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OFID Quarterly

THE OPEC FUND
FOR INTERNATIONAL
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SPECIAL EDITION ON ENERGY POVERTY CHALLENGES



Energy for all: the missing MDG

OPEC inaugurates new headquarters

One Young World Summit convenes in London

Colombia undertakes large-scale mountain road project

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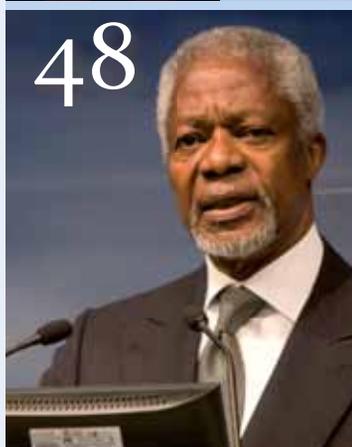
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Orissa, India. Solar panels in the
village of Tinginaput.
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Energy for the poor: a structured response

Access to energy is a key element of the fundamental right to human development. Energy correlates closely with many poverty indicators, through its strong links to employment creation, income, education, health, gender and the environment. As such, it is vital for socio-economic advancement and attainment of almost all of the UN Millennium Development Goals (MDGs). Nonetheless, 2.4 billion people worldwide do not have access to modern energy for cooking and heating, and over 1.5 billion people are living without access to electricity.

Given the importance of energy to the development process, the provision of modern and affordable energy services to poor countries must be regarded as a matter of global social responsibility. Moreover, it is a goal that need not be compromised by over-zealous concerns about carbon dioxide emissions. These, it has been established, would be comparatively light in the larger scheme of things, and therefore unlikely to exacerbate the problems of climate change.

In the coming years, it is widely expected that, left unchecked, energy poverty will increase as energy demand continues to rise in tandem with growing populations and expanding economies. If the current, inadequate, pace of investment in the sector persists, the situation will probably get even worse. The challenges are particularly daunt-

ing for Sub-Saharan Africa and Southeast Asia, home to the majority of the world's poor.

Unfortunately, just when extra injections of capital are most needed, the amount of financing for development has dwindled, as a result of the global financial and economic crisis. This situation has forced many poor countries to discontinue energy infrastructure projects for lack of funds.

Against this background, it is no coincidence that the significance of energy poverty reduction has been grasped at the level of OFID Member Country leadership, in the shape of what has become known as the *Energy for the Poor Initiative*.

With the overarching goal of boosting productive capacities and assisting socio-economic recovery in the South, the Initiative represents a unified and structured response to the challenge of energy poverty alleviation. By supporting strategic energy sector investments, it seeks to provide modern energy services that are reliable, affordable, economically viable, socially acceptable and sustainable.

Launched in June 2008, the Initiative builds on the conclusions and recommendations of the November 2007 *Third OPEC Summit*, Riyadh, Saudi Arabia, and related efforts by OFID Member Countries to reduce energy poverty. An example of the latter is Venezuela's *Petro-Caribe Initiative*, a regional program aimed at helping reduce energy

poverty in Central America and the Caribbean through the provision of concessional financing in conjunction with a coordinated energy policy.

The Riyadh Declaration called on OFID to redouble its efforts in relation to energy poverty and urged collaboration with other international donors and the energy industry. Responding to this charge, OFID has assumed a catalyst role in the Energy for the Poor Initiative. It has proposed, for example, a financial mechanism that blends grants and loans to support both traditional and renewable energy-related projects that are tailor-made to national circumstances and priorities. Such measures would raise the concessionality of the financing and help achieve a scope and volume of funding commensurate with the needs.

In implementing the Initiative, OFID draws on a wealth of in-house expertise and experience in energy poverty alleviation, accumulated over the institution's 34 years of existence. Since its inception, OFID has committed almost one fifth of its cumulative public sector lending, or over US\$1.6 billion, to the energy sector, in addition to private sector and grant support.

Operations to date have covered a diverse range of projects, from decentralized rural electrification to natural gas distribution and beyond. OFID's grant support, meanwhile, has helped fight energy deficiencies, by incorporating renewable energy and energy efficiency strategies into national poverty reduction programs, and by building both institutional and human resource capacities.

The Energy for the Poor Initiative represents a unified and structured response to the challenge of energy poverty alleviation.

Since its launch, the Energy for the Poor Initiative has gained growing recognition, helped along by the endorsement of the Energy Ministers of the *Group of Eight* (G8), together with that of the *Group of Twenty* (G20), whose leaders pledged to increase, and more closely harmonize, financial support for the Initiative on a voluntary basis, at their Summit in Pittsburgh,

USA, in September 2009. Most recently, the need to alleviate energy poverty was discussed by high level representatives from both the public and private sectors, at the *International Energy Forum* Ministerial Meeting, Cancun, Mexico, this March.

As the momentum continues to gather pace, the idea of universal access to electricity in the poorest regions of the world by 2030 is becoming an intriguing possibility. The goal is far less daunting than it sounds. China, for example, achieved 99 percent rural electrification in the space of two decades. In 2007 alone, it boosted power generation capacity by 91,000 MW, an amount far exceeding that required to provide universal access across Sub-Saharan Africa. Such success must be replicable elsewhere, providing the appropriate ways and means can be found.

Indeed, the strategic vision is already in place, in the form of the Energy for the Poor Initiative. Now, what is required is the commitment of all stakeholders – from national governments to the international donor community and the energy industry – to work together and put a decisive dent in the number of people suffering the abomination that is energy poverty. ■



Energy for all: the missing Millennium Development Goal

When the Millennium Development Goals (MDGs) were conceived in September 2000, the issue of energy poverty merited only the briefest of mentions. Less than a decade later, the same subject sits right at the top of the international agenda, alongside climate change and the environment. In the following article, **Faris Hasan**, Director, Corporate Planning and Economic Services, OFID, tracks the emergence of energy poverty – and its alleviation – as a core concern of the global development community.





PHOTO: CRISPIN HUGHES/PANOS PICTURES

Evening homework at a secondary boarding school in Zimbabwe. Being able to study after dark helps boost pupils' learning and motivation.

Since the time of the Industrial Revolution, energy has been the main driver of economic growth in the developed countries, and energy security continues to be a priority occupation. Few people nowadays need convincing of the vital link between human development and access to modern energy, a fact nevertheless overlooked by world leaders when crafting the MDGs 10 years ago.

It was an oversight that was soon put right, however, at the UN World Summit on Sustainable Development in September 2002. The outcome document of the Summit – the Johannesburg Plan of Implementation – pointed directly at access to affordable and reliable energy services as an essential requirement of development.

The subject of energy poverty made a return in 2006/2007, when it was taken up as the theme of the UN Commission

on Sustainable Development in its 14th and 15th Sessions. The Commission's decision to highlight energy poverty followed reports from UN agencies and the International Energy Agency (IEA) that 2.4 billion people (more than a third of humanity) relied on wood, charcoal and dung for cooking and heating, a practice that was causing 1.6 million deaths every year from respiratory illnesses. Furthermore, denied access to electricity, at least 1.6 billion people were being hampered in their education and economic growth.

By this time – half-way to the 2015 deadline for meeting the MDGs – it had become abundantly clear that modern energy was needed for achieving each and every one of the goals. No country has made a significant reduction in poverty without increasing the use of modern energy, which has the potential to improve every aspect of daily life. In addition to gains in productivity,

employment and income, it enhances educational opportunities and enables clinics to refrigerate vaccines and sterilize medical equipment. When modern fuels are used for cooking and heating, women and children are released from the burden of gathering firewood, and the scourge of respiratory disease is greatly reduced.

As an organization of developing countries, OFID understands fully the importance of energy for socio-economic growth and, since its inception, has provided consistent support to the energy sector. The level of this support has accelerated in the past decade to reach around 20 percent of OFID's cumulative loan portfolio.

In November 2007, a new challenge was put to OFID, following the Third OPEC Summit in Riyadh. In the Summit Declaration, OPEC leaders mandated OFID – together with the other bilateral and multilateral agencies of OPEC Member Countries – to align their programs to eradicate energy poverty in developing countries. This task was to be achieved in cooperation with other

development finance institutions and the energy industry.

OFID responded immediately by arranging an energy workshop in the heart of the continent of energy poverty: Africa. The Abuja Workshop was held in June 2008 to take stock of the situation on the ground and to come up with practical solutions to eradicate energy poverty.

Just weeks later, further impetus came from the Custodian of the Two Holy Mosques, King Abdullah Bin Abdulaziz Al Saud, when he announced what was to become known as the “Energy for the Poor Initiative.” OFID was to have a distinct role in the Initiative, which was conceived as a framework to translate the OPEC Summit decisions into an action plan. It called on the World Bank to arrange for all donors, including regional and international financial institutions, to coordinate and harmonize their efforts to help impoverished countries face the energy challenge. King Abdullah pledged the support of the Kingdom of Saudi Arabia to the initiative and increased the resources of the Saudi Development Fund accordingly. ►

No country has made a significant reduction in poverty without increasing the use of modern energy, which has the potential to improve every aspect of daily life.

Cancun ministers' meeting discusses energy poverty

Energy poverty was kept in the spotlight this spring, when Ministerial Delegations from 63 countries, as well as 14 international organizations, met in Cancun, Mexico from 30 to 31 March for the 12th International Energy Forum (IEF). A special session, devoted to the “Role of Energy in Fostering Human Development,” saw OFID Director-General, Mr. Suleiman J. Al-Herbish, deliver a statement highlighting OFID's efforts towards the alleviation of energy poverty. Mr. Al-Herbish explained that, by aligning its programs with this objective, since November 2007, OFID had channelled US\$440 million in support to the energy sector, of which some US\$281 million had been delivered in 2009 alone (22 projects in 17 countries).

The Forum's concluding statement acknowledged that “energy poverty is a situation which inhibits social, human and economic development”. It also called for a new impetus to help mobilize the funding required to bridge the energy poverty investment gap. In this regard, Ministers, as well as the IEF Secretariat and the energy industry, were urged to “commit to step up their own efforts in this area and collectively call on all relevant and bilateral organizations”. For its part, the IEF aims to explore avenues for increased private-public partnerships and to strengthen technical policy expertise and collaboration between institutions to achieve more in the fight against energy poverty.

Planting the seed of the Ninth MDG

The deliberations of the Third Summit of OPEC leaders, and the framework proposed by King Abdullah, emphasized the importance of energy services to development. This emphasis may be considered the original inspiration for the idea that eradicating energy poverty should be considered as the *Ninth Millennium Development Goal*. This notion has been further articulated by OFID at many international fora. The principle has been universally acknowledged and was echoed at the recent IEF Ministerial Meeting in Cancun, Mexico. The Concluding Statement of the 12th IEF demonstrated that the critical issue of energy poverty has its deserved place on the agenda of policymakers, businesses and financial institutions.



PHOTO: OPEC/DIANA GOLPASHIN

◀ OFID's reaction was to expand both its Private Sector and Trade Finance Facilities to accommodate more energy projects. The institution organized a series of coordination meetings with the World Bank and the Saudi Fund as the core institutions that would attract other financial and aid organizations to contribute to the Energy for the Poor Initiative.

The following year, at their 2009 Summit in July, leaders of the G8 recognized that energy poverty remained widespread in South Asia and Africa, and announced their commitment to taking swift and resolute action, in collaboration with developing country governments, financial institutions and the private sector. They requested that a report on the issue be submitted at the 2010 Summit.

A few months later, G20 leaders debated in Pittsburgh the consequences of the global financial crisis and the measures required to combat it. In so doing, they acknowledged the need for accelerated and additional concessional financing to help low-income countries cushion the impact of the crisis on the poorest. They also committed, on a voluntary basis, to funding programs that would provide wider access to energy and develop clean and affordable energy solutions. The Pittsburgh Communiqué mentioned the Energy for the Poor Initiative as an example of such an energy program.

This continuous acknowledgement by all international fora and world leaders of the importance of eradicating energy poverty, and their repeated commitments to doing so, must be coupled with an action plan and a road map. Then

there is the question of financing. According to figures quoted in the IEA World Energy Outlook 2009, the additional sum required to achieve universal access to electricity by 2030, is about US\$803 billion. This may seem like a huge amount, but in fact represents only six percent of the global required annual investment in the electricity sector over the same period.

OFID firmly believes that the Energy for the Poor Initiative can provide a nucleus of action that can cluster around it both the financial and technical resources needed to meet the challenge of energy poverty eradication. Once the Initiative has a critical mass of financial support, momentum will build to attract additional investment and continue the essential work of extending modern energy services to those in greatest need. ■

Energy poverty: the magnitude of the challenge

BY GEOFFREY SKIPPER

The excellent economic performance of some regions of the developing world has improved energy access for many communities since 2000. Good progress has been made in East Asia and Latin America, as electricity networks have been extended. But the availability of modern energy¹ in South Asia and Sub-Saharan Africa continues to lag far behind the rest of the world. In Bangladesh, India and Pakistan, for example, 570 million people have no access to electricity, while in Sub-Saharan Africa the number without access has actually risen since 2000, despite a slight increase in the rate of electrification.

Most of the world's energy poor are to be found in the rural areas of South Asia and Sub-Saharan Africa. As shown in Table 1, although the number of people without access is greatest in South Asia the lowest electrification rates by far are to be found in Sub-Saharan Africa.

Lack of access to electricity is not the only problem facing the energy poor.

	Population without Electricity (million)	Electrification rate %		
		Overall	Urban	Rural
Africa	589	40	67	23
Sub-Saharan Africa	587	29	58	12
Developing Asia	809	77	94	67
South Asia	614	60	88	48
All Developing Countries	1,453	72	90	58

Source: World Energy Outlook 2009 (IEA)

Clean fuels for cooking and general household use are also in short supply. Efficient solutions include liquid petroleum gas (LPG) and kerosene, but these options are often either unavailable or beyond the meagre budget of low-income families. A similar situation exists with regard to gasoline and diesel fuel – both of them highly

desirable commodities in rural communities where there are no grid connections. For small farmers, in particular, affordable supplies of vehicle fuel represent an opportunity to transport surplus produce to market and perhaps eventually break away from a subsistence lifestyle. If available at the right price, diesel can fuel generators to drive workshop equipment or power irrigation systems.

The overall scale of energy poverty in Africa and the least developed countries (LDCs) is shown in Table 2. The consumption of modern energy per capita in these regions is very low in comparison to that of developing countries as a whole. Moreover, the gap between these regions and other developing countries has widened over the past 17 years. In Africa the consumption of modern energy has risen by 3.1 percent per annum ▶

¹ Modern energy includes all fuels except traditional biomass such as fuel wood, charcoal and animal waste.

	1990	2007
World	1,039	1,112
OECD Countries	2,879	3,101
Non-OECD Countries	588	678
Africa	188	219
Least Developed	52	84

Source: Energy Statistics Database 2009 (IEA)

◀ since 1990, but this increase is well below the 3.8 percent growth rate of economic output.

Without access to modern energy, communities are dependent on traditional biomass such as fuelwood, charcoal and animal waste for cooking and heating. In the least developed countries only nine percent of the population cooks with electricity, gas or kerosene; in Sub-Saharan Africa the proportion is 16 percent. Reliance on biomass is even higher in rural areas. For developing countries as a whole, 83 percent of rural residents use biomass for cooking. For the LDCs and Sub-Saharan Africa, this proportion rises to over 90 percent, indicating that even better-off households in rural areas either have no access to, or cannot afford, modern fuels.

The most serious consequence of burning biomass in the home is the risk of respiratory and lung disease. According to the World Health Organisation, 1.6 million premature deaths occur each year as a result of indoor smoke inhalation, and more than half of these deaths occur among children under five years of age. As a result of population growth, this problem will continue to worsen. The International Energy Agency (IEA) expects that the number of people depending on biomass for cooking will rise to around 2.7 billion in 2020, from 2.5 billion today.

Addressing the multiple challenges of energy poverty will require a variety of solutions, depending on economic conditions and policy priorities. For many hundreds of millions of people, energy poverty is another aspect of overall deprivation.

Food and other vital expenditures absorb the greater part of very low incomes. The 40 percent increases in food and fuel prices since 2005 have put yet further pressure on very tight budgets,

leaving little to spend on energy. This low level of effective demand for modern energy makes it uneconomic for power providers to set up the infrastructure needed to supply the fuels, while the lack of supply prevents workshop owners and farmers from improving their productivity and the incomes of the community. This is the “vicious circle” of energy poverty. One way to break the vicious circle is to enhance the purchasing power of potential energy users through microfinance to ease the burden of upfront costs. At the same time, initiatives to improve access to markets can boost cash incomes for farmers and traders.

Direct support for energy investment can be effective when the community can afford to pay for consumption, but the constraint is the capacity to organize, set up and finance the initial equipment. The UN Millennium Project has developed and costed energy targets which relate to the local needs of households and villages in this situation.

To achieve these targets, investment would be required to connect all households in urban and peri-urban areas to the grid; to provide access to modern energy for all rural communities; to provide modern fuels for 50 percent of those households using traditional biomass; and support efforts to make available improved cooking stoves. Based on sample studies, the cost of such a program over a 10 year period would be in the region of 2-3 percent of annual gross domestic product (GDP).

Such local programs do not include the cost of large-scale electricity generation, transmission or distribution net-

works or the cost of creating sufficient infrastructure to supply industrial needs. Investment in such infrastructure requires very large commitments of capital. The payback periods are long, and revenues are subject to a wide range of risks. Unless the equipment is actively maintained, the performance of the system will degrade, leading to higher costs and lower standards of reliability.

Taking installed generating capacity to represent the level of electricity infrastructure, Figure 1 shows generating capacity per thousand dollars of GDP in the LDCs, Sub-Saharan Africa and all developing countries.

This figure demonstrates that in 1990 there was little difference between the generating capacity per thousand dollars of GDP in the three regions. By 2007, however, the two poorer regions had only about half the capacity of the average of all developing countries in relation to their GDP. Moreover much of this existing capacity is now old and requires refurbishment. Operating costs are significantly above those of developed countries, and the supply of power

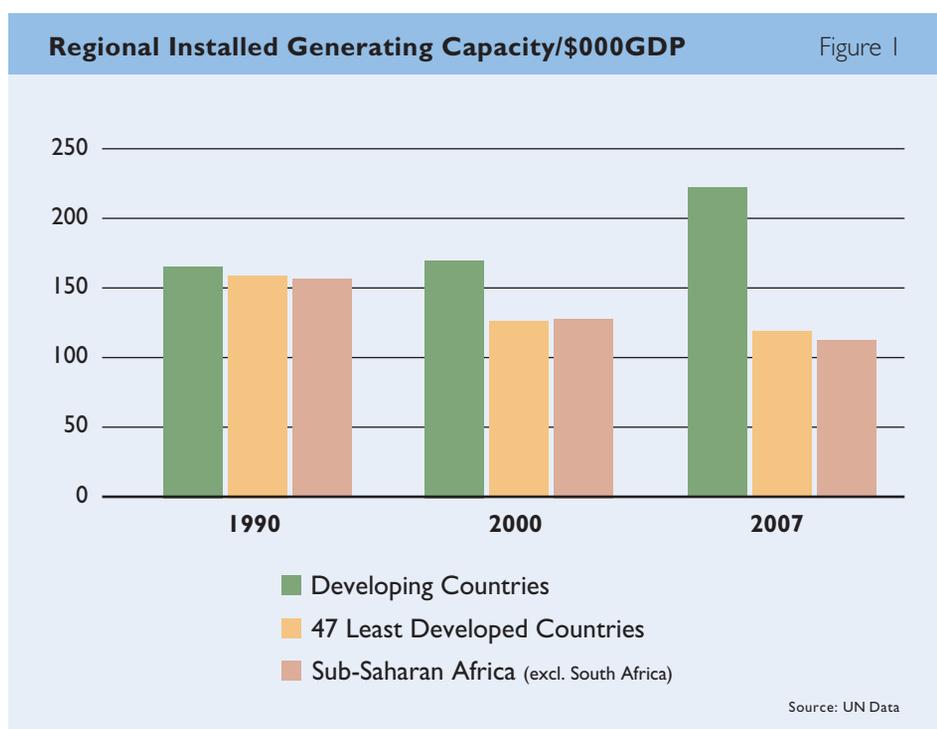
is not reliable, leading to losses in output and sales revenue. For this reason, many private customers and businesses in Africa and South Asia buy and run their own generators, despite the much higher cost.

Very substantial investment will be needed to revitalise the generating systems and associated transmissions and distribution networks in the LDCs.

According to the World Bank, Sub-Saharan Africa needs to spend 2.7 percent of annual GDP on capital equipment for the power sector. The IEA has proposed similar estimates. In order to achieve universal electricity access by 2030, Africa and Asia (excluding China) will need to allocate about three percent of annual GDP to investment in the power sector.

Addressing the multiple challenges of energy poverty will require a variety of solutions, depending on economic conditions and policy priorities.

To achieve universal access to electricity by 2030, developing countries will need to invest between 4 and 5 percent of annual GDP in the power sector.



Although the generating capacity per US\$1,000 GDP in the three regions were almost the same in 1990, by 2007 the two poorest regions had only around one-half the capacity of the average of all developing countries in relation to their GDP.

Adding the locally based estimates of the UN Millennium Project (and allowing for overlap regarding distribution costs) brings the overall cost estimate to between four and five percent of annual GDP. Such a rate of expenditure would be necessary to eradicate energy poverty in the least developed countries over the next 20 years.

The governments of poor countries cannot begin to tackle such vast financial requirements without the assistance of development partners. It is simply not feasible for developing countries to allocate four to five percent of annual GDP towards meeting the capital needs of a single sector, however deserving. Moreover, the energy sector can offer very attractive opportunities for investors. But in order to reap the best benefit from development cooperation and to attract the highest degree of private and public participation from overseas, governments must face up to a further challenge – that of policy reform. The need for such reform was highlighted by the OFID Workshop on En-

ergy Poverty in Africa, held in Abuja, Nigeria in June 2008 (see page 15).

Policy reform has many aspects. The most difficult task is to create a framework for regulation and governance which will be stable over many years. This framework should be robust to political and economic change and provide long-term security for investors in the very large and long-lived projects which characterize this industry.

It is also essential that governments work to improve the efficiency of existing energy utilities. Gains in operational efficiency could finance a significant part of the capital investment bill. Fair and effective pricing policies will be needed to balance the ability to pay with the obligation to cover costs. In order to attract overseas investors, governments may need to provide guarantees to secure long-term revenue streams for independent power producers. The cost of such guarantees will hinge on the level of improvement in the underlying financial performance of the energy sector. ■

Universal access to electricity: a bold but achievable objective

BY RACHID BENCHERIF

The most staggering manifestation of energy poverty is the lack of access to electricity, a circumstance that has a negative impact on virtually every aspect of life. No electricity means no light, no communications, no computers in schools, no night time study, no evening adult literacy classes, and no refrigeration for vaccines and medicines. It also means no industrial activity, no steady pumping of water, and restricted agricultural productivity due to poor irrigation and limited processing capacity.

Electricity and development

Today, 22 percent of the world's population – or 1.5 billion people – are living in such conditions. The vast majority of them are small rural farmers, struggling to make a living and raise families in conditions that hold little prospect of improvement. No small wonder, therefore, that the Millennium Development Goals remain so far out of reach for so many. Put simply, without electricity there can be no economic development or social progress.

That being said, however, although access to modern energy services by the mass poor is an important factor in alleviating widespread poverty, it is not in itself sufficient to put populations on a path of sustainable development. Experience on the ground has shown that tangible results can only be achieved through comprehensive multi-sectoral approaches, including in particular, the development of appropriate infrastructure.

The challenges

Without a doubt, tackling electrification in rural areas, home of the poorest, is the single, most difficult task when it comes to development of the power generation sector. Providing electricity to these multitudes, who are scattered across vast areas and live on low seasonal incomes, is a key global challenge.

Today, the majority of rural people who are without access to electricity live in Sub-Saharan Africa (approximately 500 million) and South Asia (approximately 470 million). These two growing regions have the lowest average electrification rates in the world, estimated at not more than 12 percent and 48 percent, respectively. Even more worrying is that these low rates have shown very little improvement over time. The averages, moreover, hide huge disparities: rural electrification rates in Tanzania and Ethiopia, for instance, stand at only two percent. Equally grim is the fact that new household connections in many Sub-Saharan countries are not keeping pace with population growth, meaning that electrification rates, already low, are actually declining in some areas.

Even where electricity is available in Sub-Saharan Africa and South Asia, the served populations rarely enjoy a reliable, uninterrupted supply of power. According to the World Bank, electricity brownouts and blackouts have a ▶



Electricity connection in Ghana. While providing universal access to electricity in rural areas is undoubtedly a daunting challenge, it is, nonetheless, a feasible aim.

◀ severely negative economic impact – as much as two percent of GDP in the case of Africa.

The majority of development experts including the World Energy Council, agree that every individual in the world needs to consume at least 500 kWh of electricity per year. For many development experts this is an absolute minimum, and the target should realistically be much higher, if there is to be more than a token impact on social and economic indicators.¹ The world average in 2009, for instance, was close to 3,000 kWh per year.

¹ According to the African Development Bank, a threshold of 1,000 kWh per capita per year would allow a literacy rate of at least 50 percent and access to potable water of 40 percent. Source: OFID international workshop on 'Energy Poverty in Africa', June 2008, Abuja, Nigeria.

Based on this threshold, and taking into account expected regional population growth rates, the additional capacity needed to provide rural areas with universal access to electricity by 2030 is in the order of 77,000 MW in Sub-Saharan Africa and 95,000 MW in South Asia. For comparison purposes, the current installed capacity in Italy is 80,000 MW and 15,500 MW in Austria.

Providing universal access to electricity in rural areas by 2030 might indeed appear to be a challenge of enormous proportions, requiring colossal investment and huge institutional changes. Nevertheless, it is still a feasible objective if appropriate conditions are met, as illustrated by the success story of China and successful local experiences in India.

China example

Winning development strategies do not always transfer successfully from one country to another, yet learning from experiences and best practices that have delivered positive results is an excellent way forward. Take China, for example. In the space of just two decades, rural electrification rates soared from just 55 percent in 1985, to an almost universal 99 percent in 2008.

This remarkable feat was achieved thanks to a complex and well-structured, pro-poor institutional framework that simultaneously developed small local grids and large state grids, while using all kinds of available energy sources ranging from coal to renewables. Well-targeted subsidies were critical in the widespread use of some



PHOTO: UNDP

Lessons learned from experience and best practices of successful initiatives can help deliver positive results in other countries.

renewables such as biogas generation. In 2007 alone, China increased its power generation capacity by an extraordinary 91,000 MW, an amount far exceeding that needed for universal access to be provided across Sub-Saharan Africa.

What the example of China illustrates is that the provision of electricity to the entire population of rural Sub-Saharan Africa, South Asia or elsewhere by 2030, should not be seen as a totally unrealistic objective. With the proper support, there is nothing that should prevent Sub-Saharan countries building in 20 years what China has built in less than a year.

India, meanwhile, provides excellent examples in terms of local community involvement, showcasing that training and the retaining of skilled human resources at the local level is key for the successful development of village energy projects. The Barefoot College in India, for instance, has demonstrated that rural women, even illiterate grandmothers, can become reliable solar technicians, able to install and maintain solar panels.

Climate change

While the prospect of generating more energy inevitably raises environmental concerns, research in the World Energy Outlook 2009, a publication by the International Energy Agency (IEA), suggests that such fears are unfounded. According to one scenario in the book, if electricity is provided to all people worldwide, global energy-related CO₂ emissions would increase by just 0.9 – 1.3 percent in 2030, depending on the penetration rate of clean energies in the energy mix.

This negligible increase demonstrates clearly that environmental issues should not impede the development of power generation for the poor, especially given that some OECD countries are actually increasing their reliance on coal – climate change notwithstanding. More importantly, the historical responsibility of the developed countries with regard to

the state of the atmosphere is a fact recognized by the United Nations. Along with this responsibility comes an acknowledged obligation to support adaptation in the developing countries, bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of these countries.

Because electricity is a key driver of rural development and agricultural productivity, all energy options for the production of electricity should remain open, including fossil fuels and renewables. Among the latter group, solar energy and modern sustainable biomass are highly suitable for numerous, local, off-grid applications, since their technologies and economies have improved drastically over the years.

Lessons from Abuja

Over its 34 years of existence, OFID has accumulated extensive experience in combating energy poverty. Close to 20 percent of all its public sector operations are directly related to energy projects and power generation in particular. With a view to sharing this experience, OFID, in June 2008, held in Abuja, Nigeria, an international workshop on the theme “Energy Poverty in Africa.”

The workshop acknowledged the myriad barriers that must be overcome in order to develop rural electrification in Africa and South Asia. It advocated a three-point approach for the development of a strong enabling environment that would pave the way for country specific solutions: 1) improving institutional and legal frameworks and overcoming deficiencies; 2) eliminating complex investment climates that are not conducive to a healthy private business development; and 3) tackling the issue of ageing power plants and mismanaged utilities that have poor financial health.

Solutions on the ground should include: innovative technical approaches; a diversified energy-mix, including both fossil fuels and renewables; the involvement of local populations; and human

capacity building. The latter is now rightly considered by many development institutions to be a key factor in sustainable modern energy dissemination and more generally to good governance.

Regarding the poor strata of the population living on low incomes in peri-urban areas or widely dispersed in larger territories, the workshop noted that market mechanisms had largely failed to deliver improved access to electricity. Stronger government involvement, with pro-poor policies, would therefore be essential.

To break the vicious circle of energy poverty and development, a successful approach would be three-fold: 1) the provision of microfinance services to increase income through enhanced agricultural output; 2) partial or total subsidies for the start-up cost of connection; and 3) capacity building. In this context, the required high level of targeted subsidies should be considered more as an investment for future social and economic benefits than as an additional inefficient burden. Indeed, low investment in power generation is due in part to a lack of real demand from potential customers who cannot afford the upfront connection cost due to their low income, an economic situation which, paradoxically, is explained by a lack of energy access.

Finally, to foster rural electrification, a large spectrum of actors should play a supportive role. These include development finance institutions, the private sector, local communities, NGOs and civil society organizations, with governments in the driving seat.

Today, more than ever, sustainable rural development comes with an on/off switch. Providing universal access to electricity in an affordable and sustainable manner to rural area populations should be a globally accepted target for the next two decades and the overriding objective of any energy poverty eradication policy, worldwide. ■

OFID engages with energy for human development

BY AUDREY HAYLINS

As an organization of developing countries, OFID understands more than most the importance of energy access to economic growth and human progress. It is no coincidence, therefore, that OFID has devoted almost one-fifth of its total lending to the energy sectors of its partner countries. Below, there are highlights of some projects recently financed by OFID.

With a variety of financing windows at its disposal, OFID is well-placed to promote energy poverty alleviation in all its aspects. Through the provision of highly concessional lending to governments, for example, OFID is helping to build capacity in the areas of power generation, transmission and distribution. Soft loans to the private sector support similar objectives.

OFID also offers micro-financing products to help increase productivity and incomes among the very poor, with the ultimate aim of breaking the “vicious circle” of energy poverty. Grant assistance, meanwhile, supports institutional

and human capacity building in the sector, and trade financing promotes the international trade of energy products benefiting the developing countries.

As early as 1977, OFID provided grants to several Latin American countries to co-finance energy initiatives implemented by the United Nations Development Program. A similar grant was given to a number of countries in East Asia for the same purpose. A series of soft loans soon followed, for projects ranging from hydro-power to rural electrification and cross-country power connectivity.

Since then, OFID has continued to attach considerable importance to the energy sector, with an accelerated pace in the last decade to respond to increasing demand from its partner countries. In 2009 alone, the institution approved over US\$281 million for energy sector projects worldwide.

Projects supported by OFID in recent years range from rural and urban electrification to the installation of gas pipelines and the construction/rehabilitation of hydroelectric plants, among others.

In **Vietnam**, for example, OFID provided support to the country’s national rural electrification program by helping to expand services in the Quang Nam Province, where coverage was among the lowest in the country. At the time the project was approved in 2001, electricity demand had been growing at an average rate of 13 – 15 percent per

year and an estimated 30 million people were without access to modern energy services. The majority of the inhabitants of Quang Nam – a primarily agricultural region – were forced to run irrigation equipment and other farming machinery on diesel engines, oil and batteries. By expanding the national grid, the project succeeded in bringing a reliable electricity supply to an additional 45,000 households. As well as increased earning capacity, other benefits enjoyed by the population include new employment opportunities and enhanced food security.

For many other Asian countries, accelerated economic growth in recent years has placed increasing strain on energy infrastructure, as a result of mushrooming demand for electricity. A case in point is **Pakistan**, where it is estimated some US\$5 billion in new investments will be required over the next few years, to add new capacity and avoid blackouts and outages. Through its Private Sector Facility, OFID is working with the International Finance Corporation and private energy provider *Engro*, to co-finance the construction of a 217 MW gas-fired greenfield power plant in Punjab province. The new facility is scheduled

for completion this year and, once operational, will help to lower the cost of power generation in the country by utilizing natural gas that would otherwise be wasted through flaring.

Although energy poverty is a serious concern in Asia, nowhere is it more severe than in Africa. Take **Ethiopia**, for instance, where a staggering 86 percent of people – virtually the entire rural population – is without access to electricity. In these areas, villagers rely almost exclusively on biomass – such as wood, crop waste and animal dung – for cooking and heating, a practice that has led to widespread deforestation, fuelwood shortages and the degradation of rural ecosystems. With OFID and other co-financing partners by its side, however, the Ethiopian government is slowly turning things around. One example is an important project currently underway in cooperation with OFID and the Arab Bank for Economic Development in Africa (BADEA), which is working to connect over 130 rural towns to the national grid. Among many other benefits, the project will relieve women of the burden of collecting fuelwood and bring an end to respiratory diseases caused by the burning of noxious materials indoors.

In the Caribbean, **Cuba** has also been focusing on improving electricity supply and access under its 2004 – 2007 “Energy Revolution” initiative. OFID was instrumental in helping Cuba achieve the initiative’s objectives through its support to the first phase of a US\$100 million investment program to radically overhaul Havana’s electricity system. When the project was launched in 2006, much of the city’s distribution network had reached the end of its useful life. Transmission and distribution losses were high and power cuts frequent. The situation was exacerbated by heightened demand for electric power from the city’s burgeoning population. The OFID-sponsored project saw a full rehabilitation of Havana’s high-voltage transmission system and medium- and low-voltage distribution network, leading to the upgrading of connections to approximately 435,000 households and to major industrial and commercial premises. The newly-rehabilitated network has helped improve living standards for some 1.5 million people and has also encouraged the development of tourism, a major source of income for the country. ▶



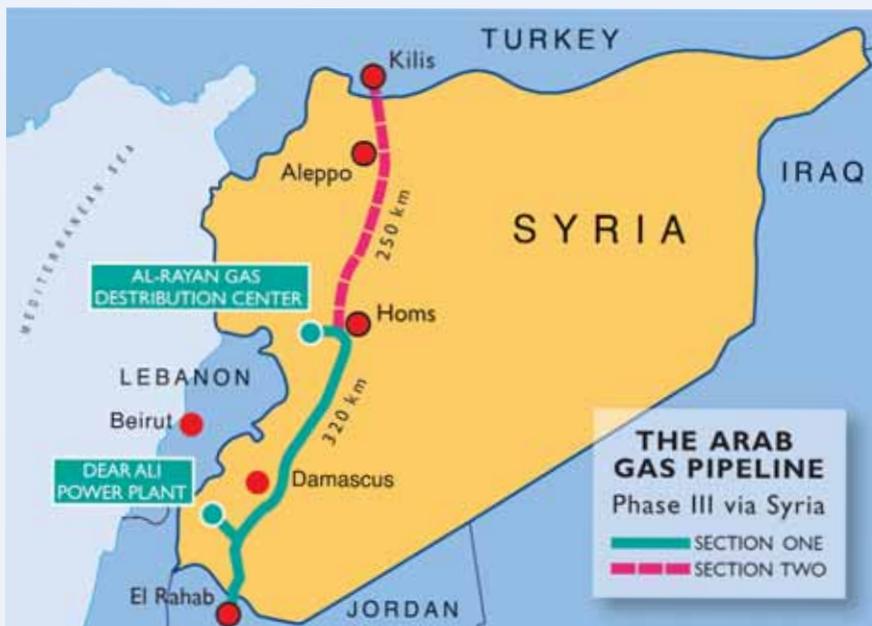
PHOTO: UNION ELECTRICA DE HAVANA

OFID’s co-financing went towards helping Cuba improve its electricity distribution network in the capital Havana. Electrical connections to some 435,000 households and industrial and commercial premises were also upgraded.



PHOTO: HELEN ABU JUJJI

An OFID loan supported extension of the Arab Gas Pipeline for some 320 km from the Syria/Jordan border to the Al-Rayan gas distribution center (top) in Syria's central region.



◀ As concerns continue over climate change and the need to consider cleaner fuels, OFID has been lending its support to **Tunisia's** efforts to switch from liquefied petroleum gas (LPG) to natural gas. Until recently, Tunisia had been heavily dependent on imports of LPG for both commercial and residential purposes. LPG is not only costly, however, but also requires special handling and storage, and can be hazardous to transport. Natural gas, on the other hand, is less polluting and one of the country's natural resources. With the help of two tranches of financing from OFID, Tunisia is in the process of installing a total of 250 km of on- and off-shore gas pipeline in the southeast corner of the country. On completion, the network will have the capacity to deliver 700 million m³ of fuel per year and will be particularly beneficial to the large number of hotels in Zarzis city and Jerba Island, which are popular tourist destinations.

In combating energy poverty, regional initiatives that offer possibilities to share energy resources are very important. The **Arab Gas Pipeline**, for instance, is a regional transportation and distribution network that aims to deliver surplus gas supplies from Egypt and Iraq to neighboring Jordan, Lebanon and Turkey, and eventually to Europe. **Syria** plays a crucial role in the scheme, as it provides a natural corridor for connecting producing countries in the Middle East with consumer countries in the European Union. An OFID loan supported Phase III of this ambitious project, which saw the network extended for some 320 km from the Syria/Jordan border to the Al-Rayan gas distribution center in Syria's central region. As well as the obvious economic benefits to Syria, the project is expected to improve the competitiveness of the region's energy sector by promoting the use of cheaper and cleaner gas over high-sulfur fuel oil. Moreover, as Syria has only 250 billion cubic meters of proven gas reserves - which is barely sufficient for domestic use - developing multiple gas transit routes will provide long-term domestic supply and security. ■



Blazing a trail in sustainable energy solutions

Austria's model town

BY VERENA RINGLER

As developing and developed countries around the world wrestle with the twin challenges of energy poverty and energy security, one small town in Austria has found an innovative solution to the problem. In the space of just one decade, this formerly poor and isolated rural community has leapt to the forefront of international energy expertise, technical innovation, energy efficiency and job creation.

For decades, Güssing was perched on the edge of the Western world. People were used to leaving rather than coming to this place, and certainly nobody ever asked for a hotel room in this Austrian town and district of the same name.

Located on the Hungarian border, some 160 kilometers south of Vienna, this community in the southeast corner of the country found itself glued to the Iron Curtain until 1991. Both before and after World War II, the area saw Austria's highest emigration rates. In the late 1980s, 70 percent of inhabitants of the Güssing district commuted to Vienna or other urban centers for work.

A mineral spring provided an important source of income for the area. Yet the precious forests that covered 45 percent of the land lay idle. ▶



PHOTO: EEE GMBH

Some 16,000 tons of wood chips are gasified annually at Güssing's flagship power plant to produce electricity for local consumption.

◀ The municipalities' coffers were empty, primarily due to the staggering sums spent on fossil fuels and other energy purchases.

Today, Güssing has moved to the cutting edge. The Iron Curtain is long gone, and a major policy change has taken place. Furthermore, Austria's accession to the EU in 1995 has opened up the area to generous EU development and cross-border programs.

For years now, highly-educated technicians, energy experts, forestry specialists and automobile researchers have been flocking to Güssing to live and work. No fewer than 50 new firms have created more than 1,000 new jobs across the district, which is home to 27,000 people. Two hotels have been built to host an annual inflow of 15,000 energy tourists,

scientists and politicians from all over the world.

The Güssing of 2010 boasts a high quality of life and profits from local electricity, heat and synthetic fuel production. Güssing's pioneers harvest international awards like the Swiss Watt d'Or (2009) or the Japanese Global 100 Eco Tech Award (2005) for their energy miracle.

At the heart of the Güssing model are four power plants and 25 community heating plants that use wood from local forests, which is bought from farming cooperatives and cut into chips. The method goes back to the early 1990s, when a new mayor, Peter Vadasz, was voted into office. He has been re-elected for further terms ever since and is known to drive the pace of change in Güssing.

Scrutinizing the balance sheet and tasking his technical advisor, Reinhard Koch, to think creatively, Vadasz decided to cut down on fossil fuels and instead develop and use the district's own, renewable resources. Persuaded by the potential economic savings, the district council was quick to agree to the energy experiment.

The first step was an insulation and energy optimization program for the buildings of the area. Then, a biodiesel plant using rapeseed oil and a district heating system based on fuelwood were introduced.

In 1996, Güssing took the lead in research and development by founding the European Centre for Renewable Energy, which has since become an internationally acclaimed knowledge and research center that coordinates the long list of research projects in the field of renewables.

In 2001, Güssing reached energy self-sufficiency with the introduction of its flagship power plant which is fueled by biomass. The plant relies on a new biomass-steam gasification technology developed at the Technical University in Vienna. In it, 16,000 tons of wood chips are gasified annually with water vapor in an oxygen-free environment. This process leads to a high-grade synthetic fuel that can be further transformed.

The plant currently operates for 7,000 hours per year. It has a rated fuel capacity of 8 MW and produces 2,000 kWh of electric power as well as 4,500 kWh of heat for district heating at a feed rate of 2.3 tons of woodchips per hour.

On account of the favorable properties of the gas produced (it is free from nitrogen and contains a lot of hydrogen), there is a broad range of possible uses. These include the generation of fuel gas, synthetic gas, gasoline and diesel, as well as methanol and hydrogen.

In the course of 2010, gas station customers in Güssing will be able to fuel their cars with biodiesel produced from local woodstuff. One liter of fuel needs an input of five kilograms of wood stuff. The technology for the production of diesel fuel and gasoline from biomass ►



PHOTO: EEE GMBH

Further reading



Learn more about the Güssing model via their website www.eee-info.net.

◀ is currently being tested by the Volkswagen Company and more than 30 international partners. The aim is to achieve “poly-generation” by 2013, i.e. the production of heat, electricity and fuel from wood in the Güssing biomass plant.

Güssing’s forests are certified “sustainable” by the Pan European Forest Certification Council. Hence, no more than the annual interest is taken out from the forests, and constant growth is guaranteed. Most of the Güssing biomass is beech, locust and oak, the trunks of which are used for energy production, while the branches and crowns are left behind as natural fertilizers.

Since the energy turnaround of the early 1990s, the supply chain of wood is managed by a forest association. “Due to a history of fair estate distribution for all children, we now have thousands of tiny properties. Their owners task us to thin their forests sustainably and sell the woodchips to the Güssing powerplants,” explains Herbert Stummer, a fifth-generation forester and the managing director of the forest association.

Every year, the Güssing energy center estimates the supplies needed in the coming months. Then, Stummer’s association sends some rangers to cut the wood and dry it on dirt roads on the spot. There are less than 50 and mostly even less than 20 kilometers between a tree and its end-usage for energy production in Güssing, and the wood chips are stored for no longer than a week.

Meanwhile, the rapeseed has been replaced entirely by woodchips, says Christian Keglovits, spokesperson for the energy cluster. “Since 2005, we work only with wood. We have abandoned the use of rapeseed oil or other foodstuff for energy production.” The idea, he says, was to move beyond agrifuels, which compete with food production. This shift captures in a nutshell the ethos of flexibility practiced by the Güssing model, where means and ends are dynamic rather than static.

Recently, for instance, a parquet flooring factory and a photovoltaics production plant joined the sustainability cluster in Güssing. These energy-intensive industries brought new job opportunities to the area, but they also ended Güssing’s complete autarchy in electricity. No problem, muses Keglovits, because economic growth is more important than stubborn balance sheet dreams. “When we talk about energy efficiency, we never mean complete isolation,” he says.

The level of independence is still impressive: Güssing is 99 percent autarchic in heat, 150 percent autarchic in electricity for private and public buildings, and 56 percent autarchic in electricity for industrial production.

The Güssing model is eminently transferable to other countries and parts of the world, suggests Mr. Keglovits. “Last year, we presented our model in Dubai and Abu Dhabi. We brief the United Nations, the EU and governments from around the world. Delegations from nearly all countries and many Central European municipalities have visited us,” he says.

Keglovits assumes that Güssing’s attraction for international visitors is the town’s knowledge cluster. Guests find an array of training programs, demonstration plants (biomass, biogas, solar and photovoltaic installations), and cross-sector activities (e.g. an eco-energy marathon). Mayors from Germany and Austria send their municipality fact sheets to Güssing to have tailored energy plans worked out for their towns. Furthermore, Güssing boasts a solar school. Students here master a regular EU high school curriculum and a special renewable-energy package.

How is the mood here in the school and at work after the 2009 climate summit in Copenhagen? “We were disappointed. We have the choice to either give up or continue. And of course, here at Güssing we continue,” says Keglovits, returning to a group of visitors who are wandering through the towering piles of woodchips. ■



OPEC marking 50th Anniversary

156th Meeting of the Conference convened in March
New headquarters building inaugurated

BY SAM IFEAGWU

OPEC, the Organization of the Petroleum Exporting Countries, began early this year with events and activities to mark the Organization's 50th year of existence. Come September, 2010, and OPEC will be 50. The Organization was established September 14, 1960, by five oil-producing developing countries in Baghdad, Iraq, specifically Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. It now counts 12 Member States playing a major role on the world energy stage and committed to a stable oil market; fair and reasonable prices; secure supply and fair returns to investors, as well as support for sustainable development and attention to global environmental concerns.

The Secretary-General of OPEC, HE Mr. Abdallah Salem El-Badri called the 50th Anniversary an "extraordinary accomplishment" which typifies the will, the determination and lasting success of an Organization that has worked tirelessly to protect the sovereign interests of Member Countries and ensure efficient supplies of petroleum to consumers.

Today, OPEC stands as a unified and well-meaning institution that has, at its heart, the interests of all stakeholders in the oil industry. OPEC has accumulated extensive experience on petroleum issues and has garnered acute awareness of the realities and sensitivities relating to performance on the global political and economic stage.

Conference

On March 17, honorable Energy Ministers and other ranking representatives of Member Countries assembled in Vienna, Austria, for the 156th Meeting of the OPEC Conference which also witnessed the inauguration of the Organization's new headquarters building in the Austrian capital, timed to coincide with the Anniversary commemoration. The 156th Meeting of the Conference reviewed recent oil market movements and the outlook for 2010. The Conference noted that, while the global economy was clearly rebounding from the late 2008 and early 2009 recession, serious threats remained. ▶

◀ The Conference, as is customary, exchanged views on ongoing multilateral developments, environment matters included. The Conference pronounced on downside risks which ministers agreed incorporated the mounting and (potentially) unsustainable public debt in the most advanced economies. Ministers reiterated Member-Country commitment to individually-agreed production allocations and reaffirmed a readiness to swiftly respond to any developments which might place oil market stability in jeopardy.

Conference President HE Mr. Germánico Pinto, Minister of Non-Renewable Natural Resources of Ecuador, declared – while opening the Meeting – that global market stability was fragile;

and that there was a need to maintain and strengthen stability and also strive for more consistency. The main challenges today, Pinto said, remained stability at a time of much uncertainty in the world economy. He said developments in the world economy were “balanced on a knife-edge of uncertainty,” and will continue to have a direct impact on the outlook in the coming months.

Building inauguration

The inauguration of the new headquarters building in Vienna’s central First District followed the 156th Meeting. It was a grand opening ceremony witnessed by Conference delegates, ranking government officials and other dignitaries.

Special guests included HE Dr. Michael Spindelegger, Austria’s Federal Minister of International and European Affairs (Foreign Minister); HE Dr. Michael Häupl, Mayor of the City of Vienna; the Director-General of OFID, Mr. Suleiman J. Al-Herbish; and Heads of other Vienna-based international organizations. The ribbon cutting was by the Conference President Pinto, Secretary-General El-Badri, Foreign Minister Spindelegger and Vienna Mayor Häupl.

Mr. Pinto called the event a landmark for OPEC. He said the inauguration was “a fitting setting” to celebrate OPEC’s 50th year of existence. After more than three decades on the edge of Vienna’s city center, the OPEC Secretariat has now crossed the Danube



PHOTO: OPEC/DIANA GOLPASHIN

From left to right: HE Dr. Michael Häupl, Mayor of the City of Vienna; HE Dr. Michael Spindelegger, Austria’s Federal Minister of International and European Affairs; HE Mr. Abdallah Salem El-Badri, OPEC Secretary-General; and HE Mr. Germánico Pinto, OPEC Conference President.

Canal and set itself up in the heart of the Austrian capital, Mr. Pinto said. Pinto was pleased at the strong relations between OPEC and host-country Austria and the hospitality of the City of Vienna. This new building, he said, “provided the environment we need to do our work to mark a new beginning for OPEC.”

Foreign Minister Spindelegger spoke of a “state-of-the-art premises” which, he said, was a symbol of the cooperation between OPEC and Austria. He thanked Mr. El-Badri for the Secretary-General’s vital engagement in realizing the building. It was a historical day, he added, for relations between OPEC and Austria. The Minister said the new premises would enhance OPEC’s capacity to carry out its mandate, adding that “the strong stabilizing role of OPEC in these times of recession” was most useful. Austria will continue to support OPEC, he declared; and “may the new building represent a symbolic renewal of relations between OPEC and Austria.”

In his own intervention, Mayor Häupl called the building a successful sign of efforts to establish Vienna as an international hub; an important economic factor for the City. Mayor Häupl said it was his city’s privilege to have hosted OPEC over a period of 45 years. With international organizations such as OPEC in Vienna, he said, employees from more than 37 countries have found a new home in the city.

The OPEC Secretariat moved into the new premises on November 30, 2009. The building shares the same neighborhood with Vienna’s old Stock Exchange and Vienna University’s modern Faculty of Law. Its ultra-modern facilities have been tailored to OPEC’s requirements to better equip it to meet the many challenges facing the energy industry in the new decade. The building’s total usable area of about 9,000 square meters is ample space for the Secretariat’s 138 staff and allows for possible expansion in the future.



PHOTO: OPEC/DIANA GOLPASHIN

The inauguration ceremony was attended by Ministers of OPEC Member Countries along with a host of other distinguished guests.

Anniversary activities

Among the activities and events earmarked for commemoration of the 50th Anniversary was the unveiling of a new website for the Organization. The launch was undertaken by HE Mr. Abdullah bin Hamad al Attiyah, Deputy Premier and Minister of Energy & Industry of Qatar. The rather attractive and easily navigable website (www.opec.org) saw a total re-design.

The Anniversary Year has also seen the unveiling of an anniversary logo and commemorative stamps. The logo design, sought in an open OPEC Member-Country-wide competition, was won by Ms. Lourdes (Lula) Pilay Garcia (28) of Ecuador. The winning logo was picked from more than 400 entries received from OPEC nationals.

Yet other anniversary activities still underway include a high-level symposium; youth competitions; cultural exhibitions in Vienna and in Member Coun-

tries; and special publications. The anniversary symposium will mark the Organization’s past years and provide an opportunity for people who have played a key role in OPEC’s existence to share anecdotes over their experiences and reflect on “OPEC at 50.” Participants will also include prominent OPEC officials – past and present – expected to reflect on the Organization’s successes during its unique 50-year history.

OPEC’s slogan for the 50th Anniversary is *Supporting Stability, Fuelling Prosperity*. Accordingly, the Organization’s policy decisions in the years ahead will, according to Secretary-General El-Badri, continue to be aimed at creating harmony and stability in the international oil market for the benefit of the producers, the consumers, the investors and the global economy at large, “whatever the challenge, whatever the obstacle.” ■



PHOTO: © WWW.LUKASBECK.COM

VORLAUT: Impacting youth with music

BY AGNES NEBEHAY

For OFID, the promotion of integration in multi-cultural societies is a way to facilitate tolerance and respect among peoples, regardless of cultural, religious or ethnic differences. With this aim, OFID is co-sponsoring *VORLAUT*, an innovative project which hopes to demonstrate that the vicious circle of poverty can be broken when a child, poor in material possessions, acquires spiritual wealth through music.



On March 18, 2010, Mr. Suleiman J. Al-Herbish, Director-General of OFID, signed a sponsorship agreement with Vienna's Konzerthaus for the VORLAUT project. The sponsorship, which will run for three years and is valued at €150,000, will be directed at the elementary school Svetelskystraße Landhausschule in Vienna's 11th district. Through this sponsorship, the school will receive musical instruments and provide education to 100 children between the ages of six and ten, representing 17 different nationalities.

VORLAUT primarily aims at supporting children from marginalized society groups in Vienna by integrating them in choirs and other musical activities in order to enhance their overall capabilities. The VORLAUT project was inspired by the Venezuelan music education system for children "El Sistema," which strives to use music in improving the livelihood of future generations by creating an effective social inclusion system. This model was founded by José Antonio Abreu, a former economist and classical music enthusiast, who believed that every poverty-stricken child should have free access to music and that their lives would be transformed as a result. Established in 1975, the project has been a spectacular success in Venezuela and has already acquired international fame and recognition. Using the safe haven of music, this scheme helps to save children from a life of delinquency and crime in poor communities. The power of music as a language which transcends boundaries has been instrumental in instilling long lasting social skills of self-esteem and confidence.

VORLAUT is a social project developed by the Wiener Konzerthaus, Caritas Vienna and the Vienna Boys' Choir. It has been implemented in three Viennese schools since the late fall of 2009, benefiting over 240 children already. "We would like to encourage as many children as possible to actively and jointly make music together," Mr. Bernhard Kerres, Director of the Konzerthaus,



Mr. Bernhard Kerres (left), Director of the Wiener Konzerthaus, and OFID Director-General Mr. Al-Herbish pose with the junior choir of the Volksschule Svetelskystraße Landhausschule.

declares. "The idea is to foster free music education for all children, regardless of nationality, educational background or religion," he says.

Reiterating the power of this unique social concept, Mr. Al-Herbish stated at the signing ceremony that the "life of an individual is enriched by an appreciation of the arts. The quality of our children as individuals depends on the quality of education and experiences to which they have been exposed, whether at home or in formal institutions." He also said: "Music is known to add a little something to the soul. Our children are the leaders of tomorrow and whatever we can do to contribute to their well-being now will impact upon the decisions they make

tomorrow." The Director-General further explained that this initiative is additionally directed towards the grateful support that OFID has been receiving from the Government of Austria and the City of Vienna.

Together with the Vienna State Opera and the Musikverein, the Vienna Konzerthaus is among the most prestigious institutions of the international music scene. Ever since its opening in 1913 by Emperor Franz Joseph I of Austria, the Konzerthaus has pursued its mandate "to be a place for the cultivation of superior music, a focus of artistic endeavors, a building for music and a building for Vienna." It organizes around 800 performances a year. ■

Light at the end of the tunnel

OFID partners with Colombia on large-scale mountain road project

BY DAMELYS DELGADO

Set in the heart of the Andes, some 2,600 meters above sea-level, the Colombian capital, Bogotá, is the third highest city in the world.

The country's main seaport, Buenaventura, lies some 400 km to the east. Separating the two are three giant mountains – immovable obstacles that make travel between the capital and the coast dangerous and slow. Not for much longer, however, thanks to an audacious feat of engineering to upgrade and re-route the current highway through a mountain tunnel.

The upgrading and re-routing of the 493 km stretch of highway linking Bogotá with the port of Buenaventura on the Pacific coast represents a mightily ambitious project for Colombia. Crossing no fewer than three towering mountain ranges, the road represents one of the biggest ever technical challenges in the history of Colombian engineering. The solution – construction of the “La Línea” tunnel – is proving that even the most mountainous of challenges can be overcome.

OFID is accompanying the Latin American nation on this groundbreaking journey with financial support amounting to US\$50 million.

Improving transport infrastructure in Latin America favors logistics, facilitates trade and improves communication links both within and between countries. These benefits are yet more significant when viewed in the context of a continent whose total investment in land transportation has declined over the past

20 years, from just over 1 percent of GDP in 1980 – 1985 to 0.37 percent of GDP in the period 1996 – 2001, according to World Bank figures.

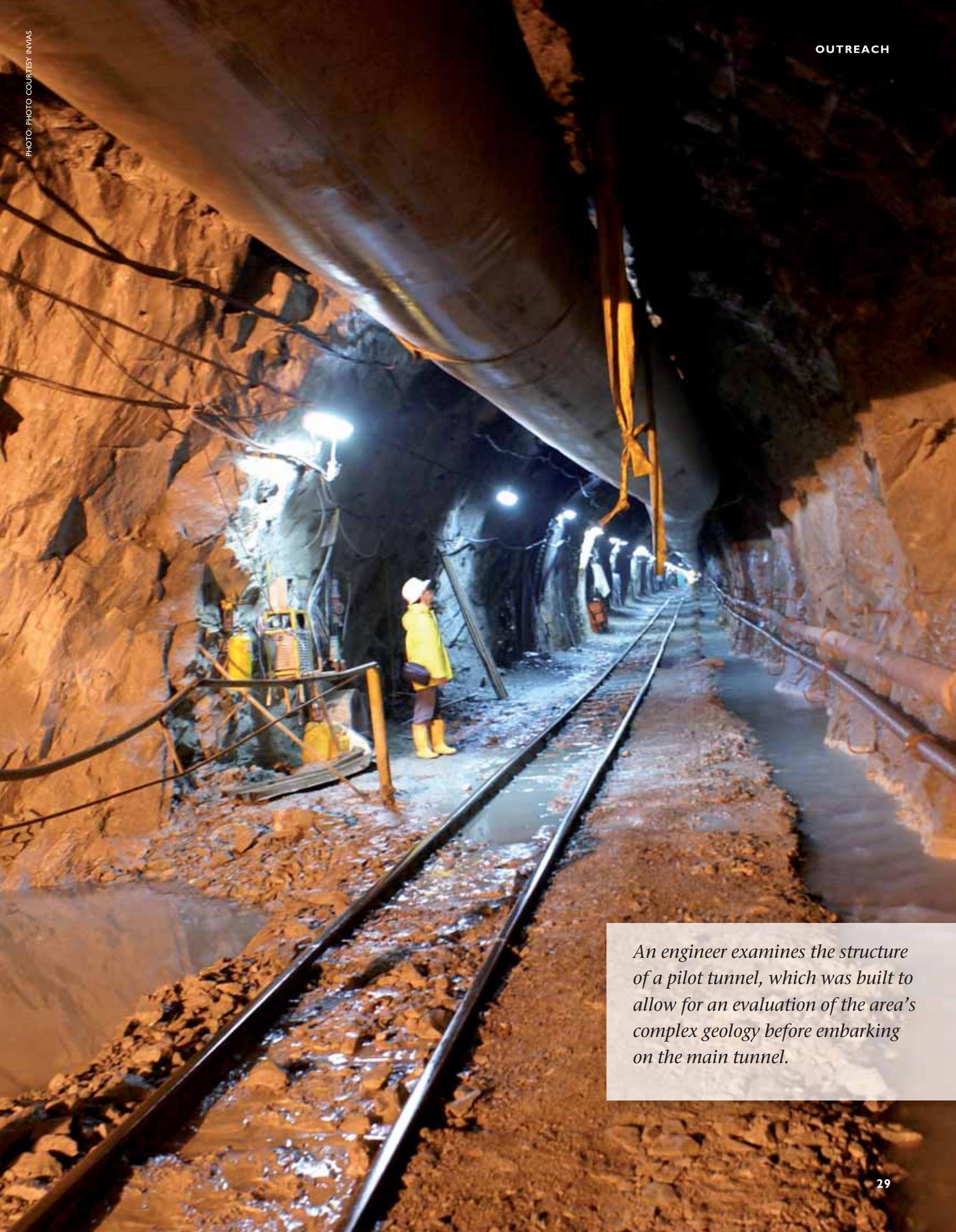
Because of this low level of investment, transport costs in Latin America are appreciably higher than in developed nations and many competing emerging economies.

However, there is good news. At an estimated cost of US\$1 billion, the National Roads Institute of Colombia (*Instituto Nacional de Vías, INVIAS*), is carrying out one of the region's most important road infrastructure projects – upgrading the Bogotá – Buenaventura highway.

Preliminary studies for the project started in the late 20th century and today the progress is visible for all to see. It is a work of national importance that will allow free-flowing traffic through four departments: Antioquia, Tolima, Quindío and Valle del Cauca.

Most of Colombia's roads are simple, two-lane affairs – a situation that has a detrimental impact on traffic flow, especially as about 85 percent of cargo transportation is by huge articulated trucks. This inevitably causes bottlenecks and damage to the road surface.

The Bogotá-Buenaventura road transports more than 45 percent of the cargo coming from Asia and is, on average, only seven meters wide, with vehicles traveling in both directions. Some sections are even narrower. This, ►



An engineer examines the structure of a pilot tunnel, which was built to allow for an evaluation of the area's complex geology before embarking on the main tunnel.



Pilot tunnel (*left*). The main tunnel (*right*) will provide a shorter, safer means of travel, resulting in savings of US\$40 million annually due to lower fuel and maintenance costs.

◀ along with difficult curves, steep slopes, landslides in rainy weather and reckless driving, gives rise to an accident rate four times the national average.

In this regard, official figures are alarming. According to Pamela Cox, World Bank Vice President for Latin America and the Caribbean, both regions have the highest fatality rate per capita in the world, due to accidents. Addressing a conference on road safety for Latin America and the Caribbean in 2009, she said the figure currently stood at 26 fatalities per 100,000 people and was likely to rise to over 30 deaths per 100,000 people by 2020. The comparable figure among the safest countries in the world, including New Zealand, Sweden and France, is five fatalities per 100,000 people, and declining.

The good news for Colombians is that the upgraded Bogotá-Buenaventura road will feature a dual carriageway,

which will reduce the accident rate by an estimate 75 percent.

The highway project is progressing steadily in the heart of Colombia. The most complex step is the pass through the Central Cordillera range of the Andes, which connects the departments of Quindío and Tolima. Traversing the mountains requires the excavation of the “La Línea” tunnel at a site that cast more doubts than certainties when the idea first surfaced. The job was tendered three times and on each occasion the process was unsuccessful. The reason: no one was willing to risk building a road on such geologically unstable terrain.

Finally, the government stepped in and built a pilot tunnel to allow for an evaluation of the area’s geology, geomechanics and hydrogeology. Today, in spite of geological fault lines, construction of the main tunnel has been deemed feasible and is already underway. The national

dream is gradually becoming a reality.

Construction of the main tunnel began in late October 2009 and is due for completion in 2013 at a cost of US\$270 million. Once it is finished, a second tunnel will be put through, giving a two-way road in line with the increasing demands being made on land transportation in the country. The entire project is scheduled to be finished in 2016.

Juan Esteban Gil, Manager of Large Projects for INVIAS, said one of the project’s main benefits was that, with the pass being lowered to a height of 2,400 m, road users would no longer have to climb 3,300 m to cross the mountains.

He explained: “The Andes Cordillera that comes from southern Chile, is divided into three ranges in Colombia: eastern, central and western. To get from Bogotá to Buenaventura you have to cross all three mountain ranges. Starting at 2,600 m above sea level on the

plateau Cundiboyacense, the road descends to the level of the Magdalena River, then climbs the central ridge to slowly descend again to the level of the Cauca River valley. It then goes up the western ridge and finally falls back down to sea level.”

“Of the three crosses, the most complicated connection is the passage through the central mountains, where the old road climbs over 3,000 m above sea level, with poor visibility and the most complex topographical and geological conditions in Colombia.”

Gil stressed that a reduction in operating costs, a shorter travel time, environmental advantages, accident reduction and local employment generation, were just some of the additional benefits offered by the project.

Regarding operating costs, Gil pointed out that the savings were derived from the difference between traveling the 22 km stretch of the mountain at 3,300 m above sea level, compared with 11.9 km on flat ground and at an average altitude of 2,463 m. These savings are estimated at US\$40 million annually, due to lower fuel and supply costs, and reduced equipment maintenance.

In addition, the tunnel had an expected traffic volume of 5,000 vehicles a day, which would increase by three percent yearly until 2012 when it is expected to rise to nine percent.

Also, said Gil, there would be time savings due to both the shorter distance and the greater travel speed, which would increase from an average of 18.2 km per hour to 60 km per hour. This translates to a reduction of about 80 minutes for trucks and 40 minutes for light vehicles. The savings may also be reflected in lower freight costs.

The tunnel forms part of the Calarcá-Cajamarca section, located between the departments of Tolima and Quindío. This stretch of road has a length of 45 km, which, upon completion of the works, will be reduced to 33 km. Another significant benefit mentioned by Gil relates to local employment generation, which is estimated to peak at 1,500 jobs as the scheme progresses.

The project had huge ecological benefits, said Gil. It was estimated that the transit improvements mentioned would reduce emissions of carbon monoxide by 20 tons/year, carbon dioxide by about 1,000 tons/year and lead by 18 tons/year.

Gil reported that environmental investments totaling US\$20 million had been made along the river adjacent to the project. In this regard, 620 hectares of land had been reforested by planting 350,000 trees. In a second phase that will culminate in 2012, an additional 700 hectares would be reforested, which according to Gil, was “something never



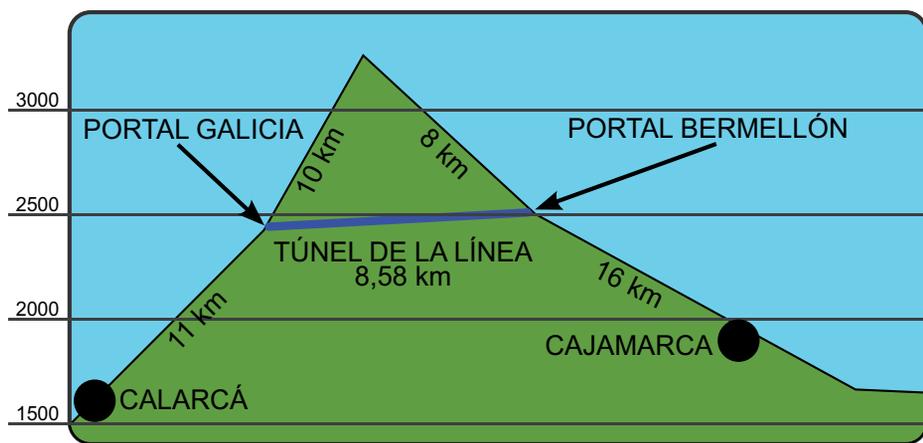
The three mountain ridges that separate the Colombian capital Bogotá from the busy port of Buenaventura have until now acted as considerable obstacles to the movement of goods and people.

seen in Colombia.” Other environmental measures include water resource management. “Leakage from the tunnel will supply water at a rate of 300 liters per second to a population of 200,000 people in the department of Quindío,” disclosed Gil.

A US\$30 million loan provided by OFID is being used to co-finance the phase that corresponds to the construction of the Tunnel. Another OFID loan of US\$20 million is supporting the Loboquerrero-Buenaventura section of the same highway. This 48 km stretch is also under construction and includes a 580 m bridge and six additional viaducts, whose lengths range between 90 and 350 m.

In the Valle del Cauca department, where this work is being carried out, environmental investments total US\$25 million, including compensation to ethnic minorities, reforestation, watershed protection, and water and basic sanitation provision.

Gil noted that OFID’s cooperation had been aimed at key project components that would support the development of Colombia and improve the welfare of its people. ■



SOURCE: FREE SOFTWARE FOUNDATION

The La Linea Tunnel will eliminate the need for motorists to travel on a 22 km-long road that climbs more than 3,000 m over difficult terrain.

Sudanese artist Rashid Diab exhibits at OFID HQ

“Color for Peace” attracts distinguished visitors

BY AGNES NEBEHAY

Continuing its series of exhibitions showcasing the cultural diversity of its myriad partner countries, OFID hosted January 28 – February 26, a collection of paintings by the world-renowned Sudanese artist **Rashid Diab**. Entitled “Color for Peace,” the exhibit captured the synthesis of Islamic, Arab and African influences that characterizes the cultural heritage of the artist’s homeland.



HE Mr. Ali Ahmed Karti, State Minister of Foreign Affairs of the Republic of Sudan (*middle*), OFID Director-General, Mr. Al-Herbish (*far right*), and Dr. Rashid Diab (*far left*) open the exhibition.

The exhibition was opened jointly by OFID Director-General, Mr. Suleiman Al-Herbish, and the Sudanese Ambassador to Austria, HE Mahmoud Hassan Elamin. Other dignitaries in attendance included HE Ali Ahmed Karti, State Minister of Foreign Affairs of Sudan, senior members of Vienna’s diplomatic corps, and Sudanese flutist and composer Hafiz Abdel Rahman, who treated guests to a musical performance.

In a welcome address, Mr. Al-Herbish noted the “special relationship” that exists between OFID and Sudan, which he recalled had been the recipient of the first ever loan approved by the institution in 1976. “It is a happy coincidence that this exhibition opens on the 34th anniversary of OFID’s establishment,” he said.

Rashid Diab has been creating artwork since his early childhood. Growing up, he was fascinated about his relationship with distance and space, asking why objects had specific dimensions and a certain shape at a certain time. “These questions became an obsession, with the only solution being to paint, and continue to paint,” he recalls. For Diab, the visual and virtual changing of forms, shapes and colors has always been of great importance. He says, “I want to change things. Everything I see I have to turn into something different in my mind. It is something like a continuous painting.”



Dr. Diab left Sudan in 1980 to take up a scholarship – the first to be offered by Spain to a Sudanese student – at the Complutense University of Madrid. He later became the first foreigner to teach at the city’s San Fernando Royal Academy of Fine Arts, Spain’s premier art school.

Diab’s time abroad made him appreciate more fully his diverse Sudanese heritage. “Since that time, I have maintained and developed an extensive vocabulary of images and patterns in my mind from Sudan’s cultural history,” he states. He also draws inspiration “from an inner, spiritual experience.”

Through his paintings, Diab expresses the natural components of his surroundings. His imagery moves in natural flows, complementing a carefully chosen palette of colors that is deeply significant and symbolic. The result reaches far beyond the depiction of physically recognizable objects.

Although the artist’s paintings represent an abstract interpretation of reality, one quickly finds oneself traveling with Sudanese women through the vast desert, embracing the land’s natural beauty, or immersing in the deep-blue waters of the Nile.

Diab uses different natural settings to put forward philosophical ideas, in particular his relationship to space and time. “What is important is how I can capture the color, shape and form of a moment...

whether it is in the past, present or future,” he explains. Dr. Diab encourages people viewing his art to interpret these shapes and forms for themselves: “The color and form may illustrate moments of sorrow, happiness, hope and despair, but the most important element is that of nostalgia for this universal world.”

Diab’s message, as conveyed through his art, is one of peace, freedom and unity. According to Diab, art can sustain and nurture a universal language, building bridges between different societies and cultures, and emboldening peo-

ple to connect with each other. As a visionary and artist, Diab is dedicated to communicating and furthering these precepts through creating environments and art that bring people and ideas together. “For me, art is ultimately the connection between human beings. It is also what sustains cultures and indicates the material aspects of civilizations.”

Today, Rashid Diab lives and works in Khartoum, where he has established the Rashid Diab Arts Center, to promote visual arts and cultural awareness in Sudan. ■



Dr. Rashid Diab (right), Yousif Kurdufani (center), Counselor of Sudan in Austria, and Dipl.-Ing. Mouddar Khouja (left), Secretary General of the Arab-Austro Chamber of Commerce.

JANUARY 15

Emergency assistance grant approved

Haiti. US\$500,000. This grant helped procure emergency supplies and finance emergency operations to aid victims of the massive earthquake that struck the coast of Haiti in January. The quake, which registered 7.3 on the Richter Scale, was the worst in the region in more than 200 years. OFID's grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).

JANUARY 12

Loan agreement signed

Egypt. US\$25 million. Social Fund for Development.

JANUARY 27

Research grants approved

International Association for Energy Economics (IAEE). US\$45,000. This grant will sponsor the attendance of 25 students from developing countries at three conferences of the IAEE to be held this year in Rio de Janeiro, Brazil; Vilnius, Lithuania; and, Calgary, Canada.

International Center for Agricultural Research in the Dry Areas (ICARDA). US\$50,000. To support the

International Conference on Food Security and Climate Change in Dry Areas sponsored by ICARDA. The event was held February 1-4 in Amman, Jordan and brought together national and international experts, policy makers and stakeholders to exchange views and experiences.

FEBRUARY 24

Loan agreement signed

Cuba. US\$17 million. Las Tunas Province Water Supply System Rehabilitation.

MARCH 3

Emergency assistance grant approved

Chile. US\$250,000. This grant, which was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC), helped procure emergency supplies for victims of an 8.8 magnitude earthquake that struck the coast of Chile on February 27.

Trade finance agreement signed

Eastern and Southern African Trade and Development Bank (PTA Bank). A US\$20 million loan will assist PTA Bank in extending its operations to help meet the trade financing requirements of eligible sub-Saharan Africa markets.

MARCH 5

Trade finance agreements signed

Standard Bank Group of South Africa. Two risk-sharing agreements have been signed. The first covered a Letter of Credit portfolio that will benefit some 30 banks in 12 sub-Saharan Africa countries. The second agreement of US\$45 million will support smallholder farmers' schemes in Mozambique, Uganda, Ghana and Tanzania.

MARCH 10

Emergency assistance grant approved

Egypt. US\$50,000. This grant, which was channeled through the Arab Red Crescent and Red Cross Organization, will help procure essential relief supplies and fund emergency operation for victims of flash floods that injured many and displaced hundreds of people in the Sinai Peninsula, the Red Sea port of Hurghada and the Aswan Governorate in southern Egypt.

MARCH 16

130th Session of the Governing Board

Project loans approved

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

Cameroon. US\$22.5 million. Limbe Shipyard.

Ethiopia. US\$20 million. Jijiga - Degehabur Power Transmission.

Kenya. US\$12 million. Nuno - Modogashe Road Upgrading.

Kyrgyz Republic. US\$7.4 million. Reconstruction of Bishkek-Torugart Road.

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

Lesotho. US\$8.4 million. Tikoe Industrial Park.

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

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

Grants approved under the Special Grant Account for HIV/AIDS Operations

OFID/UNODC Initiative for Effective HIV/AIDS Prevention and Care among Vulnerable Groups in Central Asia and Eastern Europe – Phase II. US\$3 million. This grant will support the second phase of an OFID/UNODC (United Nations Office on Drugs and Crime) joint program. It aims to improve availability, coverage and quality of HIV/AIDS services for injecting drug users and prisoners in Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.



Heads of Delegation to the 12th International Energy forum in Cancun, Mexico, where a special session was devoted to *the Role of Energy in Fostering Human Development*.

18th International AIDS Conference (AIDS 2010). US\$350,000. This grant will help sponsor the AIDS 2010 Conference which will be held in Vienna, Austria on July 18 – 23. Proceeds from OFID's grant will enable approximately 135 young delegates from least developed countries to attend the event.

Grant approved under the Special Grant Account for Palestine

Assistance to Civil Society Organizations in Gaza, Palestine. US\$2.6 million. This grant will be distributed among 35 Palestinian NGOs that are providing vital assistance in the areas of education, health, agriculture and community development. The funds will help insure that the NGOs can continue delivering services that would otherwise be unavailable to the Palestinian population.

Technical Assistance grant approved

National Cancer Institute (NCI). US\$700,000. This grant will co-finance the purchase of a Da Vinci Surgical System for the NCI, which carries out some 8,000 major operations per year. This state-of-the-art piece of equipment will allow for safer surgery, reduced operating time and shorter hospital stays for patients, as well as minimizing the need for blood transfusions.

MARCH 18

Private sector loan agreement signed
West African Development Bank (BOAD). € 20 million. Line of credit.

OFID signs sponsorship agreement

OFID has entered into a sponsorship agreement with the *Wiener Konzerthaus* (Vienna Concert House) for a social project developed by the *Wiener Konzerthaus*, Caritas Vienna and the Vienna Boys' Choir. Called VORLAUT, the project seeks to foster free music education for children regardless of nationality, educational background or religion. Its aim is to support children from marginalized groups in Vienna by integrating them in choirs and other musical activities in order to enhance their overall capabilities. **See story, page 26.**

MARCH 19

Loan agreement signed
Cameroon. US\$8.607 million. Sangmelima District Hospital – Phase II.

MARCH 23

Loan agreements signed
Central African Republic. US\$9.3 million. Commodity Imports Program.
China. US\$10 million. Gansu Healthcare Project.
Kenya. US\$10 million. Dundori - Olkalou - Njabini Road Project (Supplementary Loan).

Malawi. US\$11 million. Teacher Training Colleges Project.

Pakistan. US\$31.1 million. Neelum Jhelum Hydropower Plant.

Tajikistan. US\$13 million. Kulyab-Kalaikhum Road.

Uganda. US\$22.95 million. Vocational Education.

Private sector loan agreement signed

Armenia. US\$10 million. Line of credit to *Ardshininvestbank*.

MARCH 25

Loan agreements signed

Senegal. US\$4.7 million. Linguère – Boulal Road (Supplementary Loan).

Tanzania. US\$12 million. Poverty Reduction Project, Phase II.

Tanzania. US\$12 million. Same Water Supply.

Meetings attended by OFID

JANUARY 10

KHARTOUM, SUDAN
Sixty-fourth Meeting of the Coordination Group of the Arab Funds, Islamic Development Bank and OFID

FEBRUARY 3

ROME, ITALY
Institutional Investor's 18th Annual Pension Symposium

FEBRUARY 8

LONDON, UK
One Young World Summit

FEBRUARY 16

VIENNA, AUSTRIA
Second Vienna Energy Club Meeting

March 18-23

CANCUN, MEXICO
Annual Meetings of the Board of Governors of the Inter-American Development Bank and the Inter-American Investment Corporation

March 24-25

TUNIS, TUNISIA
African Development Bank Partnership Forum 2010

March 30-31

CANCUN, MEXICO
12th International Energy Forum

www.ofid.org

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photo
gallery



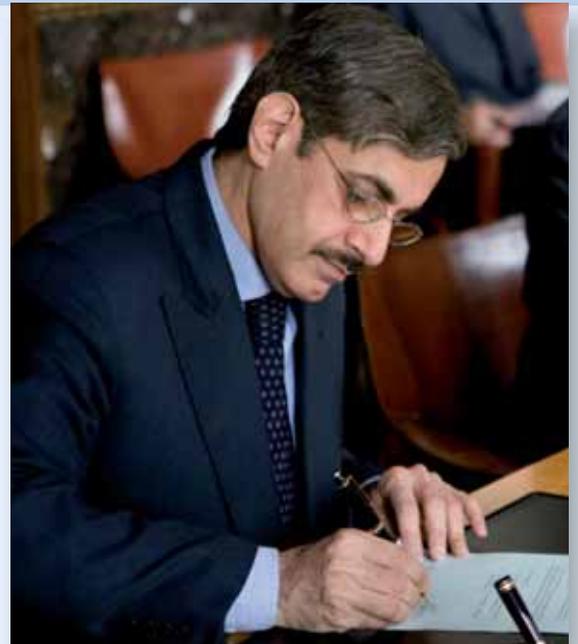
March 3

Mr. Michael Gondwe, President of the Eastern and Southern African Trade and Development Bank, after signing a US\$20 million line of credit agreement.



February 24

HE Norma Goicochea de Estenoz, Ambassador of Cuba to Austria, concluded a US\$17 million loan to modernize irrigation systems in Las Tunas Province.



March 23

HE Khurshid Anwar, Ambassador of Pakistan to Austria, secured a US\$31.10 million loan to help finance construction of a hydropower plant.

March 23

HE Syda N. M. Bbumba, Minister of Finance, Planning and Economic Development of Uganda, praised OFID for its “user-friendly procedures and speedy processing of their request.” The US\$22.95 million loan will help construct nine technical training facilities in the country.



March 23

Mr. Nerses Karamanukyan, Chairman of the Management Board of Ardshinvestbank, Armenia. The bank has taken a US\$10 million line of credit.

March 23

Upon signing a US\$9.3 million loan in support of a Commodity Imports Program, HE Albert Besse, Minister of Finance and Budget of the Central African Republic, expressed his gratitude to Mr. Al-Herbish “for OFID’s commitment to their country.”



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



OFID Assistant Director-General, Operations, Mr. Said Aissi (*far left*); OFID Director-General, Mr. Suleiman J. Al-Herbish; HE Jamal Nasser Lootah, Chairman of the Governing Board; and, Mr. Saeid Niazi, Assistant Director-General, Financial Operations.

130th Session of the Governing Board

Meeting in its 130th Session in Vienna, the OFID Governing Board approved nearly US\$108 million in fresh financing for development. The funds will support public sector projects in nine countries in Africa, Asia and Europe in the transportation, industry, energy and education sectors. Four grant-financed initiatives were also approved. Totaling US\$6.65 million, the grants will support activities relating to HIV/AIDS, assisting Palestinian NGOs and bolstering healthcare services.



Mr. Ismail Omar Al-Daffa, Alternate Governor of Qatar to OFID.



Mr. Jean Philippe Ndong Biyogho,
Representative of Gabon to the Board.



HE Dr. Hamad S. Al-Bazai,
Governor of Saudi Arabia to OFID.

Mr. Saman Ghasemi, Alternate Governor of IR Iran to OFID (left) and
Mr. Abdul Wahab Ahmed Al-Bader, Governor of Kuwait to OFID.



VISITOR highlights



January 18

OFID Director-General Mr. Al-Herbish (*left*) greets HE Dr. Sidi Ould Tah, Minister of Economic Affairs and Development of Mauritania. Introducing the Minister is Mr. Sid'Ahmed Ould Raiss, Governor of the Central Bank of Mauritania.

February 11

Mr. Hon. Abdou Kolley, Minister of Finance of the Gambia, visited with Mr. Al-Herbish, OFID Director-General, to discuss present and pipeline projects in the country.





March 15

Mr. William Loris (*left*), outgoing Director-General of the International Development Law Organisation (IDLO), and Ambassador Antonio Badini, new Director-General of IDLO, paid a courtesy call on OFID Director-General Mr. Al-Herbish to discuss future cooperation between the two institutions.

March 19

HE I Gusti Agung Wesaka Puja, new Ambassador of Indonesia to Austria, was received by OFID Director-General Mr. Al-Herbish for a briefing on the work of the institution.



March 22

Members of the Vienna-based Cosmopolitan Club toured OFID headquarters and received a briefing from OFID Director-General Mr. Al-Herbish about the ongoing activities of the institution.





Beyond Copenhagen: key issues for developing countries

BY FATIMAH ZWANIKKEN



The long-awaited Copenhagen conference on climate change fell far short of expectations in respect of an agreement on emissions levels. It did, however, strike some measure of success with regard to

pledges of financial assistance to developing countries for mitigation and adaptation efforts. Whether these commitments will prove adequate for the task in hand remains to be seen.

The 15th United Nations Climate Change Conference (UN-CCC) took place in Copenhagen, Denmark, December 7-18, 2009. It was attended by more than 40,000 delegates from 194 countries, including 119 world leaders. Organized jointly by the United Nations Framework Convention on Climate Change (UNFCCC) and the Government of Denmark, the Conference served as a platform for negotiating a new international framework for confronting climate change by curbing greenhouse gas (GhG) emissions upon expiration of the first commitment period of the *Kyoto Protocol* in 2012 (see box).

In Copenhagen, Parties to the Kyoto Protocol recognized the need to limit global warming as well as the need for large sums to tackle climate change. Delegates stated their intention to address, among others, mitigation, adaptation, finance, technology, reducing emissions from deforestation in developing countries, and capacity building.

The Conference concluded by Parties taking note of the *Copenhagen Accord*, a political agreement on the main elements of an international response to climate change, which is to serve as an input to future negotiations under the UNFCCC. Although the Accord recognizes the scientific consensus that global temperature rises should be kept below 2 degrees Celsius – despite continued debate about the soundness of climate change science – it specifies that developed countries shall reduce their overall emissions levels on a *voluntary* basis, rather than through legally binding targets as had been the case with the Kyoto Protocol.

Several developing countries argued that the North, which is environmentally indebted to the South, has a historical responsibility to assume leadership in combating climate change. Developing countries, whose average per capita emissions are far below those of developed countries, must be allowed to continue to expand energy services in

order pursue economic growth and meet social development needs. Against this background, there was widespread disappointment that the Copenhagen Accord did not produce a successor agreement to the Kyoto Protocol, with higher and binding emission reduction targets for the developed countries.

The Least Developed Countries (LDCs) and Small Island Developing Nations (SIDS), which are particularly vulnerable to the adverse effects of climate change, stressed the need for additional financial resources, technology transfer and capacity-building to support climate change adaptation and response.



Connie Hedegaard (center), Danish politician, Minister and Chairman for the UNCCC in Copenhagen 2009. Mr. Yvo de Boer (left), UNFCCC Executive Secretary, and Mr. Eric Hall (right), Spokesperson and Manager of Communications and Media, UNFCCC.

Besides adaptation and mitigation, issues of finance and technology continue to be key priorities for the South. To support immediate action and address the needs of developing countries, the Copenhagen Accord calls for the establishment of a new mechanism for the transfer of technology, as well as a *Copenhagen Green Climate Fund*. Developed nations pledged collectively to commit US\$30 billion to the Fund over the next three years (2010-2012). For long-term finance, developed countries agreed to support a goal of jointly mobilizing US\$100 billion annually by 2020. Some developing nations, for their part, assumed their share of the responsibility for supporting other developing countries in responding to climate change and for curbing CO₂ emissions on a *voluntary* basis.

It is hoped that the Copenhagen Accord will form the basis for a timely and robust international agreement that could provide benefits to all, by helping to address the dichotomy posed by the challenges of economic growth and climate change. The next UNFCCC climate change negotiations will take place during the 16th annual UNCCC, Mexico City, Mexico, late 2010, preceded by a two-week negotiating session in Bonn, Germany, this April. ■

The run up to Copenhagen: Kyoto and Bali

The 1997 Kyoto Protocol recognized that developed countries are largely responsible for the historical build-up of GhG emissions in the atmosphere. The Protocol thus places a heavier burden on the North. Based on the fundamental principle of *common but differentiated responsibilities and respective capabilities*, it requires wealthy nations to cut GhG emissions by 2012 through legally binding commitments, but asks for no such commitments from developing countries.

Looking beyond 2012, world leaders at the December 2007 UNFCCC Conference of the Parties (COP) in Bali, Indonesia, agreed to a two-track negotiation process to combat climate change through long-term cooperative action. The Bali Action Plan or “Road Map” entails the consideration of measurable, reportable and verifiable nationally appropriate mitigation commitments or actions by all developed countries. Developing nations, which are likely to suffer most from the negative impacts of climate change, would not have binding emission targets. Instead, they would take adaptation and mitigation actions to be supported by financial and technology transfers from the developed countries.

The unique challenges of Haiti's emergency logistics

BY RAMINA SAMII

Despite an overwhelming response from the global public, corporations and governments, weeks after the devastating January 12 earthquake in Haiti, basic relief items such as food and water had still not reached the majority of survivors. This, despite experienced humanitarian organizations being on site the day after the disaster. So, what explains the delay? In looking for answers, it is important to have an insight into the activities humanitarian organizations need to undertake to stage their response and to understand on whom and what they depend. Only this way can we appreciate the unique logistical challenges of the Haitian relief effort.

Humanitarian organizations and their operations

Most humanitarian organizations typically specialize in one area of relief assistance, e.g. food, medical aid, shelter,

water and sanitation, etc., and/or population group, e.g. children, refugees, etc. Given their complementary roles, the presence of such organizations following large-scale disasters is expected and indispensable.

For each emergency, a humanitarian organization establishes its own supply chain. This disaster-specific supply chain consists of a number of activities to be carried out by the humanitarian organization in cooperation with a range of actors. In the first instance, a humanitarian organization will assess the situation in the affected area with a view to planning and budgeting for the relief effort. It then launches a series of appeals to mobilize resources from the donor community. Having mobilized cash, people, services, goods and assets, it arranges for their transportation to the disaster site, where relief items are stored in warehouses before distribution to the population.

It is worth noting that planning is not confined to the outset of an emergency, but is a continuous activity that incorporates the evolution of the situation on the ground.

While humanitarian organizations can be held responsible for the timely activation and management of these activities, the success or failure of any disaster response does not fall squarely on their shoulders. This is because humanitarian organizations do not

operate in a vacuum but depend on a number of actors to stage their disaster response. These actors are the media, donors, suppliers, the recipient country, neighboring countries, the military and implementing partners.

Through its coverage of a disaster, the *media* often activates an emergency supply chain. It is also a source of information on the emergency and can influence to a large extent the generosity and speed of the donor response. *Donors*, range from the public, to foundations, governments, corporations and development institutions such as OFID; they contribute with funds, goods, assets, services and people. Donors, together with private sector *suppliers*, provide the relief items. Donors, the *recipient country*, *neighboring countries* and the *military* provide access to physical infrastructure such as ports, airports and warehouses as well as movable assets such as helicopters and trucks. *Implementing partners*, i.e. the local and foreign NGO community with local knowledge, presence and network, typically act as distributors. What is important to note is that, with the exception of suppliers, with whom the humanitarian community has a commercial relationship, the motivation behind the contribution of the other actors can range from purely humanitarian to self-interest.

As each organization activates its own supply chain, there will be as many supply chains as the number of organizations active in a disaster. In the absence of any coordination effort, these supply chains will end up competing for the same resources and enter into 'conflict' with each other.

In terms of logistical challenges, humanitarian organizations often operate in areas with underdeveloped, fragmented or insufficient physical infra-

SOURCE: RAMINA SAMII



Many important components of the supply chain were missing while carrying out humanitarian operations in Haiti.

structure. Pre-disaster deficiencies, coupled with the destruction caused by the disaster itself, further reduces the logistical capacity (e.g. transport, storage, distribution) and options of an area. It is clear that humanitarian organizations cannot be held responsible for logistical failures. The sheer infrastructure devastation left behind by a disaster and the lack of resources required to quickly repair critical infrastructure affects the speed and scale of any relief effort staged by the humanitarian community.

To address two core areas in disaster response – coordination and logistics – the international community counts on the services of the UN Office for Coordination of Humanitarian Affairs (OCHA) and use of the ‘cluster approach’. For its part, OCHA aims to coordinate the planning and fundraising efforts of the humanitarian community, manage the flow of information on the emergency, fund the first wave of response, and in conflict situations coordinate the humanitarian efforts with those of the combatant forces. Through the cluster approach, a number of organizations coordinate the response of the participating humanitarian organizations in areas such as food, shelter, and logistics. This method ensures predictable leadership, coordination and accountability in key areas.

Haiti’s earthquake

The epicenter of the Haiti earthquake was 25 km from the capital city of Port-au-Prince and 15 km from the other major urban centers; in other words the most densely populated area of the country. The earthquake is estimated to have killed over 200,000 people and left behind a staggering 300,000 injured survivors, all requiring medical assistance. Approximately three million survivors required everything from water and food to shelter and psychological support. As the quake hit the capital city, government, the UN, the NGO community and private sector operators suffered significant human losses and damage to their infrastructure such as offices, shops and equipment. The port and the road network were severely affected, and the cap-

OFID reacts swiftly to Haiti crisis

OFID was among the first of the international donors to respond to the Haiti catastrophe, immediately releasing US\$500,000 in emergency aid to help with the relief effort. The funds were channeled through the International Federation of Red Cross and Red Crescent Societies and used to meet urgent needs, such as shelter, water, blankets and medical supplies.

Speaking publicly in late January, OFID Director-General, Suleiman J. Al-Herbish, announced that the institution was already examining ways in which it could offer longer-term assistance to the devastated country. “Haiti needs our support more now than ever before,” he stressed. “We stand ready to do whatever we can to help the country rebuild.”

With regard to reconstruction, OFID is currently consulting with its partners in the region and will participate in the international donors’ conference on Haiti scheduled to take place at the United Nations Headquarters in New York this spring.

Independently, OFID Member Countries themselves were also generous in their response to the earthquake. Led by Saudi Arabia with a donation of US\$50 million, Member Countries have provided both financial assistance and essential supplies. Cash donations came from Kuwait (US\$3.34 million), the United Arab Emirates (US\$3.21 million), Indonesia (US\$1.7 million), Nigeria (US\$1.5 million) and Algeria (US\$1 million). Relief items, including water and foodstuffs, oil products, medicines, tents, blankets and clothing, were provided by Iran, Qatar and Venezuela.

ital’s water supply, electricity and telecom systems collapsed.

The response of the international community to the disaster was heartening both in terms of speed and size. Therefore, there was no lack of goodwill or financial resources to stage a relief effort. An effective response, however, was constrained by temporarily disabled partners (e.g. government, UN/NGO community) and by the logistical challenges confronting those on the front-line: a non-operational port, limited capacity at the main airport, a damaged and congested road network, and inadequate storage and distribution capacity.

Given the overall destruction, the humanitarian community had to identify and set up secure and safe storage and distribution centers. They then had to find a way to convey goods from the storage areas to the distribution centers with limited transport assets such as trucks and an erratic fuel supply. Finally, all of the above had to be carried out in a volatile security environment, amid numerous aftershocks, and with restricted support from on-site partners such as the government, the UN office in Haiti and local NGOs, whose operational capacity was severely constrained.

Conclusion

Humanitarian response during large-scale disasters is complex. Humanitarian organizations are not only conditioned by the environment in which they operate, but also by the actions, response and resources of actors party to their response. Their efforts are further compromised by the arrival of significant amounts of unsolicited goods (and well-intentioned people) that add to the confusion and put an additional strain on the logistics system. In Haiti, like nowhere else, they were operating against all odds.

Response to a logistical nightmare is effective coordination. The success of the humanitarian operations depends on two pillars: how well the community manages the logistical bottlenecks caused by limited infrastructure and high demand on its use, and how effectively it can prioritize the movement of people and goods. The only way to ensure that relief activities are coordinated, that assets are shared and that the use and movement of resources are prioritized, thus meeting the needs of the population, is to ensure that all donors – from individuals to foreign governments – agree to be coordinated by one party. ■

Rebuilding Haiti from Davos

BY KANAYO F. NWANZE

Kanayo Nwanze is President of the International Fund for Agricultural Development.

When the captains of business and industry met in Davos for the World Economic Forum in January, the devastation caused by the recent earthquake in Haiti was high on their agenda. And rightly so, for there is much they can do to help.

Haiti was in dire straits even before the earthquake struck. Rapid population growth, coupled with political and social turmoil, helped make Haiti the poorest nation in the Western hemisphere. Right now, the international relief efforts in Haiti are rightly focused on the country's urban areas, which suffered most in the earthquake. But when rebuilding starts, rural areas must not be overlooked.

In fact, many of those who have lost their homes and jobs in Port-au-Prince and other Haitian cities will likely return to rural communities where they have family. This will put pressure on the rural economy and place more strain on areas already grappling with meager resources.

Agriculture plays a vital role in Haiti's economy, yet the country does not produce enough food to feed its people. Some 60 percent of the food Haitians need, and as much as 80 percent of the rice they eat, is imported. Sustainable agricultural development is essential to improving the country's prospects for long-term economic and food security.

The International Fund for Agricultural Development (IFAD) has seen first-

hand how investing in agriculture can help people recover from natural disasters. Our experience in developing countries tells us that investments in agriculture can be twice as effective in reducing poverty as similar investments in other sectors.

Less than two years ago, Haiti was devastated by a hurricane that caused about US\$220 million in damage to food crops – at a time when the population was also struggling to feed itself because of high world food prices. IFAD funded a program to kick-start food production. The 2008 winter planting yielded US\$5 million in bean crops, helping to improve food security and the incomes of poor farmers.

While the crisis in Haiti is a major setback in achieving increased food production, it should not be a stop sign on the path to long-term development. The challenge is to ensure that earlier efforts are not lost and that recovery includes a push toward sustainable agricultural production systems for Haiti.

One group now rising from the rubble is Fonkoze, a microfinance organization operating predominantly in rural Haiti. With assistance from IFAD's multi-donor Financing Facility for Remittances, Fonkoze purchased satellite phones and diesel generators in 2007 and began delivering remittance services in rural areas where basic infrastructure is often weak or lacking.

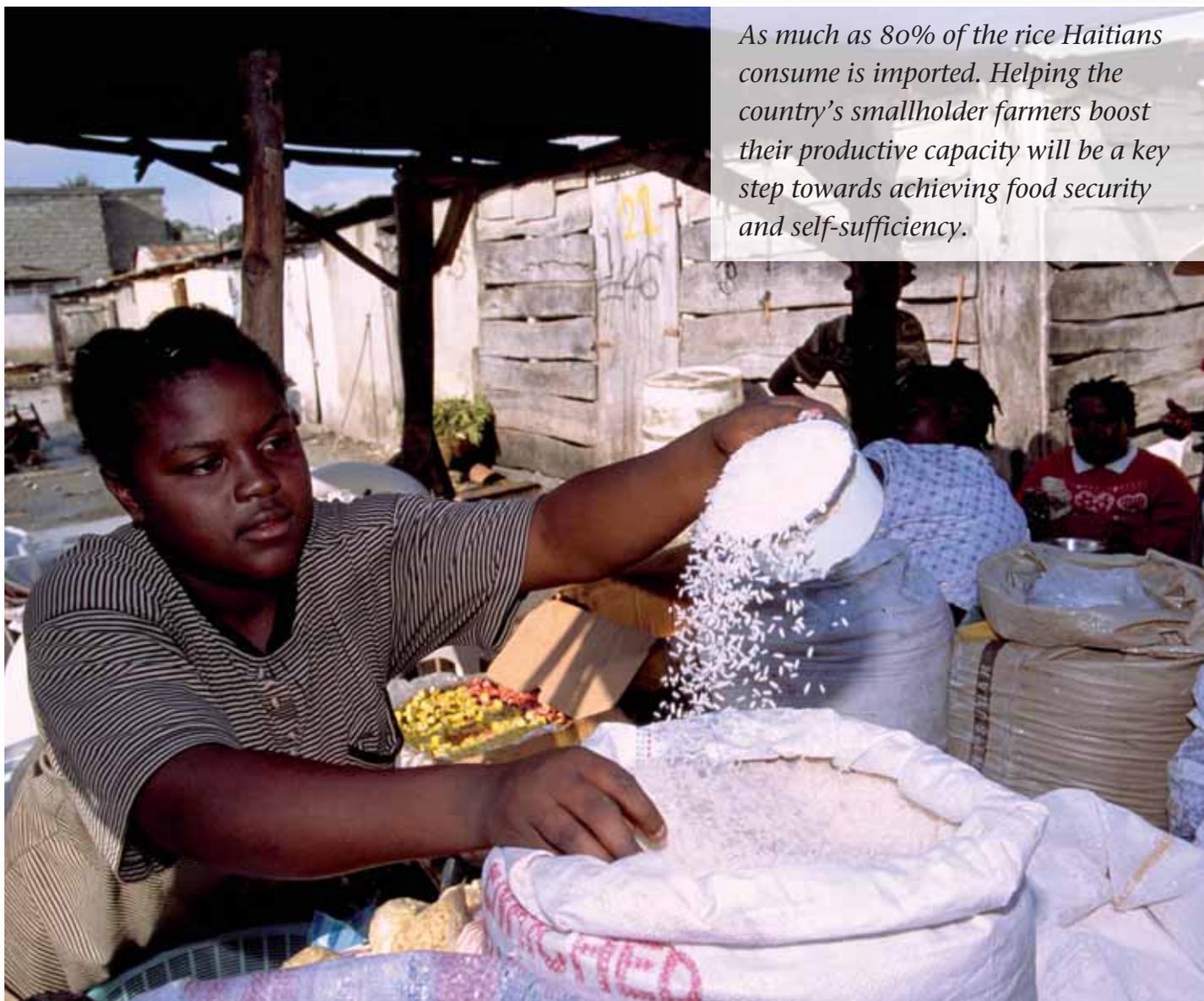
Only today is the true value of that investment coming to light. Fonkoze was back in operation only days after the earthquake. Remittances transferred through Fonkoze are free, giving recipient families in Haiti vital resources to meet short-term needs while also encouraging long-term development.

More than US\$1.9 billion was sent to Haiti in 2008 through remittances, more than official development assistance and foreign direct investment combined, with more than half of these funds going directly into the hands of families in rural areas.

When in Davos, I had the opportunity to highlight for the CEOs and business leaders the mutual benefits of forming partnerships with small producers. Much-needed capital investment can enable smallholder farmers to provide the private sector with a sustainable supply of high-quality agricultural produce.

Indeed, smallholder farmers are often extremely efficient producers per hectare, and can contribute to a country's economic growth and food security. For example, Vietnam transformed itself from a food-deficit country to the second-largest rice exporter in the world by developing its smallholder farming sector. As a result, poverty fell from 58 percent in 1979 to below 15 percent today.

In Haiti, and in developing countries around the world, smallholder farmers can contribute to food security and



As much as 80% of the rice Haitians consume is imported. Helping the country's smallholder farmers boost their productive capacity will be a key step towards achieving food security and self-sufficiency.

economic growth just as they did in Vietnam. But they cannot do so without secure access to land and water – as well as to rural financial services to pay for seed, tools and fertilizer. They also need roads and transportation to get their products to market, and technology to receive and share the latest market information on prices. Above all, they need a long-term commitment to agriculture from their own governments, the international community and the private sector, backed up by greater investment.

The productive capacity of Haiti's small farmers will be crucial in helping the

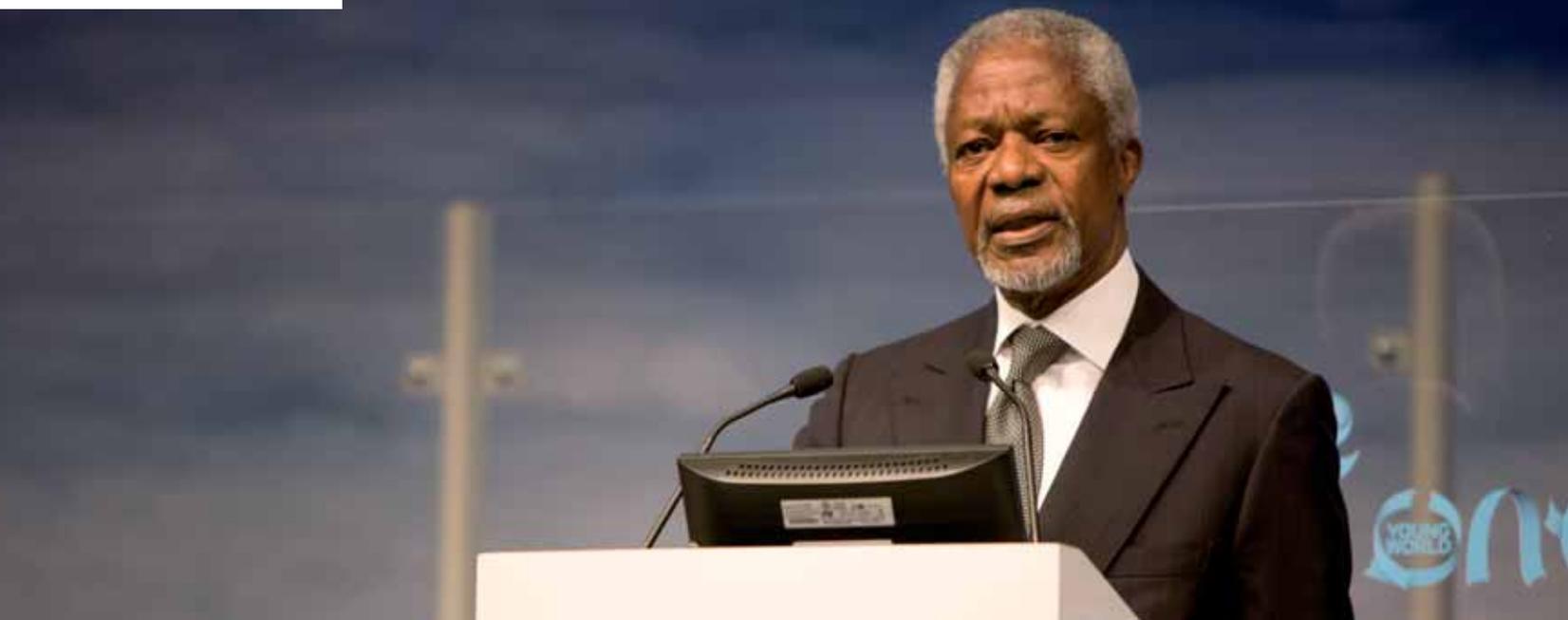
country to overcome this crisis and avert severe food shortages. That is why Haiti needs the private sector now more than ever – to help rebuild both the country and the livelihoods of poor rural people.

Indeed, the private sector has a pivotal role to play in rural development, not just in Haiti but throughout the developing world. But public-private partnerships must be backed up with the right policies and support for rural communities, so that poor rural people can increase food production, improve their lives and contribute to greater food security for all.

Organizations like IFAD can help link the private sector and smallholder farmers. We can support investments that expand the productive potential of the smallholder sector in the developing world by helping investors reduce their risks, and by assisting smallholder farmers in accessing new financing and markets through private-sector partnerships.

As the reconstruction of Haiti gets underway, IFAD will continue work to ensure that the interests of the world's smallholder farmers – in Haiti and in developing countries around the world – are represented. ■

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Nobel Peace Laureate Kofi Annan was one of the many dignitaries who inspired delegates at the inaugural One Young World Summit.

Youth at the vanguard of global change

Inaugural One Young World Summit holds in London

BY REEM ALJARBOU

Dubbed the “Young Davos”, the February 2010 inaugural One Young World Summit was a truly historic event. Bringing together youth from 110 countries, it was a unique opportunity for young leaders to debate issues of universal concern and make their voice heard on the global stage.

The inaugural One Young World (OYW) Summit began with an opening ceremony in London’s historic Billingsgate, where OYW founders, David Jones and Kate Robertson presented the concept behind the Summit. The 850 young delegates were told that over the next three days they would be deliberating global challenges, under the guidance of “Counselors”.

Resembling a Who’s Who of Great Modern Leaders, the list of Counselors included no fewer than three Nobel Peace Prize Laureates: Muhammad Yunus, Founder of the Grameen Bank; Kofi Annan, former UN Secretary General; and Archbishop Desmond Tutu, South African activist. Others included Alejandro Toledo, former President of Peru; Bob Geldof, musician and activist;

and HRH Crown Prince Haakon of Norway. Additionally, the organizers were able to bring together a raft of global entrepreneurs and individuals who have revolutionized various industries, such as Colombian Oscar Morales, founder of the One Million Voices Foundation; Tony Fernandes, CEO and founder of AirAsia of Malaysia; and Elio Leoni-Sceti, Global CEO of EMI Music, Italy.

The role of the Counselors was to provide direction, inspiration and leadership, by chairing the plenary sessions and guiding the debate amongst delegates, who remained independent, with the freedom to share their own views.

Because of their experience and profile, the Counselors' powerful speeches and guidance proved to be very effective. Their enlightening messages empowered the floor during discussions. Kofi Annan, for instance, kicked-off the first session on environment by stating: "My generation has failed you, and it is very important that you step up as early as you can and help steer things right."

The Plenary Sessions covered six key areas: the environment and its protection; interfaith dialogue; the role of global business; the changing power of the media; global health; and, politics for a positive future. Each session carried debates among delegates, with Counselors providing the framework for conceptualization of the various resolutions (see box). Following each session, a resolution was presented and voted upon by the delegates on the floor. These resolutions gave the delegates much needed exposure on the issues and the plan of action to which their voice is to be heard across the globe.

OYW created a web of activities far beyond the Summit itself. One example was the OYW Global Youth Study, which surveyed more than 15,000 people between the ages of 23 and 28 from all regions of the world and covered key issues concerning this generation. The study showed that in Africa and the Middle East, 76 percent of youth use the Internet for information and news – 15 percent more than their counterparts in North America. Such trends show that knowledge and information has become an

essential commodity for youth in the developing regions of the world.

Indeed, communication technologies, and in particular, social networking tools like Twitter and Facebook emerged at the Summit as valuable weapons among the youth of today. Archbishop Desmond Tutu reiterated throughout the Summit that the ability to disseminate and share information was a privilege acquired by this generation. He stressed that the traditional media could no longer control news as it had done in the past. "Modern communications tools can empower you to overcome the obstacles that we have been struggling against for so long," Tutu told delegates. The entire Summit was built with such social networking tools, with all sessions streamed online allowing online voters to contribute towards the resolutions.

Another example of the power of communication technology was highlighted by Oscar Morales, the youngest Counselor at the Summit. Using social networking, Morales organized the largest anti-terrorism demonstration in the history of the world. In December 2008, One Million Voices inspired the Alliance of Youth Movements, a summit in New York City gathering more than 20 youth movements and organizations from around the world that use technology and social networks to promote causes against terrorism, violence, oppression and extremism. Said Morales: "Information flows are ever more accessible and we are able to share ideas and connect with millions of people thanks to these new trends in social media."

Another recurring theme of the Summit was poverty alleviation and its effect on all six of the key issues, especially in poorer nations and regions of the world. Addressing delegates on this topic, Bob Geldof, urged them to focus on their responsibility towards the poor populations of the world: "To lift half the world's poor out of poverty, the cost of achieving the Millennium Development Goals, equals the cost of half a piece of chewing gum per day for the citizens of the G7, and we don't do it. That's why you are here; there is work to be done." ■

OYW Resolutions

■ Environment and its Protection

In the belief that climate change will seriously affect future generations, we call upon: Governments to take more deliberate, legislative action to help guarantee that appropriate carbon emissions reduction targets are both agreed and met by 2020.

■ Interfaith Dialogue

In the belief that war must never be carried out in the name of religion, we call upon: Leaders and followers of all faiths to unequivocally commit to deliver peace amongst nations, races and creeds.

■ The Role of Global Business

In the belief that multinational corporations have a fundamental responsibility to behave ethically, we call upon: Global businesses to define and act on their role in the fight against poverty.

■ The Changing Power of the Media

In the belief that freedom of speech is essential to a successful society, we call upon: The media to use its influence and power to help protect truth and personal freedom.

■ Global Health

In the belief that all humans have the right to healthcare and nutrition, we call upon: Businesses, governments and civil society to work together more effectively to priorities spreading information about and providing access to good healthcare and nutrition.

■ Politics for a Positive Future

In the belief that upholding human rights should come before any political activity, we call upon: Our political leaders to make clear their stance on humanitarian issues before we consider our support for them.



OFID sponsors delegates to One Young World

OFID's engagement in OYW included the sponsorship of 20 young delegates from developing countries, who would otherwise never have had the opportunity to participate in this seminal event. Here, four of these young people describe their Summit experiences and share their concerns and hopes for the future.



Saba Kahsay, 23, Ethiopia

Saba endured the tragedies of war at a very young age after her family was displaced, an experience that imbued her with resilience and strength. Her focus since has been to mobilize youth within her community by becoming their representative and advocate. She currently works in a construction company based in Addis Ababa. Aside from her daily job, she is the President of AIESEC, (*Association Internationale des Étudiants en Sciences Économiques et Commerciales*), an international youth organization that engages in student exchange and internship programs for profit and non-profit organizations in Ethiopia. Through AIESEC, she has worked with other youngsters on a youth entrepreneurs project, which has the support of the Ethiopian government and encourages young people to contribute positively to the overall economy. Reflecting on the Summit, Saba says: "Coming from a country which is still striving, it was essential for me not only to compare obstacles with others, but also to interact with delegates from countries that have overcome many issues and thus learn from their examples and their solutions." For Saba, the greatest outcome of Summit was being able to "mold the ideas I am trying to build in a more precise form that can actually work." During the Summit, she felt that the greatest advantage of being there was getting advice and motivation from the counselors: "I still have some of their speeches in my head. I don't think I can ever forget their inspiring words." ■



James Alcime, 20, Haiti

James is an editor for the French citizen media website AgoraVox, where he writes articles about sustainable development and global warming. He has published two books on entrepreneurship and is an avid blogger. James was the sole representative from Haiti as the Summit, where he spoke extensively about his experience of the recent earthquake and the need for long-term support to his country. “In the wake of the earthquake, we have to distinguish between the emergency phase and the reconstruction phase, which will hopefully be addressed by international institutions like OFID and others.” James was inspired by the many discussions, but felt a huge weight of responsibility to focus on the needs of his country.

“I realize that it is good to have some opportunities and options in this difficult situation, but I still don’t think it’s the proper moment to abandon my country, because it’s the right time to join the youth in an effort to rebuild Haiti now that the whole international community is on our side.” Following the earthquake, James went missing for sometime, and the organizers of OYW were unable to locate him. When he finally made it to the Summit, he shared with us his appreciation for being sponsored: “When I found out that OFID not only sponsored 20 delegates from developing countries to attend the Summit, but also gave an emergency grant in the amount of US\$500,000 for relief efforts in Haiti, I was astonished and deeply touched”. ■

Although working as a medical practitioner, Ritesh identifies himself more as a photojournalist. He spent the entire Summit with a camera on his shoulders, snapping away for his blog. His passion for books, combined with his interest in photography, has encouraged him to document everything there is about his culture and country. “One of the things I am active in is travelling across Nepal as a medical volunteer, and photojournalism gave me an opportunity to document these journeys,” he explains. Originally, Ritesh came to the Summit with a strong interest in the plenary session on Global Health. He quickly realized that all the issues were

“strongly connected in the overall aim of a better future.” One of the most inspiring sessions for him was the Global Dignity session which illustrated a simple idea which can transform the entire way we live and exist amongst each other. Ritesh said that “if we all learn to be better human beings, than the source of all problems would be eliminated, because in each one of the key issues, I could not help but think that we as human beings are the core cause of the problems.” His ultimate highlight was being able to represent Nepal to fellow delegates, “showing people where it is on the map, explaining my culture and sharing with them who we are as a people.” ■



Ritesh Thapa, 25, Nepal

Zain, whose main focus is peace and human rights, lives in Nablus in the West Bank. She spends much of her time teaching music and art to children in neighboring refugee camps. Zain is currently working on a project called “Artists without Borders” through which she hopes to create an orchestra of disabled children. Because of her belief in music and art as a solution to many of problems hampering the Middle East peace process, she has dedicated her life to this cause. Discussing her experience at the Summit she states: “I have always focused on the difficulties I experience as a Palestinian, but here I have learned

about other conflicts.” One of the highlights for Zain was meeting Muhammad Yunus, with whom she shared her goals. He advised her that the “first step is to make an impact.” Together they discussed her project and she was inspired by his belief that one can start small and grow. “He told me to start with two children and ensure that I am consistent with my efforts, and before I know it, I will have a children’s orchestra in these camps”. Zain currently performs with the Daniel Barenboim Orchestra. She also contributes as a journalist and a photographer for the Pylara Youth newspaper. ■



Zain Masri, 17, Palestine



The OFID session was presented by Mr. Mauro Hoyer, Director, Department of Information, who highlighted the important role of education in furthering human development.

OFID session at OYW

As one of the Summit's main sponsors, OFID had a unique opportunity to familiarize delegates with the institution through a brief sideline session showcasing the institution's history, objectives and activities. The highlight of the session was a video presentation about OFID, in which Director-General, Mr. Suleiman J. Al-Herbish, told delegates that they were there "to prove to older generations that they are better equipped to deliver a noble mission that the world is in acute need of."

The session was presented by Mr. Mauro Hoyer, OFID's Director of Information. In a short statement, Hoyer spoke about OFID's contribution to the development of global youth, drawing attention to the institution's focus on education and, in particular, its Annual Scholarship Program. The Scholarship, which is aimed at OFID partner countries, is awarded each year to a student pursuing postgraduate studies in the field of development. Hoyer urged: "We encourage you to work hard to attain the goals of the Summit and whatever other goals you are pursuing in your life. We remind you that this is only the beginning."

During the video presentation, Mr. Al-Herbish also highlighted the importance of education: "I believe education is the core factor in transforming civilization, and this is a problem that is facing developing and developed countries alike," he said. "The difference is that in developing countries it is a priority and a basic need." The Director-General went on to disclose that OFID had allocated more than 15 percent of its cumulative public sector commitments to education and health, which he described as being central to the development of poor countries' populations.

In concluding the OFID session, Mr. Hoyer summarized the challenges of poverty by sharing a statement delivered in 2005 by former South African President, Nelson Mandela: "Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings. And overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right – the right to dignity and decent life." ■

Securing a better future for the world's poor

Sustainable development is all about results that last. Results that continue making a difference from one generation to the next. It's about healthy, well-educated populations, clean water and food security, and an end to isolation.

For over 30 years, OFID has been at the forefront of the fight against poverty. Working hand-in-hand with needy communities, we've helped build schools, health centers and roads. We've provided energy and water supplies. And we've helped our partner countries develop vibrant private enterprise sectors.

Their future is our inspiration.

OFID A Dynamic Partner





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