources. In a volatile political, social and economic climate, with deeply shifting energy paradigms, it is considered vital that all stakeholders cooperate to ensure a sustainable energy future for all.

Members from OFID's SPES department participated in several panels and presentations related to energy poverty alleviation.

MEMBER STATES FOCUS

Nigerian activist wins 2017 Sergio Vieira de Mello Award

BY NADIA BENAMARA

Dr Rebecca Dali, Founder and Executive Director of the non-profit Center for Caring, Empowerment and Peace Initiatives (CCEPI), has won the 2017 Sergio Vieira de Mello humanitarian award in recognition of her efforts to promote the re-integration of women and girls abducted by the militant Boko Haram group in north-east Nigeria.



PHOTO: UN PHOTO/VOLAIINE MARTIN

Dr Rebecca Samuel Dali (right), head of the Center for Caring, Empowerment and Peace Initiatives (CCEPI) in Nigeria, receives the Sergio Vieira de Mello Award during the observance of World Humanitarian Day (August 19) at the United Nations Office at Geneva (UNOG).

Dali was honored at a ceremony held at the United Nations headquarters in Geneva during the celebration of this year's World Humanitarian Day in August.

Reflecting on the recognition, Dali said she saw the award as a key to CCEPI's continued success, and acknowledged that support from donor agencies, including the United Nations High Commission for Refugees (UNHCR), had provided important motivation for her work.

"You have the funding and resources to help, and you see a lot of needs and suffering of people around you," said Dali. "This motivates me to keep on doing."

Conferred biennially, the Sergio Vieira de Mello Award is intended to draw global attention to individuals, groups or organizations "doing

something special and unique to reconcile people and parties in conflict."

Anne Willem Bijleveld, Chairwoman of the Sergio Vieira de Mello Foundation, described Dali as a very courageous woman, who is doing tremendous work in re-establishing dialogue and reconciliation under difficult circumstances.

Hanson Tamfu, External Relations Officer for UNHCR in Nigeria, said that Dali and her organization have been instrumental in overcoming resistance from local communities, advocating against victimization, setting up livelihood programs for returnees and taking care of children born of women and girls abducted by Boko Haram, who are often stigmatized.

CCEPI describes itself as an indigenous effort, funded by local

“
You have the funding and resources to help, and you see a lot of needs and suffering of people around you.

Rebecca Dali

and global support, serving vulnerable groups of people including orphans and widows, internally displaced people, refugees and people living with HIV / AIDS, regardless of their religious and cultural background.

World Humanitarian Day is held every year (typically on August 19) to pay tribute to aid workers who risk their lives in humanitarian service, and to rally support for people affected by crises around the world.

It was adopted in memory of the 22 aid workers killed in a 2003 bomb attack on the UN headquarters in Baghdad. Brazilian diplomat Sergio Vieira de Mello, the UN's head of mission in Iraq, was among those who lost their lives. ■



For more information, see www.ccepi.org

PHOTOS: UNDP/ARNALDO VARGAS



UNDP Equator Prize honors NGOs in Ecuador and Indonesia

BY NADIA BENAMARA

A conservation organization in Ecuador and two community-based service providers in Indonesia were among 15 winners of the United Nations Development Programme's (UNDP) 2017 Equator Prize, which recognizes innovative local solutions for tackling poverty, environmental and climate challenges around the world.

UNDP Administrator Achim Steiner presented the award to the 15 winners at a gala event set to coincide with the 72nd session of the UN General Assembly in New York in September.

"The 15 communities we honor tonight are weaving together a global tapestry of local solutions to tackle some of the biggest global challenges we face," said Steiner. "These solutions show us that when we in-

vest in nature, we can achieve our global goals of obtaining food, water, peace, gender parity and security in a truly sustainable manner. By thinking globally and acting locally, the 2017 Equator Prize winners helped not only their communities but also communities worldwide facing sustainable development challenges."

The winners, who each received US\$10,000 as well as the opportunity to participate in a week-long summit, were selected from a pool of 806 nominations across 120 countries.

The Equator Prize 2017 marks the 15th anniversary of the Equator Initiative, a United Nations-led, multi-sectoral partnership that includes governments, civil society, academia, businesses and grassroots organizations. Its prize is awarded biennially.



Achim Steiner, Administrator of the United Nations Development Programme, at the Equator Prize 2017 gala event.

◀ Equator Prize Winners 2017 include:

**Organizacion para la
Defensa y Conservacion
Ecologica de Intag (DECOIN)**

Founded: 1995

Location: Cotacachi, Imbabura,
Ecuador

www.decoin.org

DECOIN promotes conservation measures and alternative livelihoods to advance the conservation of the area's Andean biodiversity. Over the past 22 years, the organi-

zation has created community-based forest reserves to protect watersheds in 38 communities, totaling 12,000 hectares. Sustainable agricultural activities such as smallholder organic coffee production, aquaculture, poultry farming, and egg production, as well as eco-tourism ventures, provide additional income to struggling families and viable alternatives to mining, which continues to pose an environmental challenge in the area.



PHOTOS: UNDP/ARNALDO VARGAS

Silvia Cecilia and Carlos Zorrilla from DECOIN receive the Equator Prize.



Kristian Sauyai and Arwakon Bahasa from AUHLKRA celebrating their success.

**Asosiasi Usaha Homestay
Lokal Kabupaten Raja Ampat
(AUHLKRA)**

Founded: 2013

Location: Raja Ampat, Indonesia

www.stayrajaampat.com

AUHLKRA is a growing network of 84 community-owned businesses in Papua and West Papua, offering ecotourism services that connect tourists directly with family-run homestays through a user-friendly web portal, Stay Raja Ampat, and an SMS booking system.

More than 600 new jobs have been created in homestays, fishing, and agriculture, including for youth and women, providing viable alternatives to the resort industry. The association sets hospitality and environmental standards for all members' community-owned businesses. Pressures on ecosystems have been reduced through community forest patrols, peer-pressure enforcement of 'no-take' fishery zones, and a participatory system to report illegal activities.

Yayasan Planet Indonesia

Founded: 2012

Location: Pontianak, Lakimantan
Barat, Indonesia

www.planetindonesia.org

Under the leadership of the benefiting Dayak communities, Planet Indonesia identifies sustainable livelihood opportunities through the development of conservation compacts and community businesses. Activities range from forest protection to anti-wildlife trafficking and securing land rights. Business groups have been set up in more than 50 villages, comprising 2,100 members—more than two-thirds of whom are women and / or indige-

nous. Community members are trained to run small-scale businesses, and savings and loans programs build community capital. A revolving fund covers damages and operational costs, and coaching and mentoring ensures long-term sustainability of each community business. 30,000 hectares of forest have been protected and over 40,000 seedlings planted. To build awareness of the importance of conservation across generations, a fellowship program provides 50 high school students with funds to conduct adaptation and mitigation projects annually. In a statement about the 2017 Equator Prize, Yayasan Planet Indonesia Country Director Novia Sagita com-

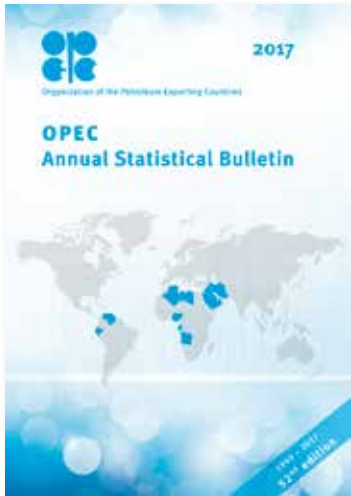


PHOTO: WAHANGA GAKERE FOR UNDP/EQUATOR INITIATIVE

mented: "We believe our model is both flexible and replicable, able to address a number of conservation issues in a number of ecosystems. This award represents our ability to create results in a number of arenas."

Novia Sagita and Desnawaty Uten from Yayasan Planet Indonesia receive the Equator Prize.

OPEC's 2017 Annual Statistical Bulletin



Earlier this year, the OPEC Secretariat released the 52nd edition of its Annual Statistical Bulletin (ASB). The ASB provides a wide range of data on the oil and gas industry worldwide, serving as an important source of reliable information for research analysts and academics, as well as policymakers and many other industry stakeholders. The *OPEC Bulletin* looks at some of the main highlights of this year's publication.

COURTESY OF THE OPEC BULLETIN

The 2017 ASB provides key statistical data related to all of OPEC's 13 Member Countries—Algeria, Angola, Ecuador, Gabon, IR Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela (*the 53rd edition of the ASB will include data for Equatorial Guinea*)—and their national oil companies. In addition, it also provides useful information about other non-OPEC oil producing countries, bringing together important data on the upstream and the downstream, on exports, imports, production, refineries, pipelines and shipping.

As the OPEC Secretary-General Mohammad Sanusi Barkindo said in the foreword to the publication: "In regularly publishing the ASB and making such data publicly available, OPEC seeks to ensure greater data transparency and

increased sharing of information about the oil and gas industry and its many stakeholders. This has long been one of OPEC's key objectives."

Highlights of the ASB 2017 include:

In 2016, world crude oil production inched up by 350,000 barrels / day, or 0.5 percent, as compared to 2015, to reach 75.48 million b / d, marking the seventh consecutive year of growth. The majority of non-OPEC countries registered substantial declines in their 2016 average crude production, as compared to 2015. In 2016, the top three crude oil producing countries were Saudi Arabia (10.46m b / d), Russia (10.29m b / d) and the United States (8.88m b / d).

World oil demand averaged 95.12m b / d in 2016, up by 1.5 per-

**75.48m
b / d**

**World
crude oil
production
in 2016.**

cent year-on-year (y-o-y), with the largest increases in the Asia-Pacific region, particularly China and India, as well as Western Europe, North America and Africa. 2016 oil demand in the Middle East remained flat y-o-y, while oil demand declined in Latin America for the second year in a row. Total OECD oil demand grew solidly for the second consecutive year in 2016, while oil demand in OPEC Member Countries declined for the first time since 1999, dropping by 200,000 b / d or 2.2 percent.

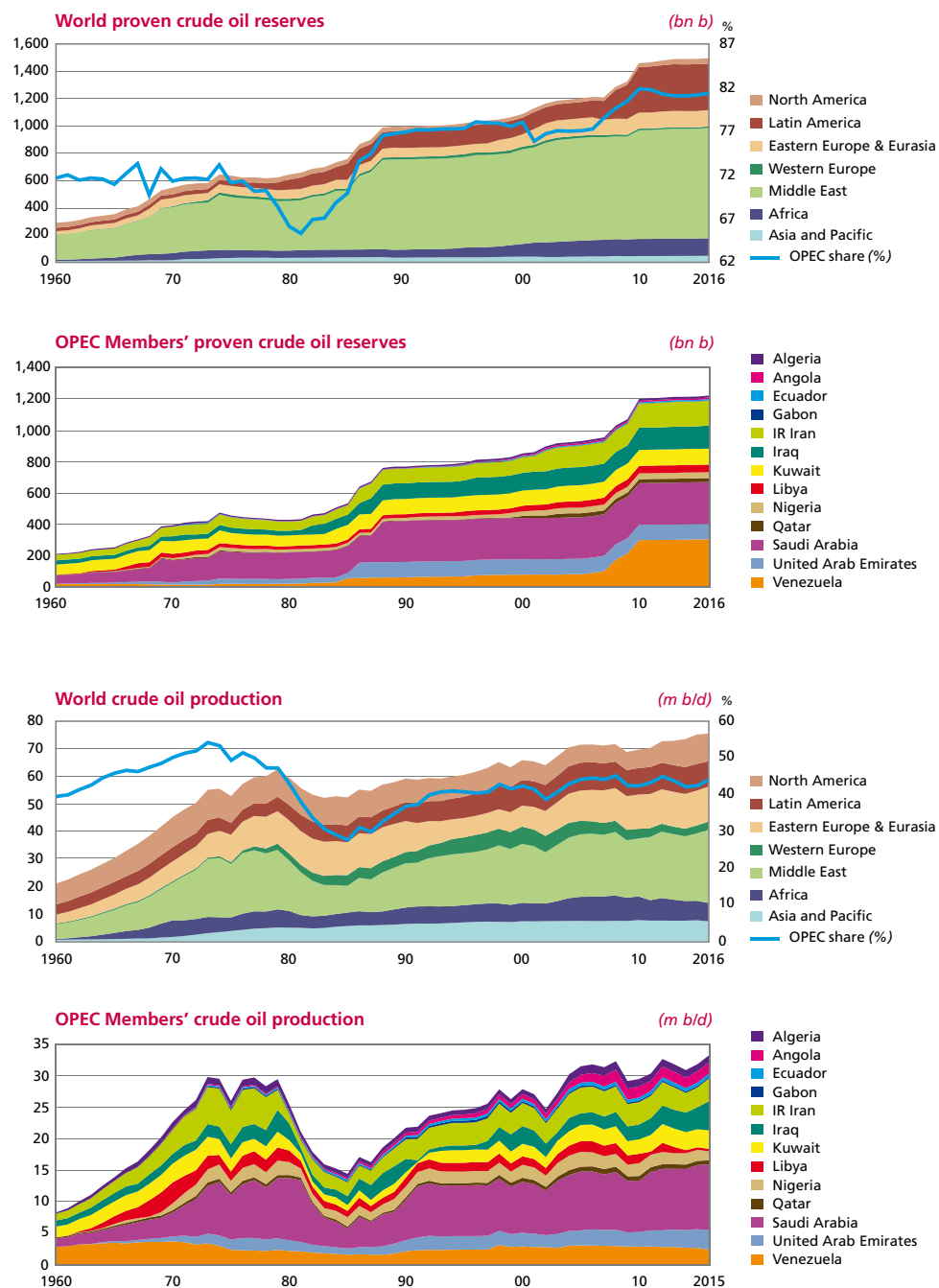
Total exports of crude oil from OPEC Member Countries stood at 25.01m b / d in 2016, up from 23.49m b / d in 2015. This increase represents a 6.5 percent growth rate y-o-y. As in previous years, the bulk of crude oil from OPEC Member Countries was exported to the Asia-Pacific region at a level of 15.72m b / d or 62.9 percent. ►

◀ Total world proven crude oil reserves stood at 1,492 billion barrels (bn b) at the end of 2016, increasing slightly by 0.3 percent from the previous year's level of 1,488bn b. The largest additions came from Iraq, Venezuela and Norway. Total OPEC Member Countries' proven crude oil reserves increased by 0.5 percent to 1,217bn b at the end of 2016, with a share of 81.5 percent of total world crude oil reserves.

World refinery capacity expanded by 450,000 barrels per calendar day (b / cd) to stand at 97.37m b / cd at the end of 2016, mainly supported by additions in North America and the Middle East, as well as the Asia-Pacific region.

The ASB publication is available in various formats including print, PDF and a separate interactive online version, which is freely available on the OPEC website and includes historical time-series data going back to 1960. The ASB is also available as a Smart App version, with many advanced features. This can be downloaded for both iOS and Android mobile devices.

Barkindo concluded in his ASB foreword: "The ASB is the product of detailed and time-intensive work over many months, involving the contributions of many analysts, researchers and statisticians at the OPEC Secretariat and in our Member Countries. Their work has to be commended, for it is only through such efforts that the Organization can continue to regularly fulfil its commitment to contribute to market stability through an enhancement of data transparency."



Our vision

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

Our mission

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



Uniting against Poverty



Uniting against Poverty

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