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# OFID

THE OPEC FUND  
FOR INTERNATIONAL  
DEVELOPMENT

# Quarterly

## **Sustainable cities: *Dead cert or science fiction?***



Urbanization: The law leads the way

OFID and UNIDO hold panel on food security

Our dream home: Child of Play workshop in Jordan

OYW: The young leaders changing the world

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**Uniting against Poverty**

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# The New Urban Agenda: *Seeing the bigger picture*

**S**ustainable urbanization, as defined in the *New Urban Agenda* adopted at the Habitat III Summit in October 2016, has been hailed as a positive, transformative force for development. A process that, if properly planned and managed, will usher in a new era of wellbeing, resource efficiency and economic growth for billions of city dwellers.

And, indeed, millions of people have already escaped poverty by moving away from stagnating rural areas to the bright lights of a big city. Here, they have found better job opportunities, better living conditions and a vastly improved overall quality of life.

As the centers of mass production, consumption and service provision, cities the world over are the engines of economic growth. Collectively, they account for an astonishing 80 percent of global GDP. Even in countries that are largely agriculture based, cities outperform their national contexts in generating wealth, providing education and promoting health.

Little wonder then that urbanization across the developing world is growing at an unprecedented pace, as people flock to cities in search of their own little patch of lush, greener grass.

Today, an estimated 55 percent of the global population lives in an urban setting. Even taking into consideration accelerated population growth, this share is expected to rise to 60 percent by 2030.

To accommodate these growing numbers, cities have had to expand their physical boundaries—usually haphazardly. And this is where urbanization becomes problematic. While for millions of people urban migration proves to be the ticket to a better life, for many it remains a lottery. Large numbers are just as likely to find themselves living without basic amenities in slums and informal settlements—a far cry from the Utopia of their dreams.

In keeping with the aspirations of SDG11, the New Urban Agenda sets out to manage urbanization in a way that will make cities inclusive, safe, resilient and sustainable. Places where people can live affordably and in harmony with their environment, while enjoying all the agglomeration benefits of a metropolis. It is a noble, if ambitious vision.

As an institution committed to sustainable development and the eradication of poverty, OFID naturally supports the New Urban Agenda. It recognizes that inequalities are often particularly evident in urban settings, and it will continue its efforts to narrow these gaps.

Indeed, over the years, OFID has done much to help improve city living, especially through its contribution to the energy sector, via improvements in the delivery, reliability and affordability of electricity.

In addition, we regularly support urban water and sanitation projects, as well as the health and education sectors. We've also undertaken numerous projects to make cities more resilient to flooding, coastal erosion and other natural disasters.

Our support is also visible in the area of transportation, with several metropolises enjoying better mobility thanks to mass transit systems, road bypasses and other infrastructure that help cut down travel time and make commuting cheaper and safer.

However, a word of caution is called for. While the New Urban Agenda certainly has its place, OFID is keenly aware that implementing it should not divert attention from the fact that poverty is still very much a rural phenomenon.

According to the International Fund for Agricultural Development, some 70 percent of the world's extremely poor live in rural areas—a share that can rise as high as 80 or 90 percent in some countries.

Clearly then, any attempt to eliminate global poverty must include a focus on strengthening rural communities: through infrastructure investment, capacity building, job creation, and access to basic services.

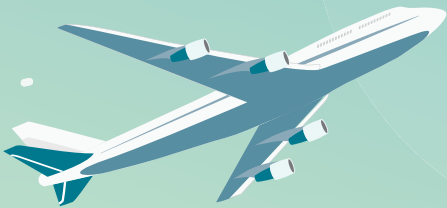
Such efforts are essential to halt the drift of desperate people from the countryside to the city. They are essential for inclusive economic growth. And, perhaps most vital of all, they are essential for world food security.

An added benefit, in the context of urbanization, is that by revitalizing rural areas and giving people—especially youth—a good enough reason to stay, we can ease the burden on cities as they strive for sustainability.

It's a win-win scenario. So let's make it work.



# Sustainable cities: *Dead cert or science fiction?*



SDG 11 sets out to make cities inclusive, safe, resilient and sustainable. With urbanization increasing at a remarkable rate, *Steve Hughes* considers why this is such an important goal, whether it's a realistic aim and what it means for rural development.





PHOTO: WFP/REIN SKULLERUD

*“[Urban] migration is natural and should happen, but we must focus on what makes people leave [rural areas].”*

ARIF HUSAIN, WFP



**Steve Hughes** is a journalist and copywriter based in the UK. His background is in economics and financial journalism, but he has also spent time writing for press offices and internal communications departments. He was an editor and speechwriter with OPEC between 2008 and 2012 and now writes for various businesses and organizations.

**I**t’s hard to exaggerate the pace of today’s urbanization. Around 3.5 billion people—that’s half of all humanity—now live in cities. In just 14 years’ time, this will have increased to nearly 60 percent. While cities such as London and New York are growing at a projected pace of nine and ten people per hour, respectively, the likes of Dhaka, Delhi and Lagos are adding a remarkable 74, 79 and 85 people to their total, every hour. Moreover, the land area occupied by cities will triple by 2030 (from a baseline of 2000), with around 90 percent of this expansion taking place in the developing world (as the hourly figures suggest).

This change will bring with it huge social, economic and environmental transformations. Urbanization has the potential to offer a new era of wellbeing, resource efficiency and economic growth. But cities are also hotbeds of poverty; very few places showcase inequality so clearly as urban areas, where business districts and comfortable communities exist alongside, but separate from, slums and informal settlements. As with so many of today’s ‘big ticket’ items like climate change and food security—which are, of course, intrinsically linked to urbanization—whether we make a success of it or not depends upon our approach.

### Make or break

“How we do between now and 2030 is vital,” says Sameh Wahba, Director for Urban and Territorial Development and Disaster Risk Management at the World Bank. “Urban planning and infrastructure decisions lock cities in for generations. What policymakers decide in these two decades will make or break cities’ sustainable future for the rest of this century.”

As Wahba points out, the stakes are high. Get urbanization right, and the world could reap the rewards. Cities contribute more than 80 percent of global GDP, according to the UN Habitat’s World Cities Report 2016. The efficiency of urban economies is maximized by high-density environments with interconnected public transport networks that provide easy access to jobs. All this means that cities outperform their national contexts in generating wealth, providing education and promoting health.

Jimi Richardson, Program Policy Officer at the UN’s World Food Program (WFP) elaborates: “Urbanization in an ideal world is a very

beneficial thing and provides all kinds of opportunities through ‘economies of agglomeration.’ The basic idea of this, Richardson explains, is that well-devised, densely populated areas will benefit from the clustering of economic activity, comprehensive urban infrastructure and greater human interaction—and development.

### Poorly planned = high risk

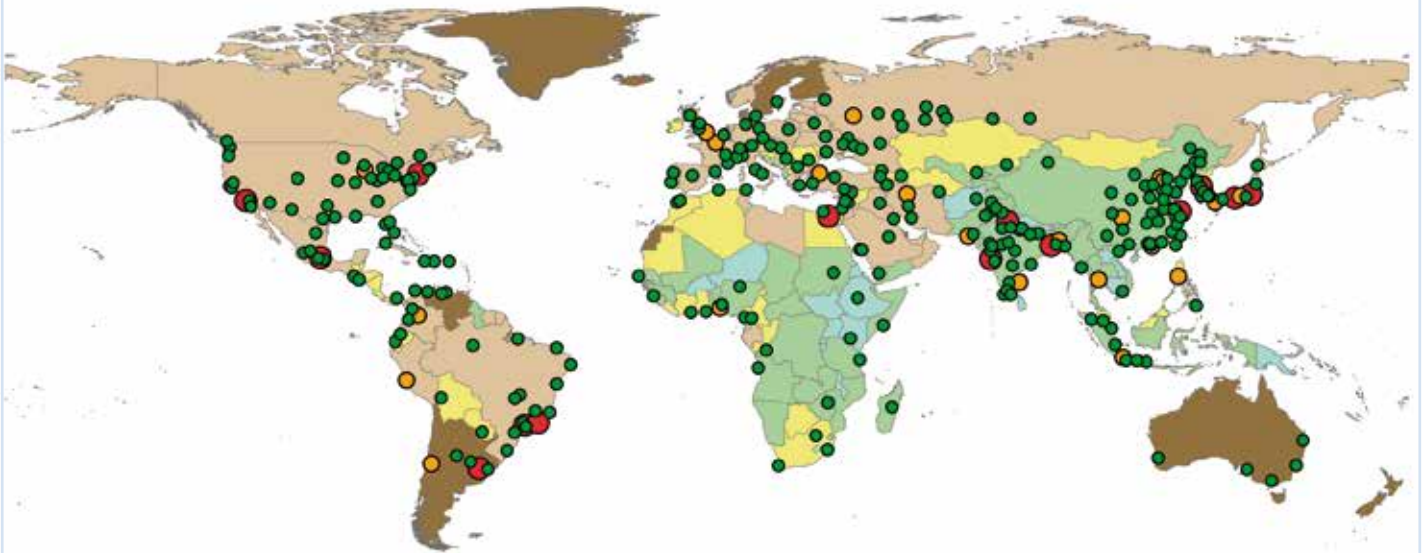
The cost of poorly planned urbanization can be seen in some of the huge slums, gnarled traffic queues, agreement-busting greenhouse gas emissions and sprawling suburbs, all over the world. Slums bring down GDP, and they lower life expectancy. In a recent blog, Wahba outlines more of the dangers: “On one end, cities have been left to their own devices and have grown to a practically ungovernable state due to inadequate planning and poor management.” These cities, he writes, are characterized, among other things, by: doubling populations coupled with tripling rates of land conversion from rural to urban use in sprawling developments, far beyond a point where basic services can be affordably or effectively provided; unaffordable land and housing; vast numbers of people occupying low-density settlements without access to water, sanitation or electricity; high-risk areas prone to storms, floods or landslides; and high and visible levels of inequality.

Contributing to the problem is the move to the city of rural communities, driven by destitution. The WFP’s Chief Economist Arif Husain says we need to focus on the rural linkages—rural development and urbanization are two sides of the same coin: “Migration is natural and should happen,” says Husain. “But we must focus on what makes people leave. In 2007/8, China saw lots of rural to urban movement and then the reverse, as Chinese cities couldn’t accommodate the added labor because of the economic slowdown.” Not only does this crush people’s dreams of a better life, leave them even worse off than they were before and breed understandable discontent, it perpetuates the problems of poorly planned cities.

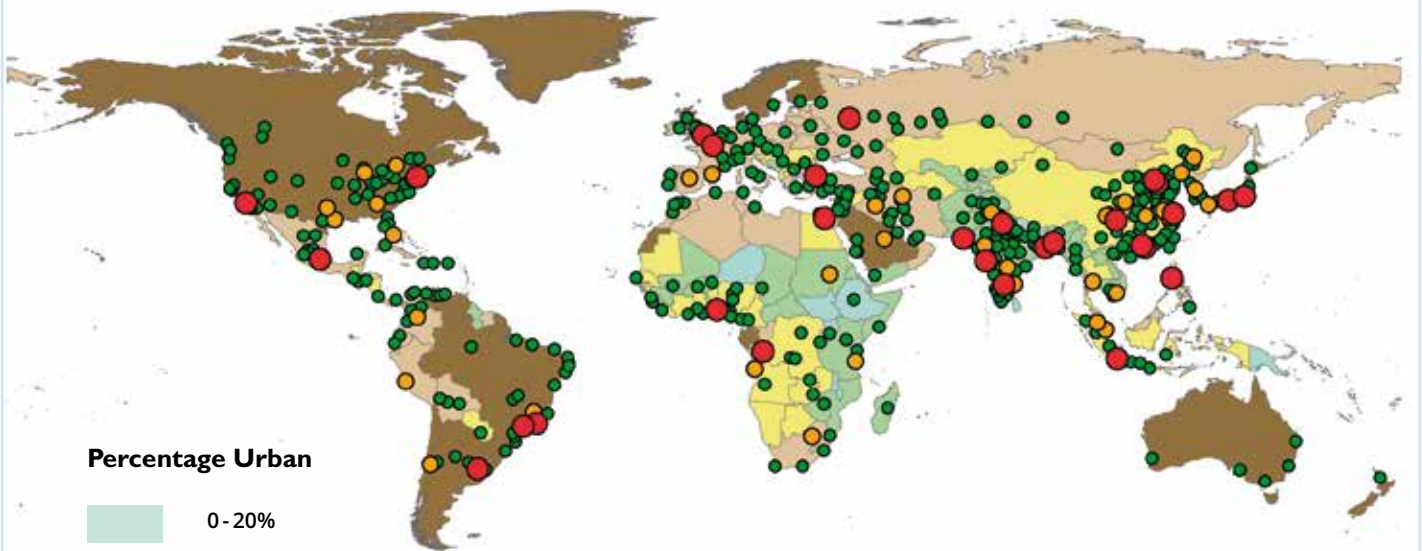
Husain argues that rather than focusing solely on sustainable cities, we should bring some of the facilities of the cities to rural areas: “If we invest in infrastructure and human ▶



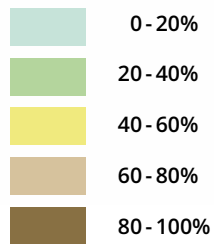
### Global patterns of urbanization, 1995



### Global patterns of urbanization, 2015



**Percentage Urban**



**City Population**



Source: UN Habitat/World Cities Report 2016



**Contribution of cities to national income is greater than their share of national population**

**Paris: is 16% of the population of France, but accounts for 27% of GDP**

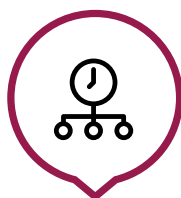
**Kinshasa: is 13% of the population of DRC but accounts for 85% of GDP**

**Metro Manila: is 12% of the population of Philippines but contributes 47% of the GDP**

**WELL PLANNED AND MANAGED URBANIZATION BENEFITS**



Economic prospects and quality of life for the majority



Drives innovation and productivity



Contribute to national and regional development



Alleviation of poverty



Work towards social inclusion

Source: UN Habitat/World Cities Report 2016

◀ capital in rural areas—starting with children’s nutrition and education—connect people to markets and establish social protection programs that contribute to inclusive economic growth, the movement from rural to urban areas will not come out of destitution, but out of free will.”

Wahba says we should be investing in human capital and service delivery ‘everywhere.’ He adds that we should encourage agglomeration because of its economic benefits, “not to mention that when you invest in cities you actually contribute to the decline in rural poverty, because of improved access to markets for the distribution and consumption of agricultural products, to services, tools, finance and all the necessary inputs and services related to agriculture.”

The New Urban Agenda (see page 12), recently unveiled at the Habitat III Conference in Quito, Ecuador, is designed to guide the planning, design, finance, development, governance and management of new cities. It’s been set up to address the exact challenges and opportunities considered above. Or, more inspirationally, as the New Urban Agenda Explainer puts it, it provides “a historic opportunity to leverage the key role of cities and human settlements—and their inhabitants—as drivers of sustainable development in an increasingly urbanized world.”



PHOTO: WORLD BANK

*“... when you invest in cities you actually contribute to the decline in rural poverty.”*

SAMEH WAHBA,  
WORLD BANK

The World Bank’s Wahba views the Agenda’s aims as very ambitious: “This is what global stakeholders want—a narrative with a strong political commitment.” But he also says that, as with many large political documents, “it’s quite light on implementation.” Between them, SDG 11 and the New Urban Agenda aim to change the world, quite literally. “But how do we get there?” asks Wahba. “There’s the issue of magnitude and then there’s the ‘what are the next steps?’ question.”

## Big ask

Nowhere is the size of the task more apparent than when considering the required investment in infrastructure. Analysis conducted by the Cities Climate Finance Leadership Alliance (CCFLA), a coalition of more than forty organizations working to accelerate investment into low-carbon and climate-resilient infrastructure in urban areas, suggests between US\$4.1tr and US\$4.3tr per annum will need to be spent on urban infrastructure just to keep up with projected growth in a business-as-usual scenario.

In its report, *The State Of City Climate Finance 2015*, the CCFLA estimates an incremental 9 to 27 percent (US\$0.4tr to US\$1.1tr) more capital investment will be necessary to make this urban infrastructure low-emission and climate-resilient. Given differing methodologies and data limitations between demand and supply estimates, the exact gap figure cannot yet be calculated. But the report also states: “...with CPI’s [Climate Policy Initiative] current tracked climate finance totaling just US\$331bn (inclusive of both urban and non-urban flows) the magnitude of the challenge for urban climate finance becomes clear.”

Climate resilience is more vital now than ever before, of course. According to a report by the World Bank and the Global Facility for Disaster Reduction and Recovery, natural disasters and climate change are already having devastating effects on cities and the four billion people who live in them today. It states: “By 2030, without significant investment into making cities more resilient, natural disasters may cost cities worldwide US\$314bn each year, up from around US\$250bn today, and climate change may push up to 77 million more urban residents into poverty.”

Rapid urbanization without investment to increase urban resilience is a ticking bomb. “...climate change is poised to have dramatic effects, which means we’re approaching a tipping point for the safety of cities all over the world,” says Ede Ijjasz-Vasquez, Senior Director for the World Bank’s Social, Urban, Rural and Resilience Global Practice in a recent press release. “We need to invest today in resilience measures that will help secure a safe and prosperous future for our cities and the people who live in them.”



PHOTO: WORLD BANK

*“... climate change is poised to have dramatic effects, which means we’re approaching a tipping point for the safety of cities all over the world.”*

EDE IJJASZ-VASQUEZ,  
WORLD BANK

## PERSISTENT ISSUES AND EMERGING URBAN CHALLENGES DUE TO INCREASED URBAN POPULATION

Source: UN Habitat/World Cities Report 2016



URBAN GROWTH



CHANGE IN FAMILY PATTERNS



INCREASED RESIDENCY IN SLUMS AND INFORMAL SETTLEMENTS



CHALLENGES IN PROVIDING URBAN SERVICES



CLIMATE CHANGE



EXCLUSION AND RISING INEQUALITY



INSECURITY



UPSURGE IN INTERNATIONAL MIGRATION



PHOTO: WFP/REIN SKULLERUD

### Positive thinking

◀ But it's not all doom and gloom says the WFP's Richardson: "I think there is cause for optimism that urbanization can bring the benefits we've talked about, provided we take action now to properly manage this shift in our development trajectory." He says that, ultimately, it's up to governments and cities themselves to take the initiative, supported by intergovernmental organizations and civil society. "Inequality and other problems will inevitably exist. But we have to confront these issues even more aggressively. Public action will be needed; social protection and safety nets should be put in place."

*"Inequality and other problems will inevitably exist, but we have to confront these issues even more aggressively."*

JIMI RICHARDSON, WFP

The World Bank's Wahba insists that national, regional and city leaders need to get to work: "They must make informed decisions about planning, connecting and financing their cities." He adds that no two cities are the same and that urban growth should be planned and managed to suit each local context. Despite this, Wahba explains, a number of basic building blocks can help all cities be better prepared for the growth to come: the strengthening of institutions for integrated land use and transport planning, as well as for the management of land and property rights, are essential first

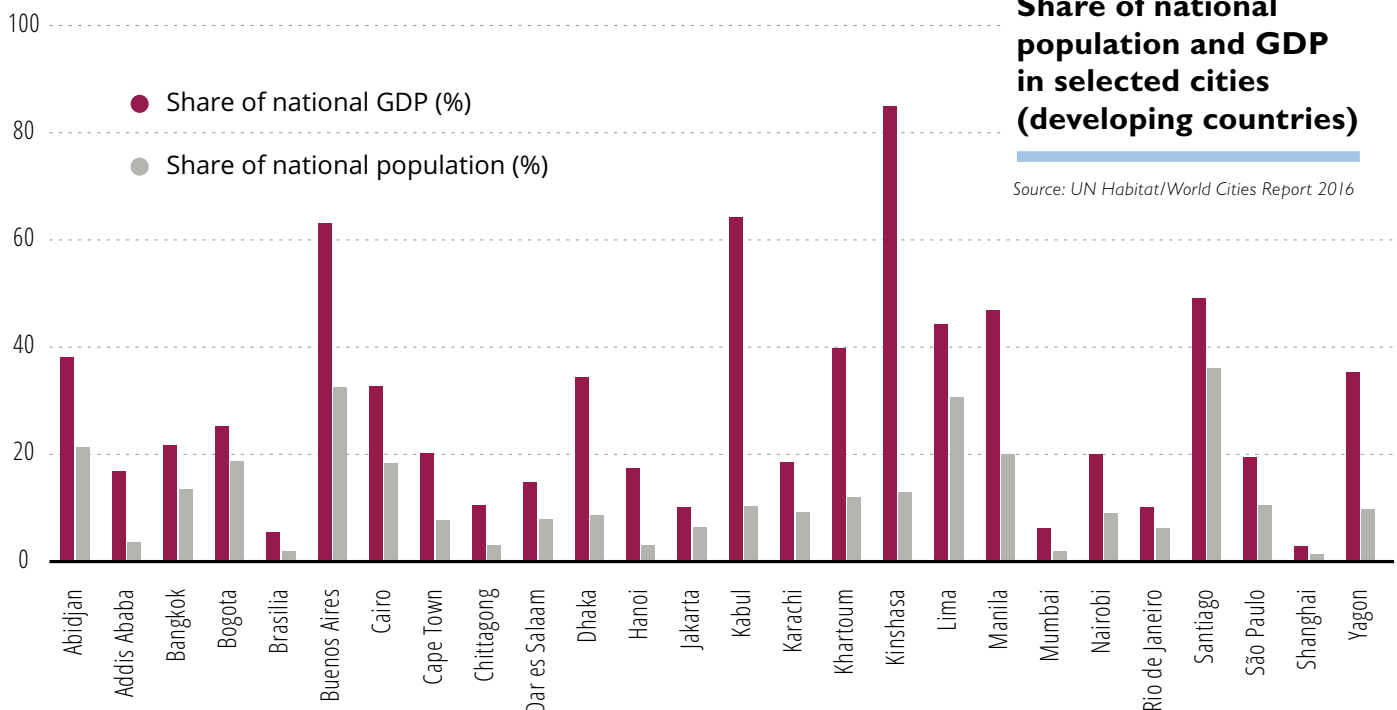
steps; investment in resilient basic infrastructure to meet the population's needs, particularly in connecting urban residents to jobs and firms to markets, is another; and given that the infrastructure financing needs of cities are immense, as we've already considered, governments will need to better leverage private sector and capital markets financing, develop land value capture instruments and further mobilize domestic resources in order to bridge this gap.

Urbanization is nothing new and growth and development have gone hand in hand with rapid urbanization throughout history. But as Wahba concludes, the relationship has not always been mutually reinforcing. "Now though, we have the opportunity to set the course for low-emission, climate-resilient urban infrastructure that increases economic opportunity," he says. "Let's build on the momentum of Habitat III to realise the New Urban Agenda and, eventually, the Sustainable Development Goals."

It's either Wahba's way, or more of what we have already: a carbon-intensive trajectory with sprawling cities, dangerous pollution, and a global population that is increasingly vulnerable to climate change. It seems a simple choice. Implementation, however, is a different matter. ■

### Share of national population and GDP in selected cities (developing countries)

Source: UN Habitat/World Cities Report 2016



## SDG 11 targets

### 11 SUSTAINABLE CITIES AND COMMUNITIES

- By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
- Strengthen efforts to protect and safeguard the world's cultural and natural heritage.
- By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
- By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.
- Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.
- By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.
- Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.

# UN Habitat III unveils New Urban Agenda

Some 35,000 international stakeholders came together at UN Habitat III in Quito, Ecuador to spur action on making cities and urban settlements inclusive, safe, resilient and sustainable.

BY NADIA BENAMARA



UN Secretary-General Ban Ki-moon (left) with Ecuadorean President Rafael Correa.

PHOTO: REUTERS/GUILLERMO GRANJA

**T**he Oct 17–20 summit concluded with an outcome agreement adopted by 167 countries. Titled *The New Urban Agenda*, it is intended to guide global efforts around urbanization for the next two decades.

Speaking at an opening press conference, UN Secretary General Ban Ki-moon described The New Urban Agenda as an action plan for sustainable urbanization. “Over the next 20 years, the people of the world will count on their national and local leaders to implement it with vigor and conviction,” said Ban.

“If we get our towns and cities right, we will be closer to achieving all the Sustainable Development Goals by which we can make our cities and our world and our life healthier, more prosperous and resilient.”

Habitat III is the first major UN summit held after the launch of the 2030 Agenda for Sustainable Development and its SDGs and the Paris Agreement on Climate Change.

Organizers referred to it as one of the largest gatherings in UN history and expected the overlap in the three agendas (development, climate and cities) to lend complementary energy to each process.



PHOTO: JUAN CEVALLOS/AFP/GETTY IMAGES

*Ban Ki-moon delivers a speech during the opening ceremony of the Habitat III conference.*

Unlike development policy of decades past, the New Urban Agenda does not treat urbanization as an inherent negative.

It recognizes that one of the 21st century’s most transformative trends poses massive sustainability challenges, but nonetheless stipulates that urbanization can and must be seen as an effective tool for development.

UN Habitat Executive Director Joan Clos reinforced this message in his opening address to summit participants. “Urbanization well done is a very creative aspect of human society and a very efficient instrument of development,” said Clos.

“But it does not come without a very committed and participatory process, with transparency, public and private accountability and a radical stance against corruption.”

### Inclusive process

Inclusivity in fact served as a guiding principle for the process behind The New Urban Agenda.

Led by national governments, a wide variety of actors (including city and regional leaders, international development funders, the

private sector and civil society) were encouraged to offer formal recommendations for inclusion in the document.

Its shared vision of principles and commitments places particular emphasis on meeting the essential needs of the poor and rectifying economic and social inequities.

A lack of adequate management, lack of urban design and lack of urban finances are identified as primary causes of people’s suffering in cities and urban environments.

It warns that current development priorities aren’t paying adequate attention to the limits of natural resources to supply human communities.

Developing, least developed, landlocked, conflict/post-conflict, and disaster-struck countries, as well as small island states, face extensive urban development challenges that must be uniquely addressed.

Multiple forms of discrimination endured by women and girls, children and youth, people with disabilities, elderly, indigenous and homeless persons, slum dwellers, smallholders, refugees, returnees and migrants can and should also be mitigated. ▶



PHOTO: JUAN CEVALLOS/AP/GETTY IMAGES

*Closing the conference, UN Habitat Executive Director Joan Clos urged stakeholders to approach urbanization as an investment rather than a cost.*

◀ The New Urban Agenda promises to readdress “the way we plan, finance, develop, govern and manage cities and human settlements” by prioritizing: democratic development and respect for human rights; the relationship between the environment and urbanization; equity in the face of globalization; the safety and security of everyone living in urban areas; risk reduction and urban resilience; as well as a global monitoring mechanism to track issues and concerns.

According to The New Urban Agenda, urbanization offers as yet untapped opportunities for economic growth, social and cultural development and environmental protection.

Its commitments outline the profound impact of housing on economic transformation, the “agglomeration benefits of well-planned urbanization” (such as high productivity, competitiveness and innovation), and the promotion of access to knowledge, skills, education, investments and entrepreneurship.

It seeks to enhance social inclusion by emphasizing the value of public space, land tenure, natural and cultural heritage.

Commitments to environmentally sustainable and resilient urban development include clean energy, slum upgrading, mitigating and adapting to climate change, and the adoption of sustainable consumption and production patterns.

## Three pillars

A framework for effective implementation of The New Urban Agenda is organized around three pillars: rule of law and urban legislation, urban planning and design, and sound financial planning.

Local and municipal governments are a particular focus, with support for capacity building, reliable financing mechanisms and management structures.

Urban planning and design will depend on adopting sustainable, people centered, age- and gender-responsive, integrated, innovative and green approaches.

Sound financial planning will require effective, innovative and sustainable financing frameworks and instruments that are embedded in coherent policy and fiscal decentralization processes.

Ban Ki-moon echoed the call to empower local governments in an address to Habitat III’s World Assembly of Mayors.

“Mayors are at the forefront of the battle for sustainability,” said Ban. “You are faced with the immediate daily demands of your people; for housing, transport, infrastructure and sustainable urban development.”

He added that local leaders were key to delivering global agreements: “Take strong ownership of this vital agenda. Stand up for the people you represent.”

In closing Habitat III, Joan Clos urged: “Now is the time for a transformational urbanization, as a centerpiece of development policy at international, national and local level. We need to approach urbanization not as a cost, but as an investment, because the cost of urbanization is minimal in comparison to the value it can generate.”

UN Habitat III is the third in a series of global gatherings held once every 20 years. The first was staged in Vancouver, Canada in 1976. The second in Istanbul, Turkey in 1996.

To support follow up and review of The New Urban Agenda, signees committed to quantitative and qualitative analysis, regular assessments as well as meetings and conferences. ■



# Urbanization: The law leads the way

By 2045, the urban population is expected to surpass six billion. This presents huge challenges to the way that rapidly growing cities, many with outdated and impractical laws, are being shaped and developed. Here, OFID Legal Counsel, *Nastaran Sharif*, takes a closer look at the legal frameworks that mold urbanization.

**W**hen it comes to the multiple challenges of unplanned urbanization, dealing with them effectively will depend to a significant extent on governance structures. Well-designed urban legal and policy frameworks can mitigate many of the risks by providing predictability, order and a stable underlying base for urban development. With the right rules and legislation in place, planners can address societal, economic and environmental shortcomings and help contribute to strong economic performance and wealth creation.

As Joan Clos, the Executive Director of UN-Habitat asserts, the emerging futures of cities depend on “the way we plan and manage urbanization, and the way we leverage this transformative process to provide the setting, the underlying base and the momentum for global change.” Yet, many countries have failed to effectively implement urban laws, which guide and support sustainable urban development. Urban law, according to UN Habitat, is in fact characterized by having lower implementation rates than any other field of law. So why is this and how can these shortcomings be addressed? ▶

## Out with the old

◀ The roots of the problem, though manifold, start with the origin of urban law itself. It may not come as a surprise that laws are often created from existing laws in other countries. According to UN Habitat, the same practice is applied to urban law. When foreign legal instruments and international best practices are directly applied to urban law, they do not reflect local practice and culture. This separation of the law from the urban society it governs is frequently coupled with limited or no opportunities for effective review and adjustment. The result is an ineffective law, which cannot be implemented.

Recognizing this problem, the New Urban Agenda calls for an enabling structure of urban legislation. It defines effective urban legislation as one which is “backed by a clear urban policy, has a clear purpose, has a content that responds to the regulated problem, and takes into account the available evidence, existing situation, resources, capacity and views of stakeholders.”

The New Urban Agenda further asserts that “the way we plan, finance, develop, govern, and manage cities and a number of its commitments and implementation actions will need effective legal frameworks to be turned into reality.” Effective legal frameworks have an enabling structure. This means that applicable laws, regulations and policies must be up-to-date, feasible and appropriate for the setting.

Zambia provides a good case study for the impact that inappropriate laws can have on a country’s urbanization process. Until very recently, the legislative status quo of Zambia’s planning and housing laws was still that of the colonial period. As the laws were based on outdated assumptions, they could no longer support the urbanization process in modern-day Zambia. This led to problems such as insufficient housing and overcrowding of already dense areas and the continued deterioration of poor neighborhoods, both at a large social cost.

Recognizing the need for action, Zambia has already taken steps to turn this situation around. In 2015, the government introduced the new Urban and Regional Planning Bill, which encompasses all areas within planning legislation. Not only did the bill take the shortcomings of the previous system into account, but it also recognized the need to ensure sustainable urban development “by promoting

PHOTO: FRIEDRICH STARK/ALAMY STOCK PHOTO



environmental, social and economic sustainability in development initiatives and controls at all levels of urban and regional planning.”

The purpose of a planning policy is to help achieve sustainable development. Speakers at Habitat III criticized planning policy frameworks, claiming that these were often highly technocratic and disregarded local capacity. To fulfil their purpose, experts said, planning policies should be flexible enough to efficiently respond to on-the-ground needs and changes. In parallel, and for the purpose of being able to measure and report the results, the implementation process should be monitored.

## Green growth

Rapid and unplanned urbanization can cause economic and environmental strain on both land and people. One country quick to act on this score is China, which has taken preven-



*Zambia has modernized its outdated planning laws in order to better support sustainable urbanization.*

tive and adaptive measures to reduce the extraordinarily high level of greenhouse gas emissions caused by uncontrolled urbanization coupled with a lack of effective environmental legislation.

In addition to ratifying the Paris Climate Agreement in 2016, China has undertaken extensive legislative and policy revision to capitalize on the benefits of a clean energy economy. Among the new laws is the novel requirement to use sustainable materials for the construction of buildings. In parallel, the Chinese government has taken steps to strengthen environmental monitoring and enforcement facilities. Although it is impossible to restrict urbanization, China is working to ensure that it proceeds on the right path and causes minimum impact on the environment.

Looking to the future, the UN report *World Urbanization Prospects* predicts that 30 years from now the vast majority of the world's

mega-cities will be located in developing countries. New York, meanwhile, is forecast to drop out of the top ten of the world's most populous cities. This foresees a massive challenge for the governments of developing nations, which must embrace a plan for rapid urbanization affecting hundreds of millions of their citizens.

When a city's population, physical assets and economic activities grow, both the opportunities and the risks increase. Yet, although there is consensus on the risks and opportunities of urbanization, the negative effects of deficient laws and policies on the urbanization process must be equally understood. Well-defined urban legislation, backed by urban policy is essential to readdress the way cities and human settlements are planned, designed, financed, developed, governed and managed. The legal framework is not a sub-plot, but rather the main narrative of the success or failure of urbanization. ■



PHOTO: ZUMA PRESS, INC./ALAMY, STOCK PHOTO



# OFID in the Field

In promoting sustainable urbanization, OFID works to improve the delivery of essential services—especially electricity, water and sanitation—and to make cities more resilient to flooding, coastal erosion and other natural disasters. It also supports enhanced mobility through the construction of mass rapid transit systems and other road infrastructure that reduce travel time and make commuting safer and cheaper.



# Bangladesh: Developing governance and infrastructure in urban slums

Together with the Asian Development Bank, OFID is supporting pro-poor development for urban communities in Bangladesh.

BY FATMA ELZAHRA ELSHHATI

**I**n 2015, urban dwellers accounted for 34 percent of the total population of Bangladesh, which is expected to increase to about 110 million by 2035. After the two major cities, Dhaka and Chittagong, smaller secondary towns, also known as *pourashavas*, are host to 40 percent of the country's urban population.

The rapid speed of urbanization in Bangladesh has led to unplanned and uncontrolled growth. This has resulted in a lack of access to basic services including transportation, and water and sanitation facilities.

With a view to developing urban centers in a sustainable way, the government has prioritised a multifaceted approach to poverty reduction. This approach emphasizes that local governance must be developed simultaneously with urban infrastructure.

In 2014, OFID extended a US\$40m loan for the third phase of the Urban Governance and Infrastructure Improvement Project (UGIIP-3). This phase of the project, co-financed together with the Asian Development Bank, aims to improve governance and infrastructure in 36 selected *pourashavas*.

The project, which runs until 2020, aims to tackle urban poverty in an integrated and holistic way. Beyond improving infrastructure, UGIIP-3 first ensures that good governance practices are instituted within the municipalities. With enhanced capacity to implement, manage and maintain basic urban services, sustainable growth is ensured at the local level.

"UGIIP-3 is the latest initiative to improve urban development through governance and capacity building," Shafiqul Islam Akand,

UGIIP's project director told *The Quarterly*. "The project has enabled the municipalities to establish strong linkages among their citizens for delivering improved services."

A key component of UGIIP-3 encourages the formation of community based organizations in order to involve citizens, especially women, in the decision-making process. These organizations are responsible for preparing development plans that are pro-poor and gender responsive and that develop capacity. By increasing the representation and participation of the poor and marginalized, the aim is to make decision-making more transparent and encourage citizens to take ownership of their communities.

The project is being implemented in three phases, where funds are allocated based on the performance of the pourashavas in six main areas: i) citizen awareness and participation, ii) women's participation, iii) integration of the urban poor, iv) urban planning, v) financial accountability and sustainability, and vi) administrative urban transparency. Structuring the assistance in this way promotes responsiveness and accountability on the part of the municipalities.

"We have found performance-based infrastructure allocations to be very effective and a

successful model in Bangladesh for urban local government," said Akand. "Our approach is being replicated not only in Bangladesh by other development partners like the World Bank and the Japanese International Cooperation Agency, but also in other South Asian countries including India, Sri Lanka and Nepal."

The project focuses on key infrastructure such as roads, drainage, water supply and sanitation, solid waste management and other municipal facilities, including kitchen markets, bus/truck terminals, community centers, slaughterhouses, street lighting, river bank improvement and landing stations, among others.

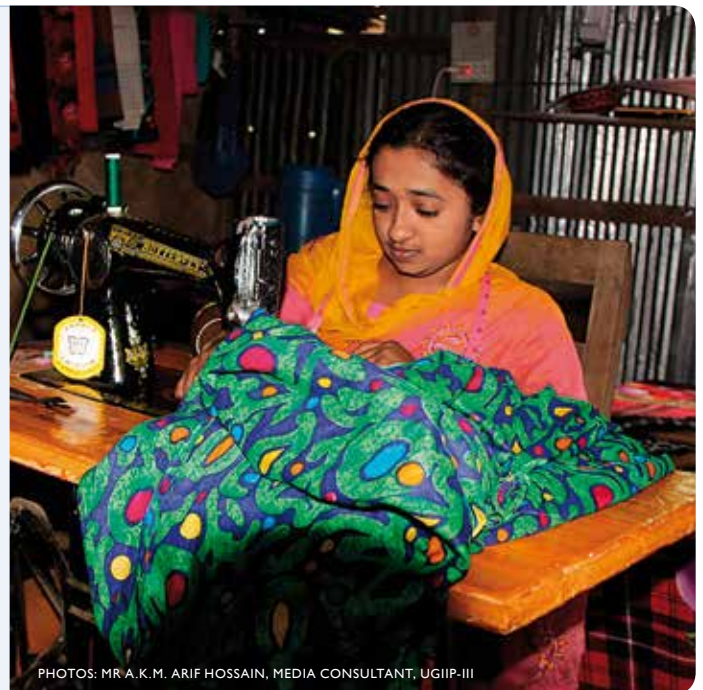
UGIIP-3 aims for these improved facilities to be directly managed and maintained by the trained beneficiaries. By building capacity in this way before the infrastructure is developed, the project ensures that planning is tailored to the needs and capacity of the pourashavas.

UGIIP-3 offers a model for the development of urban areas. The municipalities impacted by the project are supported in a structured way from planning and governance to structural development. This increased awareness and capacity developed promotes the self-reliance of the citizens and the pourashavas to manage and maintain their local areas. ■

## Promoting self-reliance

As a direct result of the project, the pourashavas are giving more attention to the needs of disadvantaged citizens, particularly poor women, who receive training on income-generating activities.

Rahima Begum, from the Khagrachari municipality, is just one woman who has benefited from the project. As part of its gender action plan to promote participation in socio-economic life, Khagrachari organizes courtyard meetings for community members to discuss and solve social issues. After attending these meetings, Rahima enrolled in a 45-day sewing course and received a sewing machine from the municipality. With this training, she started taking sewing orders from the neighborhood and then gradually from local garment shops. She has been able to increase her income as a result. With her savings, she further expanded her activities and opened a small tea-stall. Despite a physical disability, Rahima is now able to support herself and her family with her newly gained skills.



PHOTOS: MR. A. K. M. ARIF HOSSAIN, MEDIA CONSULTANT, UGIIP-III

# Supporting African water operators for better service provision

PHOTO: GREENSHOOT COMMUNICATIONS/ALAMY STOCK PHOTO



*Well-functioning water operators are essential for the delivery of services like this sewage treatment works.*

As the 21st century moves forward with fast-growing populations and urbanization, water provision is one of the most pressing challenges to meeting the SDGs.

BY JUSTINE WÜRTZ

**T**oday, half the people on the planet are urban dwellers. The world's cities are growing at an unprecedented rate and 90 percent of this urbanization is occurring in poor or developing countries. In Africa 80 percent of this growth is in slums.

Establishing well-functioning, sustainable water and waste management systems in these urban areas will be key to a sustainable and safe future. In particular, managing the needs of ever-expanding urban areas with dwindling water resources requires urgent attention.

In 2013, OFID provided a grant of US\$1m to support implementation of a sub-project of the UN-Habitat Global Water Operators' Partnerships Alliance (GWOPA) program in nine African countries: Ethiopia, Ghana, Guinea, Kenya, Malawi, Namibia, Tanzania, Togo and Zambia.

"It's important to recognize that despite the challenges of urbanization, cities also offer the most efficient environment to provide water and hygiene services to a large number of people," Dr Walid Mehalaine, OFID Acting Head of Grants and Technical Assistance, explained. "To this end, well-functioning water operators are essential for the management of urban water and sewerage services."



The added bonus is, because these operators extend services to vast populations, they will be major players in achieving the water and sanitation SDGs.

In the GWOPA 2013–2017 Strategy Report, UN-Habitat Executive Director Dr Joan Clos states: “The management of urban water and waste flows in cities has major implications on urban ecology, economy, resilience and equity.”

He adds: “Equally, how successful this management is, will impact water quality and quantity in the future. It will also help in the prevention of slums, levels of health and well-being, the improvement of livelihoods, and the conservation and reuse of resources.”

The GWOPA program was established by UN-Habitat as a direct response to the need for effective urban water operators. Currently, the capacity of many urban water operators in developing nations is, by and large, inadequate.

They lack basic operational and management approaches. They suffer from inadequate resources and deteriorating infrastructure. And their ability to address these challenges is hindered by poor governance, ineffective institutional frameworks, and outdated skillsets.

“But while many operators lack capacity, others have it in abundance,” explained OFID’s Dr Mehalaine. “GWOPA recognizes the potential for knowledge-sharing between these two groups.”

Water operators with relevant skills and experience act as mentors, and enter into a non-commercial partnership, based on principles of solidarity.

The OFID supported-program focused in particular on increasing services for poor populations. To avoid the further growth of slum areas in expanding cities, urban operators need to be prepared and able to provide services to the lowest income residents.

“Utilities must first receive the needed support to enhance their performance and resident capacity so that they can increase revenues and reach financial balance and bankability,” explained Dr Faraj El-Awar, Head of UN-Habitat’s GWOPA Secretariat.

The project commenced with diagnostic teams evaluating the priority needs of the nine mentee utilities. Diagnosis covered all areas required for good practice, including: governance, policy and legal support; billing, revenues and asset management; customer relations; expansion of water and sanitation



PHOTO: SAMSON OPIUS/ALAMY STOCK PHOTO

*A technician at work in a laboratory that checks and controls water quality.*

services; resource management, efficiency and sustainability; and climate change resilience.

Once areas for improvement had been established, individual plans were prepared for each utility. Mentoring teams then went to the operators in need of assistance to deliver capacity development sessions tailored to the identified priority needs.

“The voluntary nature of this program makes it particularly significant,” explained Dr Mehalaine. “The whole experience is tailored and the participating operators have a real sense of ownership and purpose.”

The GWOPA activities covered an average period of eight months and came to an end in September 2015. “The response of the operators to the program has been substantial,” Dr El-Awar told the *Quarterly*. “We hope to continue the collaboration with OFID to replicate and scale up the program to support more water operators in Africa and in other regions of the global South.”

Dr Mehalaine confirmed this proposal: “Such an initiative will give OFID a significant opportunity to contribute to the achievement of universal access to clean water and the human right to water.” ■



# Paraguay: A new urban landscape for Asuncion

With a new public transport system under construction and a major facelift planned for downtown, residents of the Paraguayan capital Asuncion have much to look forward to.

BY SILVIA MATEYKA

Over the past decades, Latin American cities have boomed. Today, Latin America and the Caribbean is the second most-urbanized region in the world. By 2050, UN-Habitat predicts that Latin America's cities will accommodate 90 percent of the region's population.

This trend can also be observed in Paraguay, where 60 percent of the total population is urban. Fifty years ago, around 787,000 Paraguayans were living in cities. Now, over 3.9 million people are city dwellers. And this trend shows no sign of stopping.

With nearly two million inhabitants, the Paraguayan capital Asuncion is home to over 30 percent of the country's population and is one of the ten largest urban agglomerations in South America.

Located as it is on the Paraguay River, Asuncion has always been the landlocked country's prime location for trade and economic activities. Cotton, sugarcane, corn, tobacco, fruit, and cattle products from the rich agricultural and rural hinterland are processed in and around the capital.

It is also one of the most important urban areas of the country, with buildings of national heritage and historical value. However, much of the city's infrastructure is deteriorated and insufficient to meet the population's needs.

Romulo Martinez, OFID country officer for Paraguay, explained that inadequate infrastructure is one of the main obstacles to the country's growth and has a negative impact on competitiveness.

"Cities need good public transportation systems to prosper and grow. That is especially true in developing countries, where rapid urbanization is creating huge pressure on aging infrastructure," he said.

According to recent studies conducted by the Department of Transportation of the Metropolitan Area of Asuncion, use of public transportation dropped from 64 percent in 1988 to 52 percent in 2009.

Martinez attributes this reduction to the absence of a reliable public transport system, increased traffic congestion, longer travel times and higher fares charged to the users.

## Rehabilitation and upgrading of urban and transportation infrastructure

In its efforts to address the city's historical importance and high urban development potential, the government launched a comprehensive rehabilitation and improvement plan which includes the urban renewal of the historic downtown area and the improvement of the public transport system across the metropolitan area.

As part of this effort, OFID joined forces with the Inter-American Development Bank to co-fund the establishment of a bus-rapid-transit (BRT) system and revitalize the urban infrastructure in the old port of Asuncion and its downtown area.

"The project will contribute to the improvement of competitiveness, reactivation of the urban economy, and the deployment of a transport system accessible for low-income people. It will also improve mobility and access to basic services, healthcare, education, cultural activities and labor opportunities," elaborated Martinez.

Activities include the rehabilitation of existing public spaces and the creation of new ones, along with the construction of pedestrian walkways and bicycle paths, new government offices and citizen service centers, and the restoration of historic buildings in Barrio San Jerónimo in downtown Asuncion.

Also included is the improvement of infrastructure between buildings housing the three branches of government, including power, telephone, and data transmission lines, sewers and storm drain systems, and road enhancement.

The first stage of the BRT Metrobus will link downtown Asuncion with the San Lorenzo district, representing the main route which carries the largest volume of passengers. It consists of a 17km BRT-only lane, 100km of feeder roads, two bus yards and terminals, and 26 stations.

"Some 1.9 million people are expected to benefit from an economical, reliable, safe and environment-friendly means of transportation," Martinez pointed out.

Metrobus is part of an integrated passenger transportation system, which considers further corridors to Asuncion metropolitan cities Limpio and Nemby and integration with a future interurban commuter rail.

"With this project, OFID intends to contribute to the government's efforts to achieve an efficient urban connectivity that improves the quality of life of all citizens while at the same time, promotes an increase of the productivity and competitiveness of Asuncion," said Martinez. ■

*Asuncion's new Metrobus system will make travel cheaper, safer, cleaner and more reliable for the city's two million inhabitants.*



PHOTOS: PLU

## OFID and UNIDO focus on food security and sustainable development

On the occasion of the 50th anniversary of UNIDO (United Nations Industrial Development Organization) and the 40th anniversary of OFID, experts explored the vital role of biotechnology in achieving food security.

BY ALESANDRA SOLANO AND JUSTINE WÜRTZ

**A**s a side event to UNIDO's 50th anniversary celebrations, a reception and joint UNIDO-OFID panel discussion was held at OFID's headquarters on November 23. Debate examined how biotechnology and other emerging technologies can support inclusive and sustainable industrial development, food security and the Sustainable Development Goals.

Attending the event were members of the diplomatic and international community, development practitioners, and strategic partners in research and academia, in particular UNIDO's partners in food security and biotechnology

OFID Director-General Suleiman Al-Herbish, welcomed guests with a powerful message that underlined the importance of the discussions: "Every year,

three million children under the age of five die from ill nourishment, while nearly 800 million people remain chronically undernourished," he stated.

Al-Herbish pointed out that OFID and UNIDO's alliance had been forged in their common desire to end energy poverty, "but tonight we focus on food security," he said. Emphasizing the immensity of the problem, he noted: "It's not only a question of producing enough food: the challenges are deeply complex [and require] the united efforts of all stakeholders."

Echoing this opinion, UNIDO Director-General Li Yong called on all stakeholders to: "strengthen and revitalize global partnerships for sustainable development."

Li disclosed that UNIDO would be working with partners to harness the potential of biotechnology for inclusive and sustainable industrial development. This would be carried out with three main thematic focuses: creating shared prosperity for all, advancing economic competitiveness, and safeguarding the environment.

"Biotechnology is revolutionizing industrial and agricultural practices" stated Li. "For developing countries, many of whose economies are based on agriculture and other natural resources, biotechnology ... will not only improve efficiency of production and the quality of products, but also facilitate trade and international development cooperation."

### The panel discussions

Six international experts participated in three panel sessions focusing on biotechnology in relation to food security, health and sustainable production.

OFID Director of Strategic Planning and Economic Services Faris Hasan opened the first session on 'Food and Nutrition' with an explanation of the complex relationship between energy, water and food—the nexus—and the importance of these interrelated resources.

"Agricultural and food-related practices use more water than any other human activity, and the agricultural sector consumes some 30 percent of the world's energy," stated Hasan. "This nexus now forms the core of OFID's Corporate



OFID Director-General Al-Herbish (left) and UNIDO Director-General Li Yong



OFID's Faris Hasan, Director of Strategic Planning and Economic Services, opened the first panel discussion on *Food and Nutrition*.

Plan. Supported by the organization's work to improve transportation, this will be the focus of OFID's activities for the next decade," he informed the audience.

Dietrich Knorr, Professor of Food Biotechnology at the Technical University of Berlin, and President of the International Union of Food Science and Technology, approved of these priorities: "Water and transportation," he said, "are the two most important factors in the full cycle of food production from seed to waste, playing vital roles at every stage."

Marc Van Montagu, Professor Emeritus at Ghent University and a pioneer in plant molecular biology delivered an

Dietrich Knorr, Technical University of Berlin



impassioned account of how modern plant biotechnology can contribute to food security. Van Montagu, who is also founder and chairman of International Plant Biotechnology Outreach, said: "Many potential solutions for sustainable agricultural and industrial systems lie in science."

Front-line innovations for biotech agriculture, such as plants resistant to insects, tolerant to harsh environments, or high in nutritional value, were part of a holistic approach, said Van Montagu. "One that will help overcome environmental and agricultural hurdles and increase productivity."

For developing countries reliant on agricultural markets, modernizations brought about by these scientific advances translated into increased economic development as well as food security. Similarly, the contribution of biotechnologies—in the form of vaccines, medicines and bio-pharmaceuticals—to human wellbeing and health were invaluable, Van Montagu argued.

Implementation of these modernizations could do much to help achieve the SDGs. Professor Montagu cautioned, however, that "converting this into practice in less developed regions will require a concerted effort in training, knowledge-transfer, and awareness."

Mauro Giacca, Director-General of the International Center for Genetic



Marc Van Montagu, Ghent University



Mauro Giacca, International Center for Genetic Engineering and Biotechnology

Engineering and Biotechnology, likewise stressed that improvements in education, training and standardized production in developing countries would be critical.

Giacca said: "We need a united effort to increase capacities and to support innovators and small businesses. When this takes place: the impact on inclusive and sustainable industrial development in developing countries will be great." ■

# Al-Herbish speaks at World Energy Congress

Development finance institutions (DFIs) can play a key role in building bridges to the private sector for increased investment in renewable energies in developing countries.

BY AUDREY HAYLINS



PHOTO: WEC 2016

Al-Herbish speaking at the panel session on *Development Finance for the Energy Trilemma*.

**T**his was the message of OFID Director-General Suleiman J Al-Herbish to October's 23rd World Energy Congress in Istanbul.

Speaking at a panel session on "Development Finance for the Energy Trilemma," Al-Herbish said that DFIs were needed to help overcome the reluctance of the private sector to invest in low-income countries.

This was especially true given the estimated US\$1tr a year needed to meet the triple challenges of energy security, energy equity and environmental sustainability, as outlined in SDG7 of the 2030 Agenda for Sustainable Development.

Said Al-Herbish: "Operationally, implementing SDG7 requires the development of an entire industry, with its technology and its manufacturing and construction value chain."

Public funds alone would be insufficient to underwrite this transformation, particularly in light of the current financing gap of around US\$600bn per year.

Al-Herbish noted that renewable energy projects were emerging as the most attractive candidates for private sector investment but that investors were discouraged by the relatively high cost of some renewables, together with the lack of long-term financing and bankable projects.

Also off-putting were the dearth of experienced technical operators and the poor financial and managerial status of national utilities. There were also exchange risks to consider.

"As DFIs, our role is to help countries recognize the risks and barriers that deter private sector investment and help them gain investor confidence," Al-Herbish stressed.

He went on to disclose that OFID and its sister institutions had explored a number of financial options and tested a variety of instruments to help lift barriers and mitigate risks. They had also supported pilot and demonstration projects.

In OFID's case, this had often meant working in low-income countries without government guarantees and assuming a fair share of the technical and financial risks of the projects.

Said Al-Herbish: "Our experience has shown that private sector-enabling environments must be transparent and based on the rule of law. And they must provide long-term visibility, economic incentives and adapted financing mechanisms."

With regard to solutions to the reluctance of the private sector to invest in low-income countries, he stressed that these should be country-owned and investment specific.

Al-Herbish concluded by stating that the role of DFIs should ideally be one of indirect support to the private sector.

"We should focus on building infrastructure, especially transportation, in order to enhance competitiveness, and on helping partner countries develop their particular favorable investment climate."

The World Energy Congress is the global flagship event of the World Energy

Al-Herbish (fourth from left) with some fellow attendees of the CEO Roundtable.





Conference participants gathered in the OFID atrium for a group photo.

Council and the premier international, multi-energy forum for participants to better understand energy issues and solutions from a global perspective. The Istanbul conference brought together more than 10,000 leaders in the field of energy, coming from industry, governments, and international organizations, as well as the media, academia and energy industry associations. ■

## Providers' conference reassesses role of global partnership

In a two-day meeting hosted by OFID, development finance providers agreed on the need to review the mandate of the Global Partnership for Effective Development Cooperation (GPEDC) and modernize its monitoring framework.

BY AUDREY HAYLINS

**A**s part of a series of preparatory meetings held ahead of the second high-level meeting of the GPEDC, development cooperation partners gathered at OFID's Vienna headquarters September 29–30 to take a critical look at the global partnership and discuss the way forward.

Attendees comprised a diverse group of over 40 development partners from members of the European Union, the OECD's Development Assistance Committee, the Arab Coordination Group and OFID, and multilateral organizations.

Among the main conclusions was consensus on the need for the GPEDC to revise its mandate in order to help accelerate implementation of the Sustainable

Development Goals as outlined in the 2030 Agenda for Sustainable Development.

It should also consider modernizing the Partnership's monitoring framework to reflect the challenges for 2030 and to unleash the potential of development cooperation as a catalyst for public-private partnerships for development.

In his opening remarks, OFID Director-General Suleiman J Al-Herbish highlighted the deep economic, social and political transformations taking place in partner countries.

"It is important and timely that as providers, we take stock of these changes and understand commonalities and differences in this new context," he stated. ►



PHOTO: WEC 2016



Left to right: Nadine Gbosa, Head of Division, Global Partnerships and Policies, Development Cooperation Directorate, OECD; Fuad Albassam, Assistant Director-General, Public Sector Operations, OFID; OFID Director-General Al-Herbish; Jeroen Verheul, Ambassador at Large for Development Cooperation, Ministry of Foreign Affairs, Netherlands.

◀ “We need to define what effective co-operation means for us and for our partner countries now that we have—in the SDGs—a reference framework for all.”

The conference included a presentation of the Partnership’s 2016 monitoring report, which looked at the degree to which development partners were implementing their commitments as agreed in 2011 at the Fourth High-Level Forum on Aid Effectiveness in Busan.

The monitoring exercise involved 81 countries and over 125 development partners. One of the key findings indicated that providers showed a good level of alignment to national priorities and a focus on results.

However, it also showed that development partners needed to strengthen their work in other areas, such as predictability of assistance and use of country systems.

They should also provide support to further enable the contribution to development by the private sector and civil society.

Conference participants agreed that with the adoption of Agenda 2030, the GPEDC needed a new vision in order to re-galvanize collaboration by all actors to advance the effectiveness of development cooperation.

The future success of the partnership would depend on its ability to further deepen the interplay between traditional development assistance, southern development actors, private investment, and civil society.

Participants also had the opportunity to discuss the draft outcome document

of the Nairobi high-level meeting, as presented by Mr Macharia Kamau, Ambassador and Permanent Representative of Kenya to the United Nations in New York and Chief Negotiator of the document.

Emphasizing his belief in the validity of the GPEDC, Kamau reiterated the necessity of a new deal that would position the partnership effectively in the

2030 Agenda and ensure the transparency, accountability and predictability of both donors and recipients.

The outcome of the deliberations was presented to the second high-level meeting of the GPEDC which took place in Nairobi, Kenya, November 28–December 1 (see conference report, page 48). ■

## OFID highlights energy–water–food nexus at COP 22

In a special side event at November’s COP 22 meeting in Marrakech, OFID hosted expert debate on the complexities of reconciling the goals of energy, water and food security with the challenges of climate change and sustainable development.

BY FUAD SIALA

**T**he side event “Energy Access and Climate Change through the Energy-Water-Food Nexus” was designed to help develop an insightful perspective on the nature of the nexus challenge in beneficiary countries.

Featuring a distinguished panel of experts, the event sought to challenge

thinking and spur increased motivation to contribute to addressing these integrated challenges in new ways.

The session was moderated by Faris Hasan, OFID Director of Strategic Planning and Economic Services, who set the scene for the debate and outlined OFID’s activities in promoting the nexus.



Describing energy as a “transformational resource,” Hasan pointed out that economic growth and energy consumption were linked in a feedback loop: “Increased energy access fosters income growth, while energy use tends to increase with income,” he explained.

Hasan went on to cite global projections, which indicated that demand for freshwater, energy and food would increase significantly over the next decades. He noted that all three areas were closely intertwined and their interactions complex and dynamic.

Moreover, he said, the negative consequences of climate change added uncertainty to these complex interrelations and escalated the need for sustainable resource use.

“For this reason, sectoral issues cannot be looked at in isolation from one another,” he stressed.

Hasan disclosed that OFID had adopted the nexus as the central theme of its Corporate Plan 2016–2025. “We anticipate 70 percent of OFID’s activities in the coming decade will be dedicated to these critical sectors, with transportation as an additional enabling sector,” he said.

He emphasized, however, that the onus of adopting a nexus perspective in development intervention lay with development planners in partner countries.

## Speakers’ table

Among the distinguished speakers was David C Carroll, President of the International Gas Union. Carroll emphasized the role that natural gas can play in providing electricity to those who lack access to it, particularly in sub-Saharan Africa. “While gas is slightly disadvantaged to coal in terms of cost, both the water requirements and the greenhouse gas emissions from gas-based power generation are much lower,” he argued.

Professor Tony Ryan, Director of the Grantham Center for Sustainable Futures at the University of Sheffield, presented systems that the university is pioneering, including one involving the production of food from sea water and sunshine. This system, he informed participants, combined the use of indigenous resources and had the potential to contribute to diversified growth in the MENA region.

Also on the panel was Martin Hiller, Director General of the Renewable Energy and Energy Efficiency Partnership (REEEP), who took the opportunity to review the performance of the “OFID-REEEP Revolving Capital Pool.” The Pool was established in 2014 to encourage early-phase companies offering energy solutions in the agro-food value chain to adopt the nexus approach. Enhanced

since by contributions from the Austrian government, it has funded two energy access projects that delivered positive impact on the water and food sectors in Kenya and Tanzania.

Philipp Knill, Head of Division in the German Federal Ministry for Economic Cooperation and Development, explained the roles that the NDC Partnership (a new implementation partnership set up jointly by the German Government and the World Resources Institute), the Global Environment Facility, and InsuResilience (the G7 Climate Risk Insurance Initiative) could play in designing policies, investing and ensuring the strong participation of private sector in integrated approaches.

The final speaker, Aurel Lübke, CEO of the Austrian company Compost Systems, spoke about waste management as a “low hanging fruit.” Waste and landfills, he said, were creating between four and ten percent of a country’s greenhouse gas emissions by emitting methane into the environment. He argued that the treatment of waste could reduce these emissions by as much as eighty percent, while at the same time creating compost that would nourish poor top soils. Applying compost, he pointed out, halted desertification and reduced the loss of nutrients into the ground. ■



From left: Professor Tony Ryan, Director of the Grantham Center for Sustainable Futures; David C Carroll, President of the International Gas Union; OFID Director Faris Hasan; Martin Hiller, Director General of Renewable Energy and Energy Efficiency Partnership; and Aurel Lübke, CEO, Compost Systems.

PHOTO: OFID STAFF

## Honduran bank secures third tranche of OFID financing

A new US\$12m round of financing to Honduras' Banco Ficohsa will broaden support to the country's vital SME sector, with a special focus on women.

BY JUSTINE WÜRTZ

**B**anco Financiera Comercial Hondureña SA (Ficohsa) previously received two loans of US\$10m each from OFID in 2011 and 2014. The third tranche of funding, approved by the Governing Board in September, provides capital to the bank to help increase its lending capacity.

"The new funds are a subordinated loan to consolidate equity due to the bank," explained OFID's Tareq Alnassar, Head of Private Sector and Trade Finance Operations. "This will help it finance not only SMEs but also other important economic sectors like infrastructure, electricity, and hydro- and solar-power plants."

The bank also intends to channel funds into products for women. "We're starting a new project focusing on banking services for women," Camilo Atala, President and Founder of Banco Ficohsa told *The Quarterly*.

"In Honduras and much of Central America, women carry a lot of responsibility," he explained. "Sometimes they are the head of the family and solely responsible for providing for their children. Women are also very important contributors to the SME sector."

Although recent decades have seen major economic and social progress in Honduras, there is still a long way to go to combat gender inequality stemming from a traditionally patriarchal society.

Specialized banking products can offer the women of Honduras independence, enabling them to save towards education, pensions, homes and healthcare. But most importantly, financial security can break the constant fight for survival which many single working



Camilo Atala, President and Founder of Banco Ficohsa.

mothers endure. "These funds will help us build distinctive products to assist our country's women," Atala stated.

OFID's earlier support to Ficohsa provided important mid-term funds that helped the bank finance a seven year project to support SMEs, a sector that makes up about 65 percent of the Honduran economy.

Said OFID's Alnassar: "For the large portion of the population dependant on the sector, it is very important that it can grow."

Alnassar went on to reveal that each of OFID's previous loans to Ficohsa had enabled some 130 further sub-loans to SMEs. "This represents invaluable opportunities for these companies to increase assets and finance expansion. This, in

turn, promotes economic growth and development in the region."

Expressing his gratitude for OFID's support, Atala said that it had helped the bank grow its SME portfolio from 4.5 percent to 7.5 percent of total transactions. "With the new funding, we will increase to a 10 percent SME portfolio in the next year," he declared.

Many of the small businesses Ficohsa supports, in particular agricultural enterprises, have grown organically. "It is difficult for these companies to access services from the banks because, as businesses,

they are too informal," Atala explained. He pointed out that owners often have no experience or knowledge of business and financial planning.

"Supporting such companies is challenging and requires more than funding," stressed Atala. "At Ficohsa, we offer financial education, advisory services and accounting workshops."

The bank provides these services to small enterprises across all sectors, including tourism, agriculture and commerce. By integrating new formal business practices, these ventures become eligible for the bank's financial support. "Development and business go hand in hand," Atala said. "So the financial sector is obligated to work with these businesses and help them." ■

## OFID helps Georgian bank to bolster corporate and SME trade

A US\$5m trade finance loan agreement with JSC BasisBank will fund sub-loans for import and export-related finance transactions across all sectors in Georgia.

BY JUSTINE WÜRTZ

**T**he agreement was signed on November 9 by OFID Director-General Suleiman J Al-Herbish and BasisBank General-Director David Tsaava. BasisBank will use the funds to increase the trade finance activities of SME and corporate clients.

Said Tsaava: “We are delighted to be doing business with OFID and hope that this is the start of a long and fruitful relationship.”

Al-Herbish also welcomed the new deal: “We are well aware of the importance of trade to a landlocked country like Georgia and are pleased to be able to play a role in making the necessary finance more accessible.”

In recent years, Georgia has transformed into one of the fastest growing economies in Eastern Europe, thanks largely to efforts by the government to encourage business growth and investment.

Despite these advances, however, the country maintains high unemployment and low median income rates compared to other European countries.

One of the government’s key priorities in tackling these persistent weaknesses is to capitalize on the country’s strategic geographical location—at the crossroads between Europe and Asia—and transform Georgia into an important trade and logistics hub.

According to Tsaava, BasisBank seeks to support this vision by offering a full range of trade finance products, such as bank guarantees, letters of credit, import, and pre-export financing. “Our aim is to cover existing gaps and help fuel further economic growth in the country,” he stated.

Currently, Georgia’s chief export goods are automobiles and various metals



BasisBank Director-General David Tsaava

to destinations such as Azerbaijan, Armenia, Russia and Turkey. The main import goods are petroleum products, cars and pharmaceuticals from Turkey, China, Azerbaijan and Russia.

OFID’s Head of Private Sector and Trade Finance Operations, Tareq Alnassar, explained that the loan would target industries such as agriculture, manufac-

tured goods, construction and healthcare. The funds would assist the Bank’s existing customers as well as attract new small businesses.

“OFID considers trade to be an important tool for fostering inclusive and sustainable economic growth, accelerating poverty reduction and enhancing regional connectivity,” Alnassar stated.

This is the third trade finance transaction OFID has extended to Georgia. Previous funding was extended to TBC Bank (US\$10m) in 2014 and Bank of Georgia (US\$10m) in 2015 for on-lending to Georgian enterprises to help them meet their trade financing needs.

BasisBank was founded in 1993 by private individuals and has become the eighth largest bank in Georgia with 300 employees and 21 branches.

OFID’s Trade Finance Facility helps provide guarantees and loans to support import and export activities and to address working capital requirements in developing countries. ■



BasisBank’s “Business Club” supports SME and corporate clients.

# OFID renews support to Arab youth energy program

A new tranche of grant financing to the Regional Center for Renewable Energy and Energy Efficiency (RCREEE) will help train specialists to further renewable energy capacities in the Arab region.

BY JUSTINE WÜRTZ

**S**igning the grant agreement on November 9, OFID Director-General Al-Herbish said that the RCREEE program fell in line with OFID's vision of sustainable development centered on human capacity building.

"With this new grant to RCREEE, OFID will support the participation of twelve interns from Djibouti, Mauritania, Palestine, Somalia, Sudan, Syria and Yemen in the Arab Program for Sustainable Energy Youth (APSEY)," said Al-Herbish.

Professional and post-graduate students of energy, power, economics, political science, or young entrepreneurs interested in sustainable energy investments and manufacturing, from RCREEE's member states, are eligible to apply for inclusion in the program.

Selected students receive a two year expenses-paid internship starting in

November 2016 at the RCREEE headquarters in Cairo.

"The aim of the program," Executive Director of RCREEE Dr Ahmed Badr told the *Quarterly*, "is to promote and develop young Arab professionals and equip them with the skills to become specialists in the fields of renewable energy and energy efficiency."

Since its inception in 2010, RCREEE has grown from strength to strength. It currently has 17 Arab countries among its member states. Four of these member countries are shared with OFID.

The two organizations are similarly allied in their commitment to universal energy for all. Speaking to the *Quarterly* on the occasion of the grant signing, Dr Badr said the main focus of the APSEY project was "to find ways to increase access to universal energy services through human capacity building."

APSEY interns train to become specialists in renewable energy and energy efficiency.

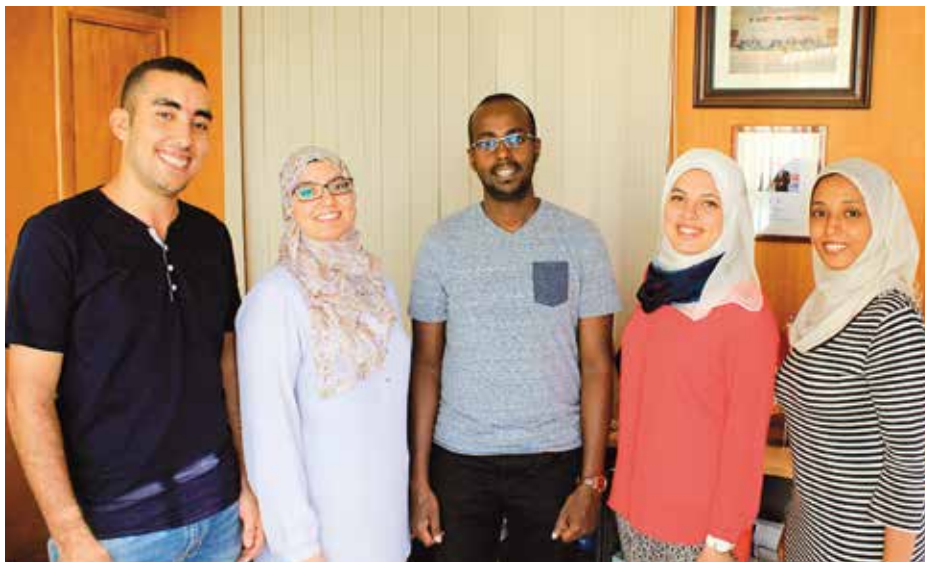


PHOTO: RCREEE

OFID previously supported the APSEY program in 2014 with a US\$100,000 grant. Referring to the earlier cooperation, Director-General Al-Herbish congratulated RCREEE for "its sustained efforts to develop the expertise and enhance the knowledge of Arab countries through the training of young people."

RCREEE's mandate is to increase interventions, skill and projects for renewable energy and energy efficiency across all 22 Arab countries.

"Each of the countries has a different energy profile," explained Badr. "But



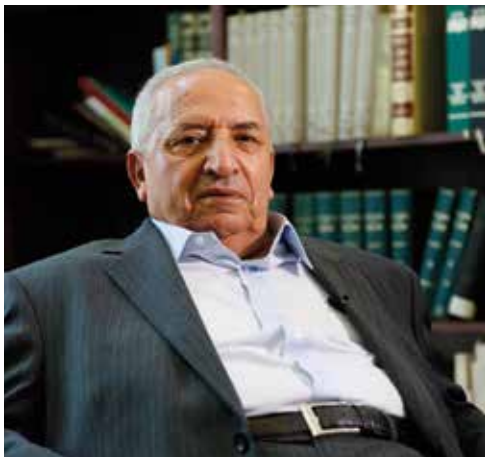
Dr Ahmed Badr, RCREEE Executive Director.

despite being one of the richest regions for oil and gas, in 2017, we are looking at more than 50 million inhabitants in the Arab world who don't have access to energy."

This staggering statistic is reason enough to focus efforts on raising energy access. But Dr Badr added that "renewable energy was needed in addition" to bolster depleting sources like oil and gas.

RCREEE, he explained, had long recognized that to expand the share of renewable energy two things were required: infrastructure and knowledge. "You can build infrastructure in one or two years as long as financing is available," Badr commented, "but to build human resources capacity takes between at least five and ten years."

The APSEY program directly contributes to expanding these capacities, and students returning to their home countries following the program are encouraged to further share the technical and academic knowledge they have acquired. ■



PHOTOS: OFID/MICHAEL ZANANIRI AND YOUSEF HAMMAD

Professor Muhammad Adnan Al-Bakheet, Director of the University of Jordan Center for Documents and Manuscripts. OFID's grant helped procure cutting edge equipment for the restoration laboratory.

## University of Jordan uses OFID grant to preserve historical documents

An OFID grant to the Center for Documents and Manuscripts at the University of Jordan is helping to safeguard Jerusalem's heritage.

BY REEM ALJARBOU

**T**he US\$200,000 grant, which was approved in 2014, supported a project to preserve rare documents of great historical significance to Jerusalem, which have survived destruction, loss and confiscation.

Professor Muhammad Adnan Al-Bakheet, Director of the Center, described OFID's support as "bringing the opera singers into a vacant opera house." The funding, he said, had allowed the Center to increase its scope and complete the archiving of all the documents it had gathered throughout the years.

The Center collects and classifies manuscripts and documents related to various aspects of the history of Greater Syria, in particular Jordan and Palestine. Such documents include memoirs, correspondence, official files, maps, pictures, sketches, travelogues, diplomatic reports and other writings.

Originally established in 1972, the Center has come to be regarded as a lead-

ing research institution and a reservoir of knowledge in this field.

The archive includes more than 31,000 manuscripts, in addition to thousands of microfilms, microfiches, files, slides, and indexes for manuscripts that are in the possession of libraries and institutions around the globe.

The Center relies heavily on specialists in its preservation process. OFID's grant was used specifically for the acquisition of cutting-edge equipment for the restoration laboratory, which undertakes the delicate restoration processes.

"The Center serves as a thread that ties various civilizations with each other, building a web of stories which are concise, and subsequently we begin to cultivate accurate narratives based on the historical chronicles, not just random accounts," said Al-Bakheet.

The Professor further explained that the Center had been able to undertake an ambitious new project to index all Jerusa-

lem records and post them on an online platform. This, he said, was enabling international researchers to retrieve historical data regarding many aspects of Jerusalem's history dating back to Ottoman and British rule, including currencies, family records, street names, and many more important historical accounts.

The Center has also archived similar documents in German, Russian, French, and Turkish languages, cementing its role as an unmatched knowledge bank for researchers worldwide. Said Al-Bakheet: "What makes the Center unique is that it combines two elements: the large range of the collection, and the extent of its research."

Speaking about development and projects like this, which differ from infrastructure for example, Al-Bakheet stressed the importance of collaboration and support to initiatives that provide an element of human development.

Describing OFID's assistance as a force that has brought life and soul into a vision for further work to come, he said. "We thank OFID for its support, which cannot be measured in square meters like many development projects, but rather in the soul and historical impact, which it will leave within communities and future generations. Such significant outcomes, crucial to humanity, can never be measured." ■

## OFID hosts annual meeting of staff committees

At the beginning of October, OFID hosted the 2nd Conference of International Organizations' Staff Committees at its headquarters.

BY IRINA ILIEVA

**T**his meeting of the network, which convenes annually to foster collaboration and advance best practices among staff representatives, was opened by OFID Director-General, Suleiman J Al-Herbish, who highlighted the importance of human resources as an organization's "most valuable resource."

mission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), and the International Institute for Applied Systems Analysis (IIASA), among others.

The meeting was chaired by Nizar Zaher, Chairman, Secretariat Staff Committee, OSCE and Imed Zabaar, Staff

Committees and achievements. They also outlined the challenges and needs that they face.

The central theme of the one-day meeting was the role of the staff committee and the importance of its cooperation with senior management. Said Zaher: "The relationship between [the two] should never be at odds. It's a mutually beneficial cooperation."

The event also provided insight into more controversial topics, such as ethical conduct. Delivering presentation on bullying and harassment in the workplace, Michelle Delinde, President of the CTBTO



Left to right: Nizar Zaher, Chairman, Secretariat Staff Committee, OSCE; OFID Director-General Suleiman J Al-Herbish; Imed Zabaar, Staff Council President, IAEA; and Michelle Delinde, President of the CTBTO Staff Council.

It was this belief, he said, that guided his "management with love" approach to leadership. "We try to create team spirit and a sense of belonging, which is essential for the organizational culture."

The event brought together representatives from all Vienna-based international organizations, including the Organization of the Petroleum Exporting Countries (OPEC), the International Atomic Energy Agency (IAEA), the Organization for Security and Cooperation in Europe (OSCE), the United Nations Office in Vienna (UNOV), the Preparatory Com-

Council President at the IAEA. Both have long years of experience in representing staff in their respective organizations, as well as in inter-organizational and international fora.

Opening the discussions, Zaher referred to the "long journey" he and Zabaar had taken to establish their committees. "Mutual support," he said, had helped them maintain momentum, explore ideas and share resources.

The gathering was an opportunity for each staff representative to introduce their committee and present its goals, ini-

Staff Council, said: "This is a sensitive issue, and one that people find hard to talk about."

She went on to outline the best methods of identifying the problem and ways to eliminate it. The CTBTO, she said, was working to create a common understanding of ethics and build high levels of integrity, transparency and accountability.

The discussions were particularly useful to some of the younger committees which are currently in the process of establishing their structures within their organizations. ■

NOVEMBER 8

**Grant agreement signed**

**Regional Center for Renewable Energy and Energy Efficiency (RCREEE)** US\$150,000.

To support APSEY— a regional sustainable energy internship program aimed at boosting technical and operational capacities of youth interested in the renewable energy and energy efficiency fields (see story, page 34).

NOVEMBER 9

**Public sector loan agreements signed**

**Benin.** US\$12m.

Horticulture Development Support Project. This project will help small-scale vegetable farmers adopt more efficient technologies in producing, processing and storing their produce. Works will include constructing and rehabilitating infrastructure, such as produce collection centers, small processing plants, storage facilities and access roads, benefiting around 120,000 people.

**Ethiopia.** US\$20m.

Hamasit-Estie Road Upgrading Project. To improve connections along this 77km-long stretch in the South Gondor Zone, a key agricultural production area. This is expected to enhance farmers' access to markets, reduce travel costs and time and enable the 500,000-strong population to reach social services more easily.

**Mali.** US\$10.4m.

Kwala–Mourdiah–Nara Road Project. To upgrade a 188 km-long stretch that serves 24 villages, where key economic activities include agriculture and animal husbandry. At least 16,000 people will benefit from improved links to marketplaces and social services, as well as job opportunities.

**Private sector loan agreement signed**

**BasisBank, Georgia.**

The US\$5m loan will be used to provide sub-loans for various import and export-related finance transactions for corporates in Georgia across all sectors (see story, page 33).

NOVEMBER 25

**Grant agreement signed**

**United Nations Development Program/ Program of Assistance to the Palestinian People (UNDP/PAPP).** US\$1m.

To support Phase II of an initiative aimed at improving the living conditions of low-income Palestinian families in East Jerusalem by providing them with safe and affordable housing. The project will rehabilitate houses in the areas of Al-Bustan, Al-Musrara, Al-Thouri, Silwan and Wadi Hilwe.

DECEMBER 5

**Public sector loan agreement signed**

**Burkina Faso.** US\$13m.

Zano-Koupela Transmission Line Project. To reduce energy losses and provide a reliable source of power for over one million people. Works will entail the installation of a high voltage transmission line to provide electricity to the city of Koupela and its surroundings. In addition to raising living standards, the project will help decrease the use of biomass, thus having a favorable impact on both the population's health and the environment.



The First Lady of Belize, Kim Simplis Barrow, visited Director-General Al-Herbish on December 7. She was accompanied by Joel Nagel (right), Ambassador of Belize to Austria and UN Permanent Representative in Vienna.



On October 6, the Director-General received a high-level delegation from Libya. Pictured (from left): Jalal Alashi, Head of European Affairs Dept., Foreign Ministry; Mohamed T Siala, Foreign Minister; Al-Herbish; Dr Ibrahim A Albesbas, Ambassador of Libya to Austria; Dr Fuad Siala, Consultant, OFID.



Al-Herbish with Dr Yahya Bin Abdullah Alsam'an, Assistant Speaker of the Shura Council of Saudi Arabia, who visited on November 16 to learn more about OFID.

DECEMBER 13

**157th Session of the Governing Board**

**Public sector projects approved**

**Bosnia & Herzegovina.** US\$53m. Corridor Vc Motorway Project Section Nemi-la-Donja Gracanica (Zenica North). To improve travel connections for some 150,000 people in the metropolitan area of Zenica, the country's most important center for mining and the metallurgy industry, as well as major education and cultural institutions.

**Cameroon.** US\$13m Rural Electrification. To provide energy access to around 60,000 people residing in the regions

of Adamaoua, Littoral, Nord and Sud, where agriculture and livestock represent key income-generating activities.

**China Xingyi University.** US\$30m. To alleviate the shortage of higher education facilities and improve overall access to quality education in Guizhou Province by constructing additional infrastructure at the university. The project is expected to accommodate an additional 3,800 students.

**Guinea.** US\$20m. Integrated Rural Development. To help alleviate poverty and enhance food security by upgrading roads, irrigation and water supply systems, as well as infrastructure related to agricultural production and storage. In all, around 800,000 people are expected to benefit from the project.

**Pakistan.** US\$19.6m. Golan Gol Hydropower (additional loan). To construct a hydropower plant with the capacity to generate 106MW of electricity. This will encourage the development of local industries, thus enhancing socio-economic development, and provide consumers with a more reliable energy supply.

**Sierra Leone.** Three Towns Water Supply & Sanitation (additional loan). US\$13.15m. To broaden the scope of an ongoing project that is improving water supply infrastructure in the towns of Bo,



On December 16, Al-Herbish received Tharsis Salomón Lopez (right), Minister of Economy, El Salvador; Lucia Rosella Magdalena Badia de Funes (center), Ambassador Extraordinary and Plenipotentiary of El Salvador to Austria; and Francisco Martinez (left), Director, Coordinacion de Politicas Productivas.





On December 7, the Director-General (left) welcomed the Honorable Bishop Zephania Kameeta (center), Minister of Poverty Eradication and Social Welfare of the Republic of Namibia, who was accompanied by the Ambassador of Namibia to Austria, Simon Madjumo Maruta.

Kenema and Makeni, where coverage is low. The provision of safe, piped-in water supplies will improve health and living conditions for around 500,000 people.

**Sri Lanka.** US\$18m. Kalu Ganga Development (additional loan). To construct a reservoir to expand available water supplies for household consumption and irrigation, which will in turn boost agricultural yields and improve health indicators. The reservoir will also be used for inland fisheries.

**Tajikistan.** US\$12m. CAREC Corridors 2, 5 and 6 (Dushanbe–Kurgonteppa) Road. To upgrade a 33km stretch and construct/rebuild bridges to enable around 54,000 people in 19 villages to gain better access to jobs, marketplaces and public services.

**Tanzania.** US\$18m. Uvinza–Malagarasi Road. To pave a 51km-long earth road that serves around two million people in the Kigoma region, where agriculture is the mainstay of the economy. The upgraded road will enable year-round transport of produce and inputs and boost access to social services and popular tourist attractions.

**Vietnam.** US\$45m. Da Nang City Transport. To complete construction of the city ring road in order to boost socioeconomic development, directly benefiting over one

million inhabitants. This will also improve connectivity of the southeast and western rural regions to the city center.

**Zambia.** US\$12.4m. Cancer Treatment Centers. To build two cancer treatment centers at provincial hospitals in the cities of Livingstone and Ndola. The project will also expand the existing Cancer Diseases Hospital in Lusaka and provide new medical equipment. The new/expanded facilities will be able to handle around 9,000 additional patients.

#### Technical assistance grant approved

**Care Austria.** US\$800,000. To strengthening farmers' livelihoods and food security in Gaza through the repair of damaged infrastructure, the provision of inputs, and training and technical assistance. The project is expected to directly benefit around 7,500 people.

#### DECEMBER 20

#### Emergency assistance grant approved

**Islamic Relief Worldwide, Switzerland.** US\$300,000. To support a winterization project that will procure and distribute 2,000 winter kits to Syrian refugees, benefiting over 12,000 individuals.

### Meetings attended by OFID

#### OCTOBER 7–9

WASHINGTON DC, USA  
International Monetary Fund and World Bank Group Annual Meetings

#### OCTOBER 8

SEOUL, SOUTH KOREA  
11th Steering Committee Meeting of the Global Partnership for Effective Development Cooperation

#### OCTOBER 9–13

ISTANBUL, TURKEY  
23rd World Energy Congress

#### OCTOBER 24

VIENNA, AUSTRIA  
High-Level Seminar “Accelerating Sustainable Energy for All in Landlocked Developing Countries through Innovative Partnerships”

#### OCTOBER 25–27

KUWAIT CITY, KUWAIT  
78th Heads of Operations Coordination Group Meeting

#### NOVEMBER 9–14

MARRAKECH, MOROCCO  
22nd Conference of the Parties (COP 22) to the UN Framework Convention on Climate Change (UNFCCC)

#### NOVEMBER 10–11

VIENNA, AUSTRIA  
Vienna Migration Conference 2016

#### NOVEMBER 21

VIENNA, AUSTRIA  
50th Anniversary of UNIDO

#### NOVEMBER 24–25

AMMAN, JORDAN  
First Palestinian Resilience Conference

#### NOV 28–DEC 3

NAIROBI, KENYA  
Second High-Level Meeting of the Global Partnership for Effective Development Cooperation

#### DECEMBER 8–9

GENEVA, SWITZERLAND  
9th Annual High Commissioner's Dialogue on Protection Challenges

[www.ofid.org](http://www.ofid.org)



*Governing Board Chairman Abdul Wahab Al-Bader (center) with Director-General Al-Herbish (left) and Saeid Niazi, Assistant Director-General, Financial Operations.*

## 157th Session of the Governing Board

Meeting in its 157th Session in Vienna on December 13, the Governing Board approved some US\$385m in new financing for development, benefiting 15 partner countries. Of the total amount, US\$254m will be provided in public sector loans for 11 projects in a range of sectors, specifically: agriculture, education, energy, health, transportation and water supply. Additionally, some US\$130m was approved through the private sector window. Comprising five transactions, this sum included facilities to improve energy provision in Côte d'Ivoire, healthcare in Turkey and the transport sector in Madagascar, together with support to MSMEs in Vietnam and Sri Lanka through financial intermediaries. The remaining US\$800,000 was committed in grant financing for a project in Palestine's Gaza Strip to repair damaged farming infrastructure. Further details of public sector and grant approvals can be found in the *Diary*.



**Mr Askolani**  
Governor of Indonesia to OFID

**Mr Jean-Jacques Essono Nguema**  
Representative, Gabon



**Mr Farid Tiaiba**  
Governor of Algeria to OFID

**HE Wilson Marcelo Pastor Morris**  
Governor of Ecuador to OFID



**Mr Majed Ali Omran**  
Governor of the United Arab Emirates to OFID

LOAN & GRANT  
SIGNATURE  
photo  
gallery

**US\$13m to Burkina Faso  
for energy sector**

Hadizatou Rosine Coulibaly Sori, Minister of Economy, Finance and Development, initialled the agreement in favor of a project to reduce energy losses and provide a reliable source of power for over one million rural people.



**Benin's vegetable growers  
benefit from US\$12m  
OFID loan**

OFID Director-General Al-Herbish and Eloi Laourou, Ambassador of Benin to Switzerland, conclude the agreement, which will help small-scale farmers adopt more efficient technologies for the production, processing and storage of their produce.

### Ethiopia secures US\$20m for transport sector

Negash Kebret, Ambassador of Ethiopia to Switzerland, speaking at the signature ceremony. The financing will co-finance a road upgrading project that will improve connections in a key agricultural production area.



### US\$10.4m for road upgrade in Mali

Toumani Djimé Diallo, Ambassador of the Republic of Mali to Germany, finalized the agreement for a project that will benefit some 16,000 small farmers through improved links to marketplaces and social services.



### US\$1m grant for UNDP housing project in Palestine

From left: Roberto Valent, Special Representative of the UNDP Administrator in Palestine; HE Hussein Al Araj, Palestinian Minister of Local Government; and OFID Director-General Suleiman J Al-Herbish. They are pictured celebrating signature of the agreement in support of a project to rehabilitate housing units in East Jerusalem.



The full list of loan and grant signatures can be found on pages 37-39.

## CONFERENCE WATCH

Event: **One Young World**

Venue: Shaw Center, Ottawa, Canada

Date: September 28–October 1, 2016

by Fatma Elzahra Elshhati and Alesandra Solano

# The young leaders changing the world

With 1,300 delegates, drawn from countries around the globe, this year's One Young World (OYW) Summit once again provided a useful platform for young leaders to exchange ideas and discuss innovative solutions to many of the world's ills.

**A**fter four days of intense debate covering the issues that matter to them, this international mix of young people agreed that youth should not stand still while waiting for leaders to make a difference. It was up to them to continue the conversation around starting to resolve these issues themselves.



Former UN Secretary-General Kofi Annan

OYW is an annual gathering of young leaders, whose deliberations are facilitated by a cadre of high-profile counselors. Heading the list this year were Kofi Annan, former Irish President Mary Robinson, Muhammad Yunus and UN goodwill ambassador Emma Watson.



Justin Trudeau, Canadian Prime Minister

Canadian Prime Minister Justin Trudeau, a keen advocate of youth empowerment, opened the Summit by calling on delegates to “create a future that we will all be proud of.” He went on to announce his newly created Youth Council, stating: “[We] need your ideas, your creativity, your experiences and mostly your belief in a better future for us all.”

### What matters to us

With an agenda brought together by the delegates themselves, this year's summit tackled topics ranging from extremism to climate, justice and gender equality.

With intolerance and extremism a constant presence in modern life, the youth of today have witnessed rising violence, often also in their own communities. Almost two-fifths of the OYW community admitted to having experienced terrorist attacks in the last two years. This has caused many to live in fear.

Kofi Annan brought this issue to the fore, introducing his initiative #ExtremelyTogether, which has brought together ten young leaders from all over the world, who have been tackling this issue. The delegates called for new ideas to tackle the problem and for greater global unity.

The issue of extremism was further discussed during the Peace and Security Plenary Session, where delegate speaker Nina

PHOTOS: OYW



Nina Forgwe

Forgwe from Cameroon expressed her dedication to promoting peace through education. Nina, one of 25 OFID-sponsored delegates, reminded her peers to use their voices. “Young people play a vital role in countering and preventing violent extremism,” she stressed.

Hassan Hassan from Sudan, another OFID delegate, voiced his story during open floor discussions following the Transformation and Innovation in Latin America Panel. This session gathered Latin American presidents to discuss democracy, regional cooperation, and socioeco-

Hassan Hassan



conomic development in the region. Hassan delivered an emotional statement urging for an end to violence in Sudan: “The genocidal acts that I experienced must be known, and I want more than anything to see peace in Sudan. I believe that uniting Sudanese youth into a movement can help to achieve that.”

During the 2015 OYW Summit, delegates urged world leaders to make a global commitment to address climate change at the Paris COP21 convention. This year, the environment session discussed how new technologies could enable economies to develop alternative solutions.

OFID-sponsored delegate, Enass Abo-Hamed from Palestine addressed the audience during the Environment Plenary Session. Enass, who works on projects involving technologies with zero carbon emissions, explained the importance of such technologies for the vulnerable and poor in developing countries. “Some 1.2 billion people in the developing world don’t have electricity for cooking, lighting, studying, or medical treatment. This urgency drives an increasing dependency on polluting and emitting fuels like diesel,” she stated.

Mary Robinson, former Irish President, also joined the discussions, hosting her own session to urge delegates to take a “people-centered” approach to addressing the issues of climate change. ▶



Enas Abo-Hamed



OFID's special session on Refugee Heroes was moderated by Pakistani journalist and activist, Fatima Bhutto.

## Refugee heroes

◀ Many of this year's sponsored delegates came from refugee backgrounds. As the only organization to cast light on this issue, OFID hosted a special panel session for this underrepresented youth group. Entitled 'Refugee Heroes,' it was chaired by Pakistani journalist and activist, Fatima Bhutto. Introducing the session, Bhutto cited an eye-opening statistic: "One in every thirteen of us is a refugee," she said. Pointing out that developing countries had taken in the majority of the world's refugees, she stressed that this was a burden that must be shared.

The session brought onto stage four inspiring young people who had overcome extreme hurdles to realize their dreams. The session was dedicated to highlighting their stories and calling to action the 1,300-strong audience to be part of the solution.

OFID sponsored delegate, Hani Al Moulia, left Syria as a teenager in 2012 with only his high school diploma. He described his life as being "interrupted" when he found himself in a refugee camp instead of pursuing his university studies. Hani, who resettled in Canada over a year ago, was announced as one of the inaugural members of Prime Minister Trudeau's diverse Youth Council. "I believe it is important to give back to the country that has given me this chance," he said. "Youth are powerful, and it is our mission to give direct advice on what youth [in our country] needs."

At a time when over 65 million people have been displaced, 2016 placed the spotlight on refugee issues. This year ten young athletes competed as part of the first Refugee Olympic Team at the Rio Games. OFID sponsored two of the athletes, Anjelina Nadai Lohalith, and James Nyang Chiengjiek to attend OYW and share their stories of struggle and persistence.

The Olympic team was the first of its kind in history to represent the refugee 'nation.' This special representation has given thousands of dedicated sportsmen and women a beacon of hope that they can continue to work

Anjelina Nadai Lohalith





towards and achieve their dreams. “People often see refugees in a negative light,” said Anjelina. “They forget that being a refugee is simply a matter of status and this status can be changed.”

Anjelina and James sought refuge in Kenya after fleeing civil war in South Sudan. They were both selected from the Kakuma refugee camp, the second largest in the world, to train with the Tegla Loroupe Peace Foundation. “Before being selected I had never heard of the games,” shared Anjelina.

“Sports brought us together,” said James. “We take care of each other and want to show that we love unity.” He admitted that training for the games had been no easy task for the athletes, who lacked proper running shoes and equipment. “But if you commit yourself you will make it,” he told the audience. Both athletes aim to compete again in the 2020 Olympic Games.



Meron Semedar

Meron Semedar, an Eritrean refugee based in San Francisco, has devoted himself to advocating for the plight of refugees. “Let’s not see refugees as a burden,” he told the room, adding: “Refugees come with a lot of rich culture, diversity and entrepreneurship.” Meron is the founder of Lead Eritrea and has supported young refugees to receive tertiary education. During the session, Meron shared the challenges he has faced because of a lack of proper documentation.

## Beyond asylum

Each year, the summit offers a number of internal breakout sessions, which provide delegates with the option to delve deeper into the topics that matter to them. OFID hosted one such session titled ‘Beyond Asylum: Solutions for the Integration of Refugees.’

The aim of the session was to raise awareness about the challenges faced by refugees and work together on solutions to their integration based on real-life experiences and examples from the delegates.

Speakers from the *Refugee Heroes* session joined as special guests to expand on the discussion. Hani, James, Anjelina and Meron were

given an opportunity to further spread their message and receive more questions from participants. Those who attended were all interested, or already involved, in improving the lives of refugees, or developing initiatives to help them adapt to their new environments.

OFID delegate George Zeidan from Palestine described his experiences as a Palestinian, born and raised in the old city of Jerusalem. George is co-founder of the Right to Movement campaign that initiated the Palestine marathon, and his passion is advocating for human rights, women’s rights and sport. Pointing out that there were Palestinians who had been living in camps since 1948, he noted: “People living in the refugee camp in Bethlehem, where we share the same language and religion, are still not fully integrated within society even after 67 years.” Through organizing marathons, George aims to bring awareness to the Palestinian struggle and offer a welcoming environment to promote the free movement of people, particularly women.

Another delegate, Alexander Lange, OYW Ambassador from Germany, shared his experience with integrating refugees in Germany. After learning that most refugees traveled with their smartphones, Alexander started working with companies to develop phone apps to help the integration process. These apps offered housing, jobs, education opportunities and many other forms of support. The problem was that the majority of refugees have no phone provider and therefore no access to data services. Said Alexander: “Technology can be a useful tool for integration, but there are many obstacles to overcome.”

Participants in the breakout session agreed that building emotional wellbeing and resilience was a key factor for refugee integration. “Refugees flee because they want to live, but being confined and labeled as refugees adds another constraint to settling in a new home,” said one participant.

The group further agreed that the negative connotations widely associated with the term ‘refugee’ was something that had to change and that acceptance was a key factor for integration.

The 2017 OYW Summit will be held in Bogota, Colombia, October 4-7. ■



George Zeidan

Event: **2nd High-Level Meeting (HLM2) of the Global Partnership for Effective Development Cooperation (GPEDC)**

Hosted by: Government of Kenya

Venue: Kenyatta International Convention Center, Nairobi, Kenya

Date: November 28–December 1, 2016

by Audrey Haylins



# Global Partnership recommits to vision of effective development cooperation

The Nairobi Outcome Document of the GPEDC’s Second High-Level Meeting sets out a blueprint for enhanced action by all stakeholders to support the achievement of the Sustainable Development Goals (SDGs) through more effective partnerships.

**A**ttended by more than 2,500 participants from over 130 countries, HLM2 underlined the importance of monitoring frameworks and country-led data to support national strategies and evidence-based development interventions.

Speaking at the opening session, UNDP Administrator, Helen Clark, said that to realize its ambition, “the Global Partnership must focus on the country level and translate its objectives into meaningful action on the ground.”

UNDP Administrator, Helen Clark



PHOTO: UNDP

While noting improvements in transparency and inclusiveness—two of the GPEDC’s four main principles—Clark criticized the lack of progress in the predictability of aid flows and the uneven progress in strengthening country systems. “These deficiencies undermine accountability for results,” she warned.

Clark went on to highlight three areas that warranted greater attention. The Partnership, she stressed, must intensify its country focus; it must unleash the untapped potential of multi-stakeholder participation; and, it must bolster existing relationships and facilitate new ones, including North-South, South-South and Triangular Cooperation.

The Nairobi Outcome Document calls for urgent action on all of the GPEDC’s four principles. First, to accelerate progress in strengthening country ownership of development priorities, the Partnership will: work with parliaments to improve their scrutiny of development cooperation and empower local governments to localize the SDGs; develop and support transparent, accountable and inclusive national development strategies, and encourage the alignment of all partners to those strategies; strengthen and use country systems, improve



PHOTO: UNDP

harmonization among providers, and support the inclusion of the local business sector and civil society in procurement processes.

Second, to strengthen the focus on results, the Partnership will: further develop and use country-level results frameworks and progressively adapt these to reflect the targets and indicators of the SDGs; further develop and use national statistical systems and generate disaggregated data to report on progress.

Third, to promote inclusive development partnerships, the GPEDC will increase efforts to ensure an enabling environment for all partners, including parliaments, local governments, civil society, the business sector, philanthropy and trade unions.

Fourth, to strengthen transparency and accountability, the Partnership will: improve the publication of open data on development cooperation and support the use of this data by all relevant stakeholders; update mutual accountability arrangements at country level; improve the capacity of local authorities and governments to provide transparent information to citizens on the use of resources; support the business sector to adopt transparent and accountable management of public and private funds, and to account for the social, environmental and economic impact of its value chain.

The outcome document also commits the Partnership to investing in science, technology and innovation as a driver of effective development cooperation. And it highlights the need for special attention to fragile and conflict-affected countries, as well as to gender equality and the empowerment of women, and to children and youth.

During the meeting, Malawi, Mexico and the Netherlands handed over the GPEDC Co-Chairs to Bangladesh, Germany and Uganda. ■

## OFID at HLM2

Representing the Arab Coordination Group, OFID participated in two special sessions in Nairobi.

In the High-Level Interactive Dialogue “Unleashing the potential of development cooperation to attract private investment,” OFID Assistant Director-General Fuad Albassam addressed some of the key issues.

Noting the diversity of private sector resources and, likewise, the differing requirements of developing countries, he argued in favor of “a strong and result-oriented cooperation framework with a caucus at global level and public-private partnerships at local level.”

Together, he said, these would facilitate the mobilization of private sector investments and its institutional capacities.

Albassam also spoke on the role of development finance institutions (DFIs) in creating an enabling environment for private investment. A prerequisite of such investment, he stated, was sound government policies and effective public services—both of them areas in which DFIs could help.

“DFIs not only support the development of infrastructure and utilities, which eventually offer the logistics to make private investments competitive, they also contribute to the formulation of policies and regulations, to the financing of private sector investments and to their de-risking,” he stated.

For these reasons, Albassam argued, “We suggest the involvement of DFIs in any form of cooperation platform.”

In the workshop “Monitoring effective development cooperation: what have we achieved; how can we do better?” Albassam reported on the outcome of the development providers’ conference hosted by OFID in preparation for HLM2 (see story, page 29).



Fuad Albassam, OFID Assistant Director-General



PHOTO: OFID/LUKAS HÜLLER/CHILD OF PLAY

# House of dreams

In October, OFID continued its Equal Dreams campaign with a series of creative workshops at a school in Amman, Jordan, where almost half the pupils are Syrian refugees.

BY REEM ALJARBOU

**A**mmann's Al Arqam School is a Madrasati school, one of dozens supported under an initiative of the same name, which is being implemented under the auspices of Jordan's Queen Rania Foundation. Madrasati, which in Arabic translates to 'my school,' aims to better equip schools in Jordan to make them more inspiring learning environments. Like many schools in the country, Al Arqam has accommodated an influx of Syrian pupils, who now account for almost half of the student body. And like other schools, Al Arqam is offering an extra afternoon shift to give these students an equal chance at a good education.

In recognition of the immense challenges faced by refugees, OFID dedicated 2016, the year of its 40th anniversary, to highlighting the plight of refugees. Approximately half of the 19.5 million globally registered refugees are children and youth. Against this background, and together with the Child of Play Initiative, OFID launched the Equal Dreams campaign specifically to address the challenges of being a refugee from a child's perspective.

In October, a team of artists from Child of Play executed the Equal Dreams project in the Al Arqam school, engaging over 140 Jordanian and Syrian pupils. The project built on OFID's ongoing support to Jordanian educational institutions through Madrasati, by adding a capacity building component that benefits both the students and teachers. Together with the artists, the children at Al Arqam school participated in art, sculpting and acting workshops. The workshops focused on the theme of Equal Dreams, specifically on the concept of 'home.'

## What is 'home?'

The workshops inspired creativity and action. By working together in groups, the children developed and communicated their dreams through a variety of activities. Children were encouraged to think imaginatively about what home means for them. In the workshops, the students translated their ideas about home and their future into powerful imagery.

After drawing their dream homes, Jordanian and Syrian children continued working together to transform their dreams into reality. The workshops entailed art, sculpting, and theater. The head of Al Arqam school, Sawsan Abu-Hammad said that the dream of every school principal is to help students achieve their dreams. "The workshops enabled them to have an outlet to share their dreams creatively, and opportunity for an experience in a space outside of their normal activities," she explained.

OFID's Equal Dreams campaign encourages intercultural dialogue and in doing so responds directly to the pressing social challenges surrounding refugees. Through visuals, the campaign brings together children from different backgrounds—refugees and non-refugees—to promote the equality of all children's dreams.

In the Amman workshops, the artists focused on the UN Convention on the Rights of



Sawsan Abu-Hammad, Head of Al Arqam school (standing left)

the Child, which ensures the rights of all children to play and to an education. Promoting and safeguarding these rights is imperative, especially for the millions of children displaced from their homes.

The theme of home was a recurring one for the children participating in the workshops. Founder of the Child of Play Initiative, Lukas Hüller stated that working with young individuals in their expression which is bigger than them, is something that transcends cultural and social borders.

"When working creatively with children, education about empathy is released. These ►

PHOTO: OFID/MICHAEL ZANANIRI AND YOUSEF HAMMAD



*The children were encouraged to express themselves through several forms of art.*



Tala Sweis, Director of the Madrasati Initiative

◀ activities are combined with a final target which all children take part in and for which the children are the main protagonists—the final image. This is what children will not forget, especially in circumstances where social and ethical values are at stake unfortunately. We hope this positive memory between Jordanian and Syrian students might be a symbol for everyone. To give voice to children and enable them to build their future.”

With over 226,000 registered refugee children, Jordan has taken on the brunt of the Syrian crisis. Yet, despite the generous efforts of the government, schools continue to struggle with the intake of students. OFID’s assistance to Madrasati has enhanced the learning environment in eight public schools in five governorates. OFID’s assistance has been essential in aiding those schools that are facing increased burdens due to the large number of enrolled Syrian refugee pupils. Tala Sweis, Director of the Madrasati Initiative said: “Historically, Jordan has been the house and home of so many different nationalities. Today, with this event and the children here, it proves to be the home again for both Jordanian and Syrian children.”

## A safe space

The two week-long, intensive workshops were completely driven by the children’s expressions of their dreams and hopes, as guided by the support of the artists. The growth of their ideas and aspirations slowly developed in correlation with educative concepts of art and play. Youmna, an 11 year-old student from Syria shared the value of safety and stability in her life, and what family means to her: “We are the children of the future, we have capabilities and it is up to us to harness this and make our own situation better.”

The final image, as driven by the children, resulted in their wish for their ‘Dream Home,’ a colorful house within a sun, surrounded by animal sculptures and an outdoor play area. The team took the house up to the Citadel of Amman, and role-played their dreams in the final image. The house was later transported back to Al Akram school. The house is now a quiet zone—a safe space where children of all ages can enjoy activities such as music, reading and art. Eleven year-old Boudoor summed up her experience: “We learned that we can color our lives, just as we colored this dream home.” ■

PHOTOS: OFID/MICHAEL ZANANIRI AND YOUSEF HAMMAD



# GIZ in the Arab World

*The Quarterly* recently caught up with representatives of GIZ—the German development cooperation agency—to talk about their work in the Arab region and specifically with Syrian refugees in Jordan. OFID’s **Nadia Benamara** spoke with **Michaela Baur**, GIZ Country Director for Jordan and Lebanon, and **Elvira Ganter**, Head of GIZ’s Cooperation with Arab Donors Program in the MENA region.

**OQ:** More than 630,000 refugees have sought shelter in Jordan since the start of armed conflict in neighboring Syria. What kind of challenges does this present?

**MB:** Only some 17 percent of refugees in Jordan currently live in camps. Most live in regular communities, primarily in the northern parts of the country. Some municipal populations—Mafraq, for example—have actually doubled in size as a result of the ongoing Syrian crisis. This puts enormous strain on all kinds of services, from education, water, health, housing and food to labor markets. Competition is high and rents in some communities have increased by as much as 300 percent. This is a very severe situation for vulnerable Jordanian families as well. Our current efforts are focused on trying to reduce these pressures and improve capacities for Jordanians and Syrian refugees alike.

**OQ:** OFID recently partnered with GIZ on the Jordan River Foundation’s Madrasati Initiative. It targets Jordanian public schools that enrol a high percentage of Syrian refugee children. What is special about this cooperation?

**MB:** Education is a very important issue. On the one hand it’s a question of access, on the other a question of quality. Teachers in these schools are enormously stressed. They’re dealing with very large classes, double-shifts and many other issues. GIZ is focused on teacher training and after-school programs because we have a lot of experience in this field, but OFID’s contribution [to infrastructure] is equally criti-



Michaela Baur

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*“A beautiful side-effect of the training is that it’s become a meeting point for Jordanian and Syrian women to exchange views and make friends.”*

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cal. I think it’s a very beautiful project because we’re really sharing responsibilities, coming up with a comprehensive approach for improving the general learning environment as well as the quality of education for these children.

**OQ:** One of the more innovative ways GIZ is currently supporting Jordanian and Syrian refugee communities is through Water Wise Plumbers (WWP). How did this project come about?

**MB:** We developed the idea for WWP in response to a demand from Jordan’s water sector. Water is a very scarce resource here and inadequate systems continue to result in substantial water losses. Many of these losses actually take place at the household end. We wanted to support people by training them to cater for themselves and their neighborhoods. WWP has since evolved into an employment creation program that works with local vocational training centers.

**OQ:** Jordanian and Syrian women are also enrolled in WWP. Was this always part of the plan?

**MB:** This was a very interesting experiment that many people said could not possibly work. It addresses a very real challenge, which is that women cannot call a male plumber to their household unless a male relative is present. In the meantime, people have become really invested in the idea and very happy about its outcome. We extended the program to Syrian refugees when the crisis erupted. A beautiful side-effect of the training is that it’s become a meeting point for Jordanian and Syrian women to exchange views and make friends. ▶



Elvira Ganter

PHOTO: OFID/MICHAEL ZANANIRI AND YOUSEF HAMMAD

◀ **OQ:** *GIZ established its Open Regional Fund for Cooperation with Arab Donors in the MENA region (CAD) prior to the ongoing refugee crises. What was the initial impetus for this program?*

**EG:** CAD was founded in response to enormous regional funding gaps for the Millennium Development Goals. Arab and Western donors (organized as the OECD-DAC) regularly attended joint high-level meetings but there wasn't much actual cooperation on the ground. We wanted to bring people closer together: create networks, strengthen synergies and implement joint projects. We didn't initially expect it to go as well as it has because Arab donors are a very large and powerful group with their own coordination bodies. They don't necessarily need our funding. Of course, the unfolding refugee crisis made it very clear to all of us that we would have to rely on each other. No one can shoulder these enormous challenges on their own.

**OQ:** *How has the CAD program evolved since?*

**EG:** What started as a developmental cooperation has become more political, involving higher-level decision makers in Germany as well. GIZ has now concluded several memorandums of understanding with multilateral organizations, such as OFID and the Islamic Development Bank, and cooperation agreements are currently under discussion with bilateral donors such as the Saudi Fund and the Abu Dhabi Fund, and some of the major NGOs and Foundations in Gulf countries. They have great regional influence and are doing a lot to support

refugees and hosting communities in countries like Jordan and Lebanon.

**OQ:** *Many of these same organizations (including OFID) participated in your recent workshop on "Supporting Resilience in Jordan." This type of knowledge-sharing is a clear priority for GIZ. Did you learn anything new as a result?*

**EG:** One very positive outcome was a recommendation that donors regularly report their activities back to the Jordanian Ministry of Planning and International Cooperation. This will help bridge current information gaps and provide the Ministry with better overview of how different donors are contributing. Another outcome was that we could clearly identify areas of common interest. The more we learn about the way we all operate, the better we're able to develop joint ideas and innovative approaches.

**OQ:** *OFID and GIZ collaborated on ARABTERM: The Arabic Technical Terminology Dictionary in 2015. What purpose does it serve?*

**EG:** Every country in the Arab world has a unique vocabulary. A particular term in a Gulf country can mean something very different in Morocco. When it comes to technical issues, they often refer to English or French rather than their own Arabic language. This project was an effort to build up a knowledge society in Arab countries, to unify terminologies, which can then be used in training, whether at the vocational or university level. Now we have a unified language of technical terms for engineering science, car mechanics, water and irrigation, renewable energies etc. ■



*GIZ's "Water Wise Plumbers" project encourages women to learn the plumbing skills needed to help themselves and their communities.*

PHOTO: GIZ



# The rise of Algeria's scientific capacity

Algeria's scientific research sector has made progress recently, after a long period of funding delays and stalemates due to a weakening governance system.



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**P**rior to 2008, the budget for scientific research was very poor, receiving only 0.28 percent of the country's GDP. The sector's deterioration was reflected in Algeria's meager scientific outcome, for example the lack of scientific publications and patents registered by researchers. It was also reflected in weak cooperation and networking among research institutions such as universities and research centers on the one hand, and the state's economic and social sectors on the other.

In the beginning of 2009, signs of progress appeared, after the government implemented a special strategy to improve the quality of scientific research and promote it until 2017.

To discuss the most important pledges, achievements and new trends in Algeria's scientific research, *SciDev.Net* interviewed Abdel Hafidh Aouragh, director of scientific research and technological development in the Ministry of Higher Education and Scientific Research.

**SDN:** *To begin with, could you introduce us to the status of the scientific research sector in Algeria before 2008?*

**AHA:** Scientific research was missing from Algerian economy and society until 1998 when the first law for scientific research was issued, giving priority to the establishment of a national fund to finance the sector. During the first five-year plan, from 1998 to 2002, the work focused on making the concept of scientific research operational "on the ground," and on the creation of institutions to put it in practice through estab-

lishing laboratories, funding research, and hiring researchers.

**SDN:** *Does this mean that the low spending on scientific research was the reason behind its poor status?*

**AHA:** Of course, funding was a major impediment which stifled much progress in scientific fields. Infrastructure for scientific research was poor, or in other words, the infrastructure did not support the production of knowledge and the devel-

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*"Since the creation in 2009 of the General Directorate for Scientific Research and Technological Development, we have increased the number of research labs in Algerian universities from 600 to 1,400. ."*

ABDEL HAFIDH AOURAGH

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opment of technology. Therefore, we went through a stage of apparent weakness in the sector until 2008.

After that, the second five-year plan for scientific research was issued, extending from 2008 to 2012, which saw the creation of the General Directorate for Scientific Research and Technological Development in 2009. The Directorate focused on ensuring the advancement of scientific research by strengthening the country's scientific and technological capacity, identifying and providing the necessary research and development

methods, appraising the results of this research, and supporting the state's funding for all activities related to research and development. All this required spending on the sector, which reached 0.5 percent of the GDP.

**SDN:** *So what has changed after that spending and the strategy designed to advance scientific research?*

**AHA:** Putting in place infrastructure for the scientific research sector was among the priorities of the Directorate. This was in order to present an integrated national system for research, increase the number of researchers and academics, and upgrade scientific equipment and enterprises. Now, we can say that the results are satisfactory.

We have increased the number of research labs in universities from 600 in 2008 to 1,400 in 2016. Now, all Algerian universities have research laboratories equipped with world-class research tools in all fields and disciplines. This has come with an increase in the number of researchers in all disciplines—from 1,200 to 30,000 professors in universities. In addition, there are now 60,000 doctorate students in the country.

Outside university campuses, there are 30 research centers at the national level, employing 2,500 permanent researchers. These centers are concerned with applied research and technological development in particular.

These developments have also reflected positively in the number of scientific publications, where we moved from 12,000 research papers published ▶



PHOTO: ANDREW TESTAPANOS PICTURES

*Many labs have opened commercial branches to market their research products to the economic sector.*

◀ in high-profile scientific journals in 2008 to 45,000 in 2015. The rate of growth in scientific publications in Algeria is deemed one of the highest globally. Algeria was also ranked highly in scientific publications among African countries, taking first place in some disciplines such as physics, chemistry, engineering and mathematics.

Along with all these developments, a special fund has been dedicated to the establishment of specialized scientific bodies and international partnerships—most recently supporting the inauguration of the UN International Institute for Research and Sustainable Development at the end of 2015, which gives a strong boost to the engine of scientific research.

**SDN:** *But the gap between scientific research and social and economic sectors still exists. Is there a plan to bridge it?*

**AHA:** This was one of the weaknesses of scientific research in Algeria, which we are now working to address through turning scientific ideas into a products or services. We have started to adapt scientific objectives to development, economic and social objectives, mobilizing the scientific

community and ensuring it is equipped within the research frameworks approved by law, in addition to improving the funding system to match that goal.

**SDN:** *You spoke about funding and also other activities — what has been achieved in this regard?*

**AHA:** For example, we entered into many partnerships with public and private economic enterprises, through which researchers can implement their theoretical research in technological projects to develop Algeria's industry. We are also working to create a research climate within enterprises, with mixed research teams that include members of scientific laboratories as well as economic and industrial enterprises. There are also financial incentives and tax exemptions, deducted from the National Scientific Research budget, which can be channeled to institutions wishing to invest in the field of scientific research.

All the mechanisms we have implemented are working toward this goal, as some companies have already started to establish research laboratories in collaboration with scientists at universities and

research centers—one example is Sonatrach, one of the country's major oil companies. Many laboratories have also started to open commercial branches to market their research products and offer their services to the economic sector, relying on the financial return of those products for funding.

**SDN:** *This leads us to discuss improving working conditions for researchers in the country. What steps has the state taken to encourage those who have migrated to return?*

**AHA:** I can confirm that confidence in Algerian researchers has returned: the number of economic institutions that resort to Algerian research laboratories to find solutions to their problems, or for innovations to increase efficiency of their production, has been on the rise. Algerian researchers have proven reliable and efficient in using knowledge to develop the country.

It is true that the number of researchers returning to Algeria is very low. Yet we believe that building a strong research system can only be achieved through the development of human capacity in Algeria, creating an environment that encourages creativity and innovation as the only means to promote Algerian scientific research.

There are indications of stability in human resources at universities and research centers due to an improvement in the living standard of research professors.

The Algerian government is still working to design policies to reverse the brain drain by linking advanced scientists to research centers and economic institutions in the country, using them to transfer technology and knowledge. The aim is to provide professional and social conditions at a level equivalent to their work abroad.

In 2012, the General Directorate for Scientific Research and Technological Development kicked off a program to support young researchers and affiliate them with foreign academic institutions. The Directorate has also created the "President of the Republic Award" in specific fields of science, to reward scientists for new ideas and help implement their projects at home. ■

## GE Kuwait Technology Center promises to drive innovation in power sector

The mid-October opening of the General Electric Kuwait Technology Center (GEKTC) marked a milestone in Kuwait's partnership with the US-based multinational.

BY NADIA BENAMARA

Approved by the Kuwait Direct Investment Promotion Authority (KDIPA) last year, the 6,000 sqm facility in Sulaibiya is the first of its kind outside the US for GE. The state-of-the-art facility will foster localized research, training and support for the power sector.

GEKTC includes a training center supporting over 900 students and technical professionals as part of a new agreement signed with Kuwait University; a tooling center to offer repair and maintenance services; and an engineering center for cutting-edge research and development.

"This technology center reflects the commitment that both the Ministry of Water and Electricity and GE have to promote, develop and sustain future Kuwaiti

and international talents to serve the power industry in the Middle East region, with future prospects to serve the world," said Kuwait's Minister of Electricity and Water, Ahmed Al Jasser in a statement to the press.

GEKTC's tooling center will provide maintenance and modification for GE and non-GE gas and steam turbines and generators, support Kuwaiti SMEs by working with local suppliers, and reduce tool delivery times by up to 90 percent according to the company.

The engineering center, which includes the Middle East's first troubleshooting and simulation laboratory, will focus research and development on 'Hot and Harsh' conditions that have a critical impact on the reliability and efficiency of regional power plants.

It will also serve as a hub for collaboration with Kuwaiti researchers, industry and software developers on the development of digital industrial solutions for the power industry.

KDIPA Director General Meshaal Jaber Al-Ahmad Al-Sabah said: "[GEKTC] is a strong investment by one of the world's leading companies, highlighting the strong competitiveness of the Kuwaiti economy."

Al-Sabah also remarked that the center complements the goals of KDIPA in promoting inward investments that ensure transfer of technology and develop Kuwaiti talent and skill, in alignment with the country's national vision and development priorities. ■



Dignitaries and GE executives at the opening of the flagship facility that will foster localized research, provide hands-on training and build an innovation ecosystem specifically for the power sector.



Dr Mohammed Bin Saleh Al-Sada (*second from right*), President of the OPEC Conference and Minister of Energy & Industry, Qatar; Mohammad Sanusi Barkindo (*right*), OPEC Secretary-General; Eng Mohamed Hamel (*left*), Algeria's Governor for OPEC and Chairman of the OPEC Board of Governors; and Alexander Novak (*second from left*), Minister of Energy of the Russian Federation.

## OPEC celebrates landmark oil agreements

OPEC has made history with the signing of two milestone accords that unite more countries than ever before to level oil production for increased global oil market stability.

By JUSTINE WÜRTZ

**T**he first accord was reached at the 171st Ordinary Meeting of the OPEC Conference, which convened at the OPEC Secretariat in Vienna on November 30. After intensive discussions, Member Countries agreed to cut total oil production by 1.2m barrels/day effective from January 1, 2017.

“OPEC fully appreciates the importance of bringing forward the rebalancing of the fundamentals and returning sustainable stability to the market,” said Conference President and Qatari Minister of Energy and Industry HE Dr Mohammed Bin Saleh Al-Sada. “This will be beneficial to our economies, the global oil market and the world economy as a whole.”

Following the ‘Vienna Agreement’ of the OPEC Member Countries, Ministers from OPEC met with a number of Ministers from non-OPEC oil producing countries on December 10 to encourage their participation in a supplementary deal.

Led by the Russian Federation, 11 countries agreed on the shared aspiration, in the interest of all oil producers and consumers, to increase oil market stability. They also recognized that strengthened cooperation and aligned production levels would be required to achieve this.

## OPEC/non-OPEC deal

The resulting accord sees Azerbaijan, the Kingdom of Bahrain, Brunei Darussalam, Equatorial Guinea, Kazakhstan, Malaysia, Mexico, the Sultanate of Oman, the Russian Federation, the Republic of Sudan, and the Republic of South Sudan, agree to reduce their oil production for the first six months of 2017, extendable for another six months. The partners will cut aggregate output by some 558,000 b/d.

“We are happy to announce that a historic agreement was made here today,” proclaimed OPEC Conference President Al-Sada at the press conference following the day-long OPEC/non-OPEC Ministerial Meeting.

Such an agreement between OPEC and non-OPEC countries has not been made since 2001.

Said Al-Sada: “The agreement stemmed from the sense of responsibility toward the rebalancing of the international oil market which will lead to positive results, not only for producers and exporters, but also for the consumers and the health of the world economy, which we all require.”

The agreement signed on November 30 between OPEC Member Countries to reduce production, is the first of its kind since 2008, when Member Countries responded similarly to the onset of the global financial crisis.

“We had great success today,” Conference President Al-Sada told media representatives gathered in the OPEC press room after the meeting.

“With the cooperation and understanding of all our Members, we have been able to reach an agreement ... that is a major step forward.

“We feel in OPEC that this is a historic moment which will definitely help in the rebalancing of the market, especially in reducing the stock overhang,” he declared.

The ‘Vienna Agreement’ follows the ‘Algiers Accord’ that was decided at the 170th (Extraordinary) Meeting of the OPEC Conference in September 2016 in Algeria. The Accord established a High-Level Committee to form consensus among OPEC Member Countries on the basis of a proposal put forward by Algeria to implement a new range of targeted production levels.

The report of the High-Level Committee was presented at the 171st meeting in Vienna along with other reports and documents, including the report from the Board of Governors on the second five-yearly Review of OPEC’s Long-Term Strategy.

Following intensive review of these reports—and in line with the ‘Algiers Accord’ to accelerate the ongoing drawdown of the stock overhang and bring the oil market rebalancing forward—the Conference decided to implement the new production targets with a ceiling of 32.5m barrels/day for the first six months of 2017.

## Renewed commitment

Member Countries, in agreeing to this decision, confirmed their commitment to a stable and balanced oil market, with prices at levels that are suitable for both producers and consumers.

They also agreed to institutionalize a framework for cooperation between OPEC and non-OPEC producing countries on a regular and sustainable basis. This led to the meeting with non-OPEC oil producing countries at the OPEC Secretariat in December.

“Our discussions with the participating non-OPEC countries were transparent and constructive and culminated in today’s successful ►

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*“Our discussions with the participating non-OPEC countries were transparent and constructive and culminated in today’s successful agreement.”*

DR MOHAMMED BIN  
SALEH AL-SADA

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*Dr Mohammed Bin Saleh Al-Sada, President of the OPEC Conference and Minister of Energy & Industry, Qatar.*

◀ agreement,” Al-Sada told the media following the December 10 meeting.

Diplomacy work of the OPEC Secretary-General, HE Mohammad Sanusi Barkindo, who engaged in extensive talks with both OPEC and non-OPEC producers, contributed to attaining consensus among all producers.

“It has been a process that involved extensive consultations, until we reached the conviction that everybody was not only willing to sign this agreement, but was also extremely enthusiastic in doing so,” explained Saudi Arabia’s Minister of Energy, Industry and Mineral Resources, Khalid Al-Falih.

Speaking also at the press conference Al-Falih said that he was “delighted to have been part, not only of this agreement today, but more importantly of the process that has culminated in what has already been termed by people as historic.”

Speaking on behalf of the group of non-OPEC countries, Alexander Novak, Minister of Energy of the Russian Federation agreed that it was a truly historic event. “It is the first time so many countries from different parts of the world producing oil have gathered together in one room to accomplish what we have,” he said.

“There have been numerous talks and discussions which have allowed us to arrive at this point,” added Novak, explaining that the process had started at the beginning of 2016.

“We believe that today’s agreement will speed up the rebalancing of the market, which is happening as we speak. It will help stabilize the market and reduce volatility and speculation and improve the climate for new investment in the oil industry globally.”

He continued: “Our actions have been carried out in both the interests of producers and consumers and the primary goal of what we do here is to ensure a stable and safe supply of energy to the world economy.

“And after today’s deal, I think it would be safe to say that the relationship between OPEC and non-OPEC countries has reached a new peak, and this creates a foundation for future medium- and long-term cooperation.”

Al-Falih, who will be OPEC’s Conference President in 2017, said that due to the shared enthusiasm of OPEC and non-OPEC countries alike, he felt convinced “that compliance and implementation would be very high.” ■



Khalid Al-Falih, Saudi Arabia’s Minister of Energy, Industry and Mineral Resources.

## **Our vision**

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

## **Our mission**

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



**Uniting against Poverty**



## **Uniting against Poverty**

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