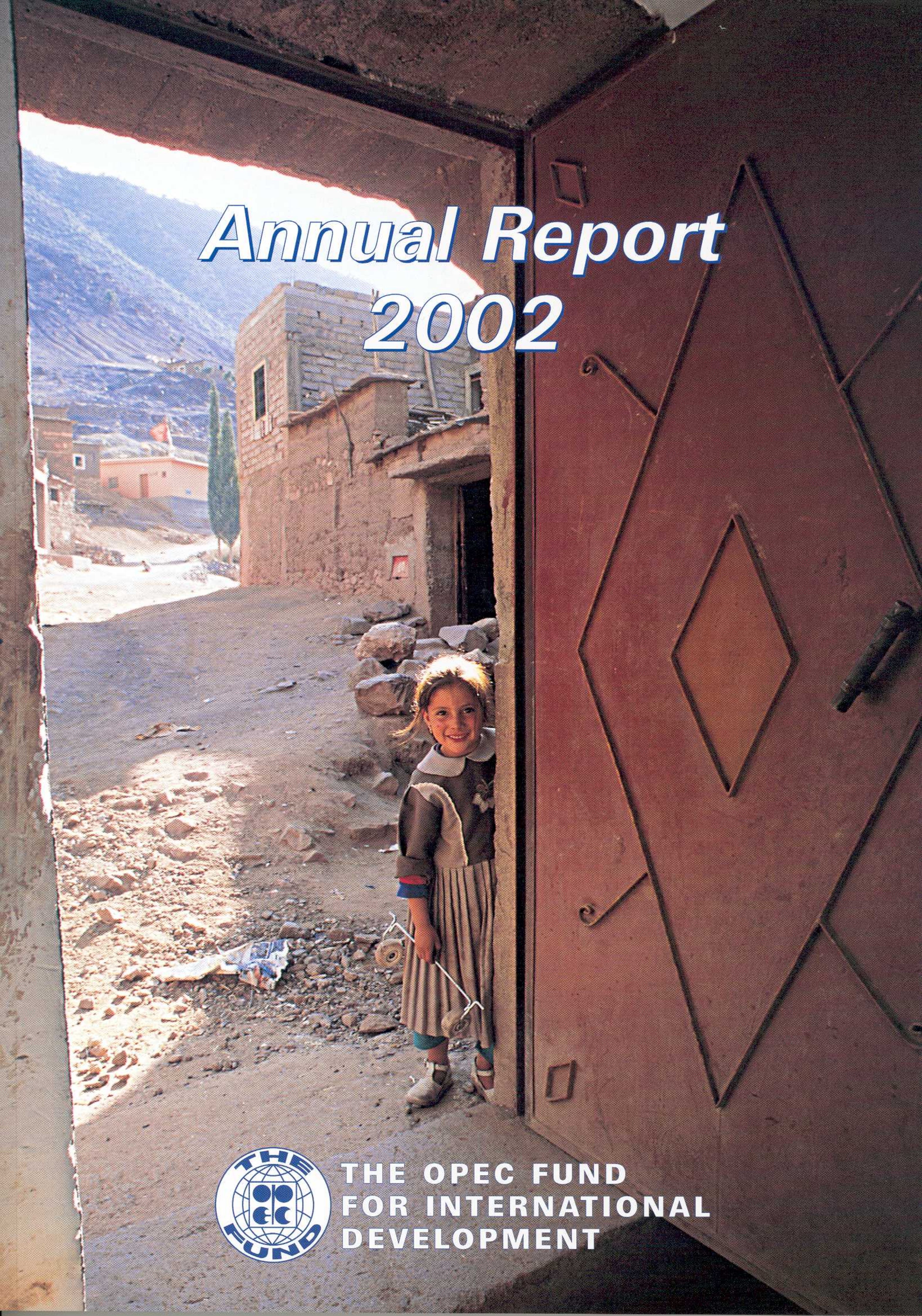
Annual Report 2002



THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

Annual Report 2002

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

The OPEC Fund at a glance

The OPEC Fund for International Development (the Fund) is an intergovernmental development finance institution. It was established in January 1976, by the member countries of the Organization of the Petroleum Exporting Countries (OPEC) following a decision taken in March 1975 by the Sovereigns and Heads of State of OPEC member countries, meeting in Algiers.

The aims

- To promote cooperation between OPEC member countries and other developing countries as an expression of South-South solidarity
- To help particularly the poorer, low-income countries in pursuit of their social and economic advancement

The means

- By extending concessionary financial assistance in the form of loans for development projects and programs and for balance of payments support
- By participating in the financing of private sector activities located in developing countries
- By providing grants in support of technical assistance, food aid, research and similar activities, and humanitarian emergency relief
- By contributing to the resources of other development institutions whose work benefits developing countries
- By serving OPEC member countries as an agent in the international financial arena whenever collective action is deemed appropriate

The resources

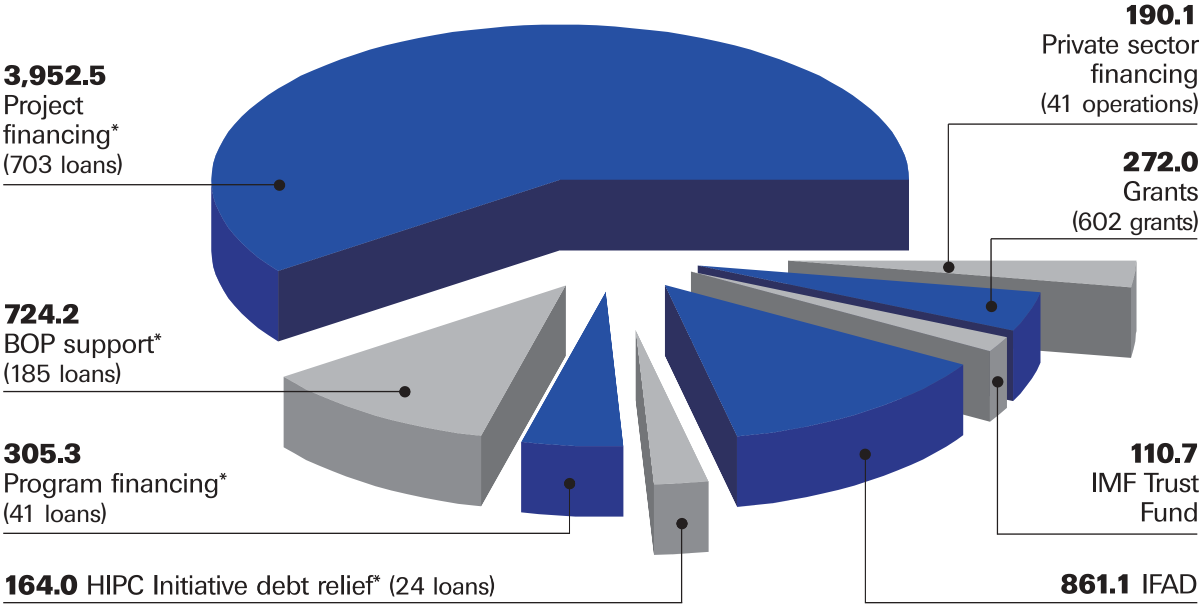
The Fund's resources consist of voluntary contributions made by OPEC member countries, and loan repayments, as well as the accumulated income derived from the Fund's investment and loans. At the close of the year 2002, contributions pledged to the Fund by its member countries totaled $3,435 million with some $2,909.5 million paid-in.

The beneficiaries

All developing countries, with the exception of OPEC member countries, are in principle eligible for Fund assistance. The least developed countries, however, are accorded higher priority and have consequently attracted the greater share of the Fund's resources. So far, 110 countries in Africa, Asia, Latin America, the Caribbean, the Middle East and Europe have benefited from the Fund's financial assistance. The Fund has also cooperated, over the years, with a myriad of multilateral, bilateral, national, non-governmental and other organizations worldwide, joining resources and efforts to assist developing countries. ●

OPEC Fund commitments as of December 31, 2002

(in millions of dollars)



* Public sector operations

Cover: Hubert Neubauer

Letter of Transmittal to the Ministerial Council

April 16, 2003

Dear Mr. Chairman:

In accordance with Article 5, Section 2 (iv) of the Agreement Establishing the OPEC Fund for International Development, *I have the honor to present to the Ministerial Council the Annual Report of the Fund for the year ending December 31, 2002.*

The Report contains a general review of the Fund's activities, a survey of its operations in 2002 and a description of its loans and grants during the year. A separate section outlines the various features of the private sector operations and describes progress to date. Statistical tables and appendices give a detailed breakdown of cumulative lending for project and program financing and balance of payments support, as well as debt relief extended within the framework of the Heavily Indebted Poor Countries Initiative. *Also listed are the grants provided by the Fund since inception in the areas of technical assistance, research and similar activities, food aid and humanitarian emergency relief, as well as those extended as donations to the resources of other development institutions. The report also contains statistical information on two new initiatives, the* HIV/AIDS Special Account *and the* Special Grant Account for Palestine. *A statement on contributions to the Fund by Member Countries, until the end of 2002, is also included.*

Yours sincerely

S. Omair

Saleh A. Al-Omair
Chairman of the Governing Board

Chairman of the Ministerial Council
The OPEC Fund for International Development

L. Cechura

H.E. Dr. Yousef H. Al-Ebraheem chaired the 23rd session of the Ministerial Council. Seated to his right is the Chairman of the Governing Board, H.E. Dr. Saleh A. Al-Omair, and to his left, the Director-General, H.E. Dr. Y. Seyyid Abdulai. During the meeting, Dr. Al-Omair announced the launch of a major Fund initiative in support of the global campaign against HIV/AIDS. Later in the year, the Council approved the creation of a special grant account for Palestine.

Ministerial Council*

Algeria	H.E. Mr. Mohamed Terbèche[1]
Gabon	–
Indonesia	H.E. Mr. Boediono
Iran, I.R. of	H.E. Dr. Tahmasb Mazaheri
Iraq	H.E. Mr. Hikmet M. Al Azawi
Kuwait	H.E. Dr. Yousef Hamad Al-Ebraheem (Chairman)
G.S.P. Libyan A.J.	H.E. Mr. Ageli Abdussalam Breni
Nigeria	H.E. Mallam Adamu Ciroma
Qatar	H.E. Mr. Yousef Hussain Kamal
Saudi Arabia	H.E. Dr. Ibrahim Al-Assaf
United Arab Emirates	H.H. Sheikh Hamdan Bin Rashid Al-Maktoum
Venezuela, B.R. of	H.E. Mr. Nelson J. Merentes D.[2]

* As of December 31, 2002

[1] Succeeded H.E. Mr. Mourad Medelci
[2] Succeeded H.E. Mr. Felipe Pérez Martí and H.E. Dr. Jorge Giordani

Governing Board*

	Representatives	Alternates
Algeria	Mr. Hadji Babaammi	Mr. Mohamed Benmeradi
Gabon	–	–
Indonesia	Dr. Darmin Nasution	Dr. Sahala Lumban Gaol
Iran, I.R. of	H.E. Mr. Mohammad Khazaee[1]	Mr. Reza Amini[4]
Iraq	H.E. Mr. Bustam Abood Al-Janabi[2]	Mr. Sabih H. Ali[5]
Kuwait	Mr. Abdul Wahab Ahmed Al-Bader	Mr. Fawzi Yousef Al-Hunaif
G.S.P. Libyan A.J.	Mr. Ahmed Mohammad Saad	Mr. Ayad Mohamed Shetwi
Nigeria	H.E. Mrs. T. A. Iremiren	Mr. Alhaji Suleiman D. Kassim
Qatar	–	Mr. Ismail Omar Al-Dafa'a
Saudi Arabia	H.E. Dr. Saleh A. Al-Omair (Chairman)	H.E. Mr. Mohammed Abdullah Al-Kharashi
United Arab Emirates	Mr. Nasser Khamis Bin Suwaidan	Mr. Abdullah Jamal Al-Gaizi
Venezuela, B.R. of	H.E. Mr. Nelson J. Merentes D.[3]	Dr. Douglas Ungredda[6]

L. Cechura

The Governing Board in session. During 2002, the Board approved over $292.9 million in traditional public sector loans and grants, plus $78.4 million for private sector operations in developing countries.

* As of December 31, 2002

1 Succeeded H.E. Dr. Mehdi Karbasian
2 Succeeded H.E. Mr. Hashim Obaid
3 Succeeded H.E. Mr. Jorge Pérez Mancebo and H.E. Dr. Jorge Giordani
4 Succeeded Mr. Abdulali Amidi
5 Succeeded Mr. Azez Jafar Hassan
6 Succeeded Ms. Angela Flores D.

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- Unless otherwise stated, "dollars" ($) refers to United States dollars.
- "Billion" means a thousand million.
- Minor discrepancies between constituent figures and totals are due to rounding.

This publication is also available in Arabic, French and Spanish.

Foreword

Fighting poverty in precarious times

The year in review was a challenging one in many respects, with society at large having to deal with both the difficulties and the opportunities of a rapidly changing and increasingly uncertain international environment.

Politically, the climate was clouded with concerns about global security issues, creating anxiety and misconceptions. Economically too, it was a trying time. Despite a slight improvement from the sharp slowdown of 2001, recovery remained subdued, with world economic developments influenced by rising geopolitical tensions, corporate accounting scandals in major industrial countries, sustained stock market declines and sinking investor confidence. Many of the Fund's beneficiary countries experienced the knock-on effects of lackluster external demand, weak prices for non-fuel primary commodities and contracting net capital inflows.

Diana Golpashin

This rather inauspicious start to the new millennium called for sound governance and bold and determined leadership on the part of decision makers at all levels. Development cooperation was needed more than ever in 2002, not only to help alleviate hardship among the poor, but also to ensure that those who have been marginalized from the mainstream of the world economy are looked after and prevented from becoming further disenfranchised.

The worrisome trends of 2002 underscored the importance of intensifying action to meet the *millennium development goals (MDGs)*. Adopted by world leaders at the *United Nations Millennium Summit* in September 2000, these encompass a number of targets for the international community to achieve by 2015, including reducing extreme poverty by half, checking the advance of the HIV/AIDS pandemic and halting environmental degradation. To focus attention on attaining the MDGs, several international summits took place in 2002, the most significant of which were the *Financing for Development (FfD) Conference* in March in Monterrey, Mexico and September's *World Summit on Sustainable Development (WSSD)* in Johannesburg, South Africa. These summits, in which both the OPEC Fund and its member countries played an active role, highlighted an emerging consensus that, to be sustainable, growth and development require *peace* and *security,* and that *global* efforts at reducing poverty and inequality must be matched by a firm determination at the *national* level. The summits laid the foundations for a new partnership between North and South based on mutual obligations and responsibilities, and spawned a renewed commitment to alleviating poverty, preserving the environment and safeguarding world peace.

Indeed, the events of 2002 underscored the soundness of the decision taken by the Fund's member states in 1976 to help the poorer, low-income countries pursue social and economic advancement through the provision of untied, concessional development assistance. It was a decision based not on considerations of charity, but rather on the firm and shared conviction that development cooperation is essential to the preservation of world peace and security, and thus, to the benefit of the world at large. With half the world's population surviving on less than $2 a day, it is a philosophy that is as relevant and important today as it was 26 years ago when the Fund was first established.

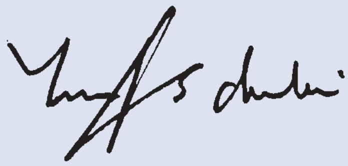
In 2002, the Fund continued to pursue its development mandate, making optimal use of all tools and instruments at its disposal. As ever, it sought to improve its performance and enhance the efficiency and effectiveness of its operations. On January 1, the Fund launched its *15th Lending Program,* with eligibility for assistance widened to include middle-income, in addition to low-income, countries. The program will allow the Fund to expand both the scope and depth of its interventions. The Fund also maintained its support to the *Heavily Indebted Poor Countries,* delivering debt relief to further qualifying nations. The total number of countries in Africa and Latin America that have benefited from the Fund's relief since the launch of the HIPC Initiative now stands at 22.

The *private sector,* too, remained a central focus in the year under review. Assistance in this area spurs competitiveness, growth and employment creation, making a valuable contribution to sustainable development and poverty alleviation.

Meaningful as our core activities were in 2002, however, achievements were overshadowed by the persistent specter of HIV/AIDS. Claiming 16,000 lives every 24 hours, this pernicious plague is sweeping around the globe, its insidious advance systematically destroying more than two decades of hard-won socio-economic progress. The Fund's response to this crisis was the launch in 2001 of its *Special Account for HIV/AIDS,* a grant facility dedicated to helping wage war on the disease. In implementing the Account, the Fund is working hand-in-hand with other key international agencies to avoid overlap and foster policy coherence, as well as to share knowledge, experience, strategies, processes and procedures to maximize outreach and book tangible results on the ground. It is an uphill struggle, but clearly one that must be undertaken to stem the losses – both human and developmental – and pave the way for future progress.

As always, the Fund would not have been able to carry out any of its work during the year without the unyielding support of its member governments. This generous assistance continues to be forthcoming despite the difficulties some of our member countries face at home. While we cannot predict the future, it is clear that it will not be immediately different from the recent past. Therefore, the combined and persistent effort made by our member states to provide financial assistance to the South – not only as a token of development cooperation, but also as a means of enhancing world peace and security – shall continue.

In the grand scheme of things, the OPEC Fund's contribution to international development may be modest, but our record is solid and our achievements unequivocal. As a group of developing nations, we have a unique understanding of the challenges confronting our beneficiary countries – our partners in development, as we like to call them. Perhaps more than most, we appreciate the need for greater commitment – on the part of governments, civil society and the development finance community – to creating a more inclusive, caring and humane global society. In a world filled with uncertainties, divisions and disparities, one thing remains clear – without equitable and sustainable growth and development, we may never know what it is like to live in peace and security.



Y. Seyyid Abdulai
Director-General

The world economy in 2002

An overview

In 2002, the world economy experienced a subdued recovery following the sharp downturn in 2001 that constituted the weakest growth performance in a decade. Global output increased from 2.2% to 2.8%, supported by continued strong consumer spending, inventory adjustment and monetary and fiscal policy stimuli. The slower than expected global recovery was due to the protracted slump in the global Information Technology (IT) sector, the prolonged correction in equity prices and modest business capital spending. Output in the industrialized countries increased modestly from 0.8% to 1.7%, and in the developing countries from 3.9% to 4.2%, while leveling off in transition economies from 5% to 4%. Inflation, particularly in developing nations, remained low with a number of countries experiencing deflation. World trade expanded modestly to 2.1% from 0.7% in the preceding year. Other common global features included low interest rates, worsening fiscal balances, depressed equity markets and heightened geopolitical uncertainties.

Advanced Economies

In the *advanced economies,* GDP growth improved to 1.7%, compared with 0.8% in 2001. Recovery, however, continued to be dependent on the performance of the United States, with Western Europe suffering from weak domestic demand and Japan constrained by banking and corporate sector difficulties. Meanwhile, inflation eased from 2.2% to 1.4% owing to continued spare capacity and rising unemployment. With some exceptions, such as Canada and Australia, the growth rate of countries in this category fell short of projections.

In the *United States,* the recovery proceeded somewhat unevenly. The bounce back in output – an increase of 2.3% in 2002 compared to 0.3% in the previous year – was mostly due to inventory adjustments. But it was also supported by low interest rates and disposable income gains as well as government purchases. However, growth was slowed by a stagnant labor market and business fixed investment, and lower equity prices. Inflation remained subdued, reflecting continuous slack in product and labor markets, and the current account deficit widened further.

In *Japan,* notwithstanding the early rebound in net exports, GDP growth for the year as a whole showed little improvement. The economy declined by 0.7%, compared to a drop of 0.3% the previous year; it continued to suffer from weak domestic demand (particularly business investment) and deflation, reflecting the absence of decisive actions to deal with long-standing structural impediments, particularly in the banking and corporate sectors. Towards year end, some signs of strengthening emerged, giving rise to expectations that the economy had bottomed out.

Economic activity in *Canada* recovered vigorously, with growth rebounding from 1.5% to 3.4%. Activity was supported by rising employment levels and incomes, and a pick-up in business investment. The strength of the Canadian economy, especially in relation to the United States, reflected a more moderate capital overhang, less dependence on the IT sector, the relatively depreciated value of the Canadian dollar, and the impact of the U.S. housing boom.

Economic activity in the *Euro Area* picked up in the first quarter of 2002, after deteriorating sharply towards the end of 2001. Recovery, however, subsequently faltered, causing the year to close with a growth rate of 0.8%, compared to 1.5% in 2001. The slowdown was triggered by weaknesses in both external and domestic demand. With the exception of *Finland,* where growth improved slightly to 1.4%, GDP growth decelerated in all the Euro Area countries. Many economies reached their self-imposed limits on fiscal and monetary policies, constraining their ability to pursue further expansionary macroeconomic policies.

Growth in the *United Kingdom* compared favorably with that of the major European countries. It rose by 1.5% as opposed to 2.0% in 2001. Strong household demand was a key element, supported by low interest rates and rising housing prices. Business investment, however, shrunk and net exports generally constrained economic activity.

Elsewhere in Europe, *Denmark, Norway,* and *Sweden* witnessed a modest recovery of around 1.6%, reflecting a rebound in private consumption, comparatively firm labor market conditions and a pick up in exports, particularly in the technology sector. Manufacturing activity and investment, however, remained weak and are expected to lag behind the overall recovery.

The economies of *Australia* and *New Zealand* remained strong in 2002, on account of supportive macroeconomic policies, competitive exchange rates and higher house prices. In *Australia,* output growth improved from 2.6% to 4.0%, inflation declined from 4.4% to less than 3% and unemployment eased to 6.3%. A similar pattern of improvement occurred in *New Zealand,* leading to growth of 3%, and inflation and unemployment rates of 2.6% and 4.5%, respectively. In other advanced economies, the most significant improvement occurred in the *newly industrialized Asian economies (Korea, Hong Kong SAR, Singapore* and *Taiwan)* where output rebounded to 4.8%, from 0.8% in 2001.

Countries in Transition

Despite enjoying continued strong fundamentals, growth in the *countries in transition* tapered off from 5% to 3.9%, as a consequence of the slowdown of export demand from the European Union (EU). The relative resilience of the group was influenced by robust domestic demand, particularly in *Russia,* and buoyant foreign direct investment to Central and Eastern Europe. Average inflation continued to ease also, falling to 11%, from 16% in 2001.

In the *Commonwealth of Independent States (CIS)* and *Mongolia,* GDP growth slackened off from 6.3% to 4.6% as a result of lower external demand and a weak performance in the agricultural sector. Growth in *Central and Eastern Europe* declined modestly to 2.7%, from 3% in the previous year.

Developing Countries

Aggregate growth in the *developing countries* improved slightly to 4.2%, compared to 3.9% in 2001. Recovery, however, was volatile and its strength uneven across regions and countries. *Developing Asia* achieved a more than 6% growth rate, while *Latin America* experienced a contraction of about 1%. Meanwhile, aggregate inflation remained virtually unchanged at 5.6%. Recovery, for most countries in this group, continued to be jeopardized by external challenges, including weak export demand, historically-below-average prices for many non-fuel primary commodities, and contracting net capital inflows.

Africa

Output in *Africa,* which rose by 3.5% in 2001, increased by 3.1% in 2002. Growth benefited from the strengthening of global activity but was offset by a combination of external and internal factors, including developments in commodity prices. Growth was restrained by a number of regional droughts, weak coffee and cotton prices, and political instability in Côte d'Ivoire, Zimbabwe, the Sudan and Congo, D.R. In *sub-Saharan Africa,* four countries maintained better than average performances – Tanzania (5.8%), Uganda (5.7%), Ghana (4.5%) and Cameroon (4.4%). The region's largest economy, *South Africa,* continued to hold well in the face of the global downturn, recording GDP growth of 2.5%, compared to 2.2% in 2001. Average inflation eased from 13% to 9.6%, in response to the continued implementation of sound macroeconomic policies and lower imported inflation. Externally, the narrow current account surplus of 0.3% of GDP made in 2001 reverted to a deficit of 1.7%, reflecting a decline in surpluses among the energy producers, which was offset in part by higher prices for gold and some agricultural raw materials in other regions.

Developing Asia

Developing Asia witnessed a strong improvement in its economic performance. GDP growth increased from 5% to 5.9%, while inflation subsided from 2.5% to 2%. Growth was supported by a rebound in domestic demand, particularly consumer spending, as well as in export demand, both from the United States and from within the region.

Among the group, the *ASEAN-4 economies (Indonesia, Malaysia, the Philippines* and *Thailand)* continued to stabilize, with growth accelerating by one percentage point to 3.6%, and inflation tapering off from 6.6% to 6.2%. In *South Asia (Bangladesh, India, Pakistan, the Maldives, Nepal* and *Sri Lanka),* aggregate growth increased from 4% to 4.8%. In *India,* despite the combined negative effects of severe monsoon weather, the security situation and higher oil prices, growth accelerated from 4.1% to 5%. However, some inflationary pressures caused prices to rise moderately from 3.8% to 4.5%.

In the *formerly centrally planned Asian economies (Cambodia, China, Lao PDR, Mongolia* and *Vietnam),* GDP growth went up from 7.2% to 7.4%. *China* maintained the lead with growth of about 8%, compared to 7.2% in 2001, sustained by strong public investment and export growth. China's import demand also firmed up, reflecting positively on recovery elsewhere in the region. China also enjoyed a continued inflow of foreign direct investment, which together with the surplus current account, helped improve the balance of payments situation and boost reserves. Its monetary policy remained expansionary in the face of moderate deflation of about 0.4%.

Middle East

Aggregate growth in the *Middle East* and *Turkey* rose in 2002 to 3.6% from 1.5%, while inflation remained little changed at about 17%. *Turkey's* economy showed a significant rebound with output growth accelerating by 11.3 percentage points to 3.9%. In *Egypt,* the decline in tourism, along with continued high interest rates and slowing structural reforms, reflected negatively on business activity, causing output to fall from 3.3% to 2.0%. *Lebanon* also experienced a slowdown from 2.0% to 1.5%, accompanied by continuing budget deficits and high levels of public debt. In *Jordan,* on the other hand, improved export performance and continued structural reforms contributed to a rebound in growth from 4.2% to 5.1%.

Latin America

In *Latin America,* economic indicators deteriorated further in 2002. The aggregate growth rate which stood at only 0.4% in 2001 declined by 1.0%, central government deficits widened to 2.6% of GDP, and unemployment reached a level of over 9%. Only a few countries, notably in *Central America and the Caribbean,* were able to maintain the level of growth achieved in 2001. The region was influenced by the ongoing financial crisis in Argentina, which spilled over to Uruguay, Paraguay and Brazil. Sluggish external demand, the marked downturn in tourism and lower commodity prices contributed to the decline. Inflation, however, remained low in most countries, decreasing on average by one percentage point to 6%, with some exceptions, such as Argentina and Venezuela, witnessing sharp rises spurred by currency devaluations.

Growth in the *Andean region (Bolivia, Colombia, Ecuador, Peru* and *Venezuela)* also slackened off from 2.9% in 2001 to –0.4% in 2002. *Peru* and *Bolivia* were the only two exceptions, witnessing increases in their growth rates to 3.5% and 1.5%, respectively. Aggregate output in the *Central America and the Caribbean* countries rose from 0.2% to 1.7%, and inflation moderated from 6.5% to 4.8% in 2002. *Mexico* and *Costa Rica* achieved a strong recovery owing to sound stabilization policies and close links to the U.S. market. For the remainder, however, growth changed little from that experienced in 2001.

OPEC Fund member states

The growth of the economies of OPEC Fund member states continued to decline after the peak of 4.6% reached in 2000. Following a drop of 2.6% in 2001, average growth declined further by 1.8% in 2002, reflecting mainly oil production cutbacks. Combined oil output in OPEC member countries fell by 6.9% to

25.3 million barrels per day (bbls/d), amidst an increase in world oil demand of around 200,000 bbls/d to 76.55 million bbls/d. The average spot price of the OPEC reference basket thus rose by about 4% to $23.95 per barrel, remaining within the targeted price band of $22–28. The combined value of OPEC members' petroleum exports was slightly lower at $207 billion, from $210.5 billion in 2001.

In *Algeria,* growth was estimated at 4.1%, as opposed to 2.1% in 2001, while inflation dropped to 1.4%, compared to 4.2% in 2001. The current account maintained its healthy position, posting a surplus of 7.6% of GDP (12.9% in 2001), and exerting a favorable impact on the country's foreign exchange reserves, which subsequently rose by about 28.6% to $23.1 billion. In April, Algeria concluded a milestone agreement with the EU, which will strengthen economic cooperation and trade between the two sides. The country also made substantial progress towards fulfilling the requirements for accessing the WTO.

In *Gabon,* output growth improved from 1.8% to 2.1%. Subdued global inflation coupled with a sound regional central bank monetary policy, kept domestic inflation low at 2.3%. The continuing fall in oil exports combined with rising imports caused the current account balance to run a small deficit of about $80 million, compared to the $200 million surplus in 2001.

Indonesia's economy expanded by 3.4%, compared to 3.3% in 2001, mirroring rising private consumption coupled with subdued imports demand, and disruption in the growth in tourism and foreign investment flows towards the end of the year. In keeping with the global slowdown, the exports of goods and services increased only modestly in volume. In revenue terms, however, improved prices for Indonesia's main agricultural exports helped push up non-oil exports by 5%. Inflation stabilized close to the 2001 level, at about 11%. The government continued to pursue its privatization and structural reform efforts. In addition to ongoing work in the areas of bank and corporate debt restructuring, special focus was placed on security, human resources, electricity, the legal framework and infrastructure.

The *Islamic Republic of Iran* witnessed another year of robust growth, posting 5.6%, compared to 4.9% in 2001. The good economic performance underscored strengths in the agriculture sector – helped by its recovery from drought – and in industries and mines, which benefited from the relaxation of import restrictions on capital and intermediate goods. Inflation edged up slightly from 11.4% to 15% as a one-off effect of currency unification. The current account surplus remained stable at about 4% of GDP. Similarly, unemployment remained steady at around 16%. As part of the reforms, government gave permission for the establishment of private banking, introduced a unified currency regime and passed a new foreign investment act.

In *Iraq,* economic sanctions and the freezing of assets and bank deposits continued to hamper the growth of trade. As a result, the country faced great economic and social challenges, as well as concerns over health issues. In 2002, the current account showed a surplus, owing to a sharp drop in imports, while the inflation rate rose substantially, reflecting the shortage of goods. Steps taken to improve conditions included enhancing government revenues and reducing expenditures; promoting greater efficiency; diversification of the economy with a view to boosting the productive sectors; and implementation of a ten-year plan to accelerate investments and attain high rates of growth. In its efforts to achieve economic stability, Iraq, in 2002, intensified efforts to enhance trade relations with neighboring countries – as well as with other countries of the international community – and sought to re-establish regional travel and communication links.

In *Kuwait,* the rates of growth and inflation remained the same as in 2001, reaching 0.5% and 2.5%, respectively. Performance outcome in 2002 reflected the 7% cutback in oil production, which was largely offset by increased activity in the non-oil sector, boosted by government capital expenditure. The external position remained strong, with the current account surplus standing at 29% of GDP, compared to 32% in the previous year. Structural reforms continued, particularly in the areas of fiscal management and commercial law. In a move towards GCC currency unification, Kuwait re-established its currency link to the U.S. dollar.

In the *G.S.P. Libyan A.J.,* growth increased from 0.8% to 1.2%, reflecting the modest rise in domestic demand originating from increased consumption and government expenditure on capital projects. Supported by rising oil prices, the current account surplus stood at 27% of GDP, allowing the country to maintain a strong external position in 2002. The government continued to press ahead with reforms. Early in the year, the currency was devalued significantly, primarily as part of a move towards unification of the country's multi-tier foreign exchange system, but also as a means of increasing the competitiveness of Libyan firms and attracting foreign investment. The move was accompanied by a substantial cut in the customs duty rate on most imports. Inflation, despite the devaluation of the dinar, remained subdued at about 6%.

Output growth in *Nigeria* fell back slightly to 2%, from 2.8% in 2001, mainly due to the curb on oil production. Similarly, the current account position reverted from a surplus of 6% of GDP, to a deficit of 5.4%. The inflation rate, however, improved slightly from about 19% to 16%. Sustained progress was made towards fiscal de-centralization, banking sector reform and the creation of an enabling environment for private enterprise development. De-regulation, privatization and trade liberalization were thus used to attract domestic and foreign investment.

In *Qatar,* oil production cutbacks caused growth to slow down from about 7.2% to 3.4%. Inflation remained low at 1.5%, despite the weakening of the U.S. dollar, the currency peg, during the year. The current account posted a strong surplus of 25% of GDP, slightly less than the 27% registered the preceding year, reflecting continued high earnings from LNG (liquefied natural gas) and condensate sales. Further headway was made in exploiting Qatar's vast natural gas reserves through the construction of facilities for LNG production and related industries. The government continued to pursue a prudent fiscal management policy while making the retirement of LNG related external debt a priority within its budgetary surplus allocation plans.

Growth in the *Kingdom of Saudi Arabia* recorded an increase of 0.7%, compared with 1.5% in the previous year, on account of production cuts in the oil sector. The private sector, however, maintained a strong growth of about 4.2%. Inflation declined by 0.4% and the current account showed a surplus of about 4.9% of GDP. Work proceeded towards privatization and institutional reforms, particularly in the areas of telecommunications, postal services, railways, airlines, petrochemicals, water desalination and a number of other smaller state-owned enterprises. Progress was also made in introducing legal reforms in capital markets, insurance, mining, competition, labor, commerce, intellectual property rights, taxation and foreign investment.

Output growth in the *United Arab Emirates (UAE)* declined from 5.1% to 1.8% in 2002, owing to an 8% reduction in oil production. Inflation rose slightly by one percentage point to about 2%. The external position however, remained comfortable with the current account registering a large surplus of about $8 billion or 12% of GDP, owing to higher oil export receipts and greater re-exports to neighboring Gulf countries. Efforts continued to diversify and liberalize the economy, particularly with regard to the management and financing of infrastructure projects by local and foreign private sector firms.

In the *Bolivarian Republic of Venezuela,* the economy contracted by 6.4%, following the 2.8% expansion of 2001. Contributory external factors included a worsening of the financial crises in Argentina and the continuing global slowdown. Internally, growth was hampered by a decline in the oil and construction sectors, and by political unrest sparked by the adjustment measures adopted by government to deal with the growing macroeconomic disequilibria.

Meanwhile, inflation escalated to 22.7% as a result of the currency devaluation implemented early in the year.

Financial and foreign exchange markets

After witnessing a steady decline in 2001, *short-term interest rates* remained low and stable during most of 2002. In the *United States,* a single cut of 50 basis points in the discount rate made in November 2002 brought the federal funds target rate to 1.25%, its lowest level since 1956. In the *Euro area,* inflation concerns kept interest rates unchanged for 13 months. Towards the end of 2002, however, the ECB made a single cut in its key interest rates by a matching 50 basis points to 2.75%, its lowest level in three years. Rates were kept unchanged in the *United Kingdom* at 4% throughout the year.

Long-term interest rates followed similar patterns in most major industrial countries, dropping in tandem with the shift of sentiment in equity markets. The rising uncertainty about prospects for the economy, together with expectations that monetary tightening would be postponed, caused the benchmark 10-year U.S. Treasury Note yield to fall by 1.34 percentage points to 3.82% towards the year end. Rates generally firmed up during the first quarter of 2002 owing to rising optimism about an economic rebound, but then headed downward for the rest of the year. For low-grade corporate bonds, however, investors' heightened risk aversion during the second half of the year contributed to a sharp widening of the borrowing rate spreads.

Long-term interest rates in *developing countries* varied widely from one region to another, but on aggregate climbed during the latter half of the year. In particular, *Latin America's* sovereign bonds risk premiums witnessed a significant rise during the third quarter on account of increased uncertainty in Argentina and Brazil. Other emerging markets experienced more stable rates, with some, like *the Philippines,* witnessing a decline.

In the aftermath of September 11, 2001, the slow-paced recovery in major equity markets continued through the first quarter of 2002. Later, however, these markets became volatile and subject to renewed downward pressures as investors' confidence was eroded by a number of major corporate accounting scandals and a further weakening of economies around the globe. As a result, all major world indices in 2002 reversed to the levels of more than five years earlier. In the *United States,* equity indices incurred a third consecutive year of losses. Major stock market indices in the *Euro Area* ended the year with a sharper overall decline than those of the U.S.A. or Japan, owing to a significant drop in the banking and insurance sectors. The decline in the Nikkei 225 that started in mid-June left the index at year end lower by 18.6% at 8,579; its lowest level since 1982. Equity prices in most *developing countries* were mixed but substantially better – with the exception of Latin America – than in North America or Western Europe. The MSCI Emerging Markets index ended the year with a decline of about 13% in dollar terms.

In *foreign exchange markets,* the U.S. dollar weakened against the euro, and to a lesser extent, the Japanese yen, against a backdrop of increased negative sentiment towards investment in the *United States,* and the widening deficits in fiscal and foreign trade accounts. Foreign exchange in the *emerging markets* diverged widely from one region to another. The majority of *Latin American* currencies depreciated sharply against the dollar, reflecting waning confidence and retrenchment from the region. Most *Asian currencies,* on the other hand, strengthened, following the track of the Japanese yen against the dollar. The currencies of *Eastern Europe* generally strengthened against the dollar, while simultaneously weakening against the euro.

World Trade

After a contraction in 2001, the first in two decades, *world trade* volume experienced a modest rebound in 2002. *Trade in goods and services* grew in real terms at 2.1% compared to –0.7% in the previous year, but remained well below its average rate of 7.3% for the period 1991–2000.

Recovery was markedly uneven across regions and countries, and subject to high volatility. The first half of the year witnessed a strong recovery in trade, which later lost momentum, along with an observed deterioration in prospects for the world economy.

The United States was once again the principal driving force in world trade, witnessing a recovery in import demand of about 6.5 percentage points to 3.4% in 2002, despite the softening of its currency. As a result, *Japan* and *Canada,* as well as several *Asian* economies, experienced a strong rebound in exports, especially in the first half of the year, reflecting both their high dependence on the U.S. market and their specialization in IT products. The intensified intra-regional and intra-industrial trade among the Asian economies also made a contribution to this dynamism. Meanwhile, in the *Euro Area,* on account of a stronger currency, export volumes weakened from 2.7% to less than 1%.

For *developing countries,* imports accelerated from about 1.9% to 4.9%, outpacing exports, which grew from 2.4% to 3.8%. Import demand was particularly strong in *Developing Asia* and in the *Middle East,* which witnessed growth rates of 9% and 7.5%, respectively. For many *Latin American countries,* imports were severely constrained by net capital inflows. Argentina, being an extreme case, witnessed a fall in imports of 60%. In *Africa,* manufactured exports, particularly for South Africa and a few countries in North Africa, received a boost from currency depreciations and improved competitiveness. African exports to the United States, especially textiles and apparel and a wide range of other manufactured goods, also rose under duty-free arrangements and other market-access privileges of the African Growth and Opportunity Act.

External payments and debt

The aggregate current account deficit in the advanced economies remained unchanged from the previous year at 0.8% of GDP. Countries achieving significant surpluses included Japan ($19 billion), Germany ($39 billion), Switzerland ($28 billion) and France ($27 billion). The *United States* remained the single largest deficit country in the world at $210 billion. In GDP terms, the current account deficit in the *United States* represented an increase to 4.6%, as compared to 3.9% in the previous year. For *Japan,* and the *Euro Area,* the current account surplus in terms of GDP increased to 3% and 1.1%, compared to 2.1% and 0.4%, respectively, in the previous year.

In *developing countries,* the slim aggregate current account surplus of the year 2001 contracted further by more than half to $19 billion. Among the group, *Middle Eastern countries,* owing to their declining oil exports, witnessed the sharpest erosion in their current account surplus to 4.4% of GDP, compared to 7.6% in 2001. *Developing Asia,* on the other hand, maintained a current account surplus of 2.6% of GDP, as compared to 3% in the previous year. In *Africa,* the aggregate current account balance slipped into a deficit of 1.7% of GDP, as opposed to a surplus of 0.3% in 2001. This was mainly the result of a decline in the surpluses of energy producers, along with continued high external debt-servicing costs and a general worsening of the terms-of-trade.

In *countries-in-transition,* the current account surplus narrowed further to 0.1% of GDP, from 1.4% in 2001. The fall largely mirrored the trend in the *CIS* group, where the surplus fell by two percentage points to 4.9% of GDP, owing to robust imports driven by strong domestic demand and a real appreciation of the currency.

The price index of *non-energy commodities* finished the year up modestly by about 5%, following a 9% decline in 2001, with significant gains in the categories of agricultural raw materials and grains. Among individual commodities, gains were noticeable for gold on account of increased global uncertainty, and for cocoa following the political turmoil in *Côte d'Ivoire.* Some commodities, particularly base metals and fertilizers, witnessed an early price rally but later lost ground, reflecting the lackluster buoyancy of world industrial production. Despite improvements in non-oil commodity prices, the *terms of trade* for goods and services produced by developing economies witnessed another year of decline, albeit at a more modest rate of 0.3%.

Net private capital flows to emerging-market economies recovered from the 2001 lows of $25 billion to about $62 billion, but remained well below the 1999 level of $85 billion. In 2002, foreign direct investment (FDI) continued to dominate private capital flows to developing economies – and for that matter external financing as a whole – reflecting improved conditions in many emerging economies, in conjunction with the slowdown in advanced economies. As in previous years, FDI inflows to developing countries remained highly concentrated in a few emerging market economies. The lion's share went to *Emerging Asia* nations *(Korea, Singapore* and *Taiwan),* which witnessed an increase of about 100% in private capital flows to $31.6 billion. In *Latin America,* due to continued turbulent conditions, net inflows declined from $22 billion to $10 billion. Other emerging markets of *Africa* and *countries-in-transition* economies posted modest, positive increases in their capital inflows in 2002, registering $8.8 and $31.2 billion, respectively.

The overall *debt situation* of *developing countries* experienced little change over the previous year, with debt indicators showing mixed trends. Total external debt, both in dollar value, and in GDP terms, edged up slightly, posting $2.2 billion and 40.9%, respectively. Total external debt and debt service payments in terms of exports of goods and services reversed slightly to 142% and 20.5%, respectively.

Global economic prospects

In the year 2003, the world economy is expected to recover modestly at a growth rate of 3.7%, underpinned by a rebound in the *major industrial countries* and a strong performance in *India* and *China*. Growth in the *advanced economies* is expected to pick up from 1.7% to 2.5% in 2003, underscoring growth projections for the *United States, Japan* and the *Euro Area,* of 2.6%, 1.1% and 2.3%, respectively. Meanwhile, inflation will increase slightly from 1.4% to 1.7%, thus helping to ease worries about the threat of widespread deflation.

The turnaround in the advanced economies should also reflect positively on *developing economies,* causing growth to increase by one percentage point to 5.2%. Among this group, *Developing Asia* is expected to maintain a growth rate above 6%. Growth in *Africa* is projected to pick up to 4.2% in 2003, based on strengthened domestic economic factors, rising non-oil commodity prices and stronger external demand. For *Latin America,* growth should rebound to 3% after two consecutive years of stagnation, but the outlook for individual countries remains cautious. Given the firm outlook for oil prices, and continued fiscal stimuli, most of the *OPEC* economies should see some improvement in 2003 – providing that the geopolitical tension does not wipe out these gains. The *economies-in-transition* are likely to continue growing at fairly stable rates averaging more than 4%.

There are, nevertheless, a number of risks that could disrupt recovery. Globally, the main hazards are embodied in the rising geopolitical tensions and continued deflationary pressures associated with the protracted decline in equity prices. On the regional level, recovery in the *United States* could be thwarted by a sharp deceleration in personal consumption, or by a large shock in the financial markets as a result of the growing trade deficit in conjunction with a sharp erosion in the value of the U.S. dollar. In *Europe,* growth could be jeopardized by further appreciation of the euro against the U.S. dollar. ●

World Summit on Sustainable Development

Ten years after the Rio Earth Summit

The World Summit on Sustainable Development (WSSD) took place August 26 to September 4, 2002, in Johannesburg, South Africa, drawing a record 65,000 people from government, industry, business, religious bodies and civil society. It was described as the largest, single gathering ever called by the United Nations, concluding with a commitment to improving the lives of people living in poverty and reversing the continuing degradation of the global environment.

A *Political Declaration* and a *Plan of Implementation* resulted from the Summit, pledging to help advance international efforts at sustainable development. The two documents were issued after extended, last minute negotiations, which involved difficult concessions and compromise on the parts of many.

The *political declaration* [by heads of state and government] commits world leaders to building "a humane, equitable and caring global society, cognizant of the need for human dignity for all." The leaders assumed collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development - at local, national, regional and global levels.

The *plan of implementation* urges action on a wide range of targets, including halving the proportion of people who lack access to clean water or proper sanitation by 2015; preserving biodiversity through 2015; and phasing out toxic chemicals by 2005. The plan recommends "commitments toward increasing the use of renewable energy with a sense of urgency," but stops short of proposing actual targets and a timetable. Several chapters deal with poverty eradication; changing unsustainable patterns of consumption and production; protecting and managing the natural resource base; and aiding small island developing states.

WSSD came 10 years after UNCED, the *United Nations Conference on Environment and Development* or *Rio Earth Summit*. The primary purpose of WSSD was to renew focus on, and stimulate political commitment and determination to implement, international plans of action (on sustainable development) "through initiatives that are both practical and based on partnerships." Delegates were to seek to accelerate accords reached by nation-states to implement *Agenda 21* and achieve the *Millennium Development Goals (MDGs)* agreed at the *UN Millennium Summit* of 2000.

The [Johannesburg] Summit assembled a rich tapestry of peoples and views in what the organizers called "a constructive search for a common path toward a world that respects and implements the vision of sustainable development." On the sidelines, numerous regional and subregional groups as well as intergovernmental institutions, such as OPEC, the EU, AOSIS and others met at roundtables and in (mostly) closed-door sessions to work out position papers and common stands. In addition, representatives of all of the "Major Groups" identified in Agenda 21 participated, namely: farmers, local authorities, women, scientists and technologists, youth, indigenous people and NGOs.

Delegates discussed, among other issues, health, energy, water and sanitation, agriculture and biodiversity, trade and finance, governance and globalization. Various state- and non-state actors brought to the fore issues of special interest to them as nation-states, regions and sub-regions. These included conflict resolution, the peculiar situation of small, island states and NEPAD, the New Partnership for Africa's Development.

NEPAD is a commitment by African leaders to their people. It recognizes that "partnerships among African countries and with the international community" are key elements of a "shared and common vision" to eradicate poverty and place Africa on a path of sustained economic growth and sustainable development, "while participating actively in the world economy and body politic."

The Johannesburg Summit also created *partnership initiatives* by and between governments, civil society groups and businesses. More than 220 such partnerships, involving an estimated $235 million in resources, were identified during the Summit process to complement government commitments. Many more were announced outside the formal Summit proceedings.

Herbert Rathgeb

Squatters' huts and reactor towers, a study in development contrasts. In Johannesburg, 65,000 WSSD participants grappled with the most urgent problems of our time: how to protect the global environment and end the grinding poverty that condemns 1.5 billion people worldwide to lives of hardship, hunger and disease.

The OPEC Fund gave a speech at the plenary of August 29, urging greater focus on poverty and poverty alleviation or eradication (see insert in this textbox). The Director-General of the OPEC Fund, Dr. Y. Seyyid Abdulai, told the plenary that poverty was a life situation which involved an unusual degree of insecurity, uncertainty and danger, and that this should not be the case in a world where humanity, united in purpose, should resolve to cater for one another. The Fund's presence at the Summit was further enhanced by a display, which attracted a significant number of visitors. This was at *Ubuntu Village,* the primary exhibition site of the Summit.

OPEC member states were also fully in evidence at the Summit. All member states were represented, some at the highest possible level. Together with the OPEC Secretariat (which had a considerable presence as well), OPEC member countries sought to safeguard the interests of OPEC and similar-minded oil producing and exporting countries, especially in respect to targets and timetables for renewable energy and CO_2 emissions reduction.

WSSD clearly represented a boost to development and development cooperation. The assembled "stakeholders" were in agreement on the need to keep the momentum and interest generated by preceding global conferences (Stockholm, New York, Doha and Monterrey) and to work harder toward the realization of the MDGs. There were, nevertheless, complaints over the Summit's failure to "deal effectively" with the issues of farm subsidies by rich countries and the absence of an international code to regulate the activities of multinational corporations. ●

OPEC Fund statement at WSSD

According priority to poverty alleviation or eradication

The *OPEC Fund for International Development* is privileged and honored to be part of this gathering. We join with all men and women of goodwill to wish the Summit much success and hope that the resolutions and declarations resulting thereof will achieve the widely expected results.

The focus of the Summit thus far has rightly been, among other issues, on energy; the ecosystems; patterns of production and consumption; governance and globalization – all of which are essentials in our common quest to advance development. But greater attention, we would suggest, ought to be accorded the problem of poverty alleviation. Some speak of eradication.

The OPEC Fund is a development finance agency set up by the member states of the *Organization of the Petroleum Exporting Countries* with the singular aim of battling global poverty and deprivation. In 26 years of operations, our myriad projects, programs and initiatives have aimed at helping make a dent in the grinding poverty in which over 1.5 billion of the world's people find themselves.

Poverty statistics speak of peoples subjected to multiple hardships, each of which makes it harder to escape from the other. The numbers point to whole communities lacking the minimum requirements for human dignity: access to food, safe drinking water, sanitation, health care and education.

But the statistics do not adequately convey the human suffering and misery involved at the level of the household, the individual and the family. The reality is that poverty is an indelicate life-situation involving an unusual degree of uncertainty and danger – which should not be, in a world where humanity, united in purpose, should resolve to cater for one another. We made largely the same point 10 years ago in our plenary intervention at UNCED.

Nevertheless, it is encouraging that most in this assembly are of one mind that greater attention must be paid to global programs and projects aimed at reducing not only the incidence of poverty but also the unacceptably high numbers we still tolerate. The *Millennium Development Goals*, which serve as a backdrop to this Summit, speak of aiming to halve poverty numbers by 2015. This is a target that is clearly attainable if we all try to work together in partnerships.

In the meantime, developing countries themselves would do well to work harder to resolve conflicts, give priority attention to the needs of the poor, establish a more enabling and transparent business and investment-friendly environment and use natural resources in a sustainable manner.

Those of us in the development cooperation field should review our program budget allocations to ensure that significant amounts of often limited resources are earmarked for poverty-related programs, while donor nations reconsider obstacles and objections to the attainment of the 0.7% GNP target for ODA set by the global community decades ago. As Nigeria's President H.E. Chief Olusegun Obasanjo suggested in Monterrey: if the 0.7% target is finally adjudged unrealistic and, therefore, unattainable, perhaps the nations of the world could organize to review that target and set another, albeit lower, ceiling that all would be comfortable with.

Developing countries are generally agreeable to sound advice and solemn exhortations from donors, but firm pledges of fresh resources and genuine partnerships should equally follow. In an era of intense global competitive pressure, developing countries certainly would appreciate a further liberalization of trade regimes that would lead to easier access for their labor-intensive exports to world markets. They also require substantial investment and technical assistance to expand production opportunities. Their capital is competitive labor and an enormous, untapped *reservoir* of initiatives and enterprise often scuttled by poverty, illiteracy, conflict and governance issues.

In this connection, it is important to make a special case for Africa: There is a need to maintain a particular focus on the needs of Africa, especially with the renewed determination of the Africans themselves to approach their socio-economic problems with renewed vigor. A new partnership program for African development, NEPAD, is on the table; the international community is called upon to support it.

S. Ifeagwu

Addressing the plenary session, H.E. Dr. Y. Seyyid Abdulai said poverty statistics failed to convey the degree of human suffering and misery involved and urged world leaders to intensify their efforts on behalf of the poor.

NEPAD is Africa's own *roadmap* out of its protracted standstill and virtual marginalization from global affairs. It offers a coherent voice to the peoples of the continent and provides guidelines for engaging proactively with the rest of the world on matters of utmost importance to our common future.

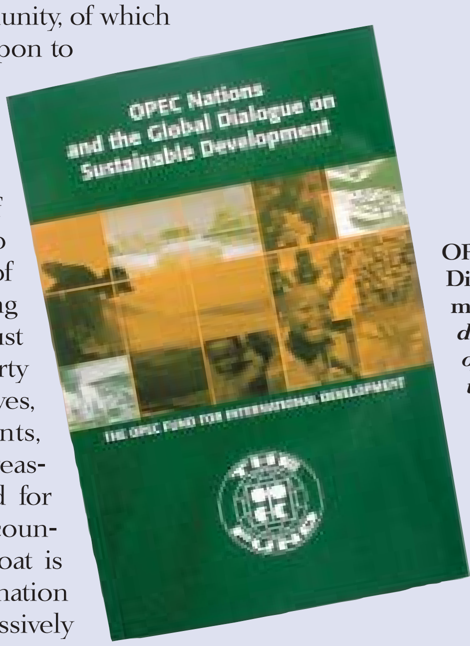
Clearly, there is a new, "can-do" attitude in Africa, where emphasis is increasingly now on ending conflicts, attaining stability and eradicating the root causes of poverty. People in Africa are taking up the challenge to make the 21st century also an African century.

Thus, the task outstanding is to translate NEPAD into a practical program that would deliver development to all African peoples. And, here, the global development finance community, of which the OPEC Fund is part, is called upon to play a meaningful role. It certainly is appropriate that NEPAD is to be discussed at this Summit.

We must intensify efforts on behalf of the world's poor. We owe it to the wider majority of the peoples of all countries and continents seeking a more peaceful, equitable and just world. A reduction in the poverty numbers will, among other objectives, ensure that so-called immigrants, refugees and asylum-seekers increasingly stay home, rather than head for the borders of reluctant asylum countries where the cry is that "the boat is full." But in many of the destination countries, citizens are also progressively aware that they are unlikely to achieve lasting security, either in the economic or physical sense, as long as millions of people in other countries wallow in squalor.

We should not leave Johannesburg without concrete results to show for our endeavors here. We will have served the peoples we represent better, if we go home (not just with a ringing declaration of intent), but with tangible, verifiable agreements. We came here to move from concepts to action and implementation.

We need to work harder to give concrete meaning to sustainable development which, simply defined, means progress that is balanced between people's current needs and the ability of the earth's resources and eco-systems to meet future requirements. The real challenge is not only to achieve economic and social development today, but also to make it lasting, sustainable for generations yet unborn. Let us resolve to implement the goals agreed upon at Rio, in Stockholm, in New York and at Monterrey. ●



OPEC Nations and the Global Dialogue on Sustainable Development ***presents the speeches delivered at WSSD by the heads of state and other representatives of the OPEC member countries. The book is free of charge from the Department of Information and Economic Services at the OPEC Fund. It may also be viewed online at*** **www.opecfund.org.**

Summary of Cumulative Operations

As of December 31, 2002, the level of cumulative development assistance extended by the OPEC Fund stood as follows:

Public sector lending

A total of 953 loans worth $5,146.1 million had been approved. The loans fell into the following categories:

Project: 703 loans worth $3,952.5 million

BOP Support: 185 loans amounting to $724.2 million

Program: 41 loans valued at $305.3 million

HIPC Initiative: 24 loans totaling $164 million

Disbursement of loans

By the end of the year 2002, and in the public sector, a total of 582 loans had been fully disbursed, some 223 had been partially disbursed, and a further 61 remained pending and still to become effective. An additional 87 loans had been canceled subsequent to original commitments. Total loan disbursements amounted to $3,279.8 million.

Regional distribution

Geographically, public sector loans approved through December 31, 2002, were distributed as follows:

Africa: 546 loans, valued at $2,591.7 million, provided to 46 countries

Asia: 252 loans, worth $1,881 million, extended to 27 countries

Latin America and the Caribbean: 148 loans, totaling $635.1 million, provided to 22 countries

Europe: 7 loans, amounting to $38.2 million, given to two countries

Table 1

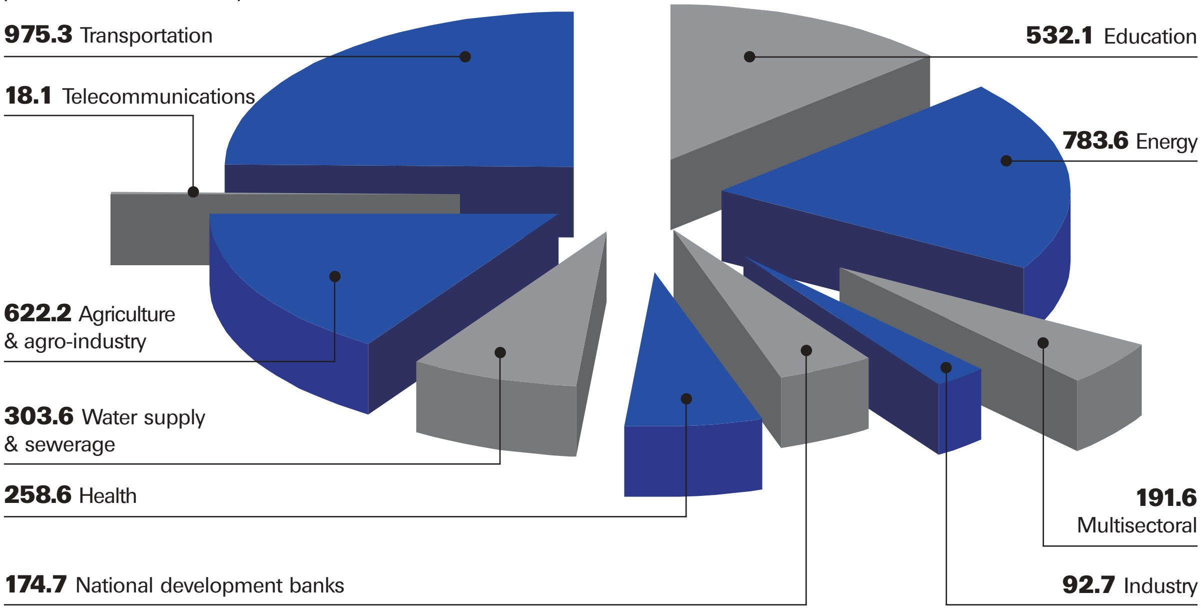
Total commitments and disbursements as of December 31, 2002
(in millions of dollars)

	Commitments	Disbursements
1. Public sector lending operations		
– Project financing	3,952.510	2,232.049
– BOP support	724.230	713.930
– Program financing	305.296	275.491
– HIPC Initiative financing	164.030	58.330
Subtotal	**5,146.066**	**3,279.800**
2. Private sector operations	190.127	27.718
3. Grant program		
– Technical assistance	100.637	94.185
– Special contribution to IFAD	20.000	20.000
– Research and similar activities	5.531	4.504
– Emergency aid	45.977	44.399
– HIV/AIDS Special Account	14.310	4.760
– Special grant account for Palestine	2.000	0.000
– Common Fund for Commodities	83.560	11.528
Subtotal	**272.015**	**179.376**
4. IFAD	861.142	731.989
5. IMF Trust Fund	110.721	110.721
Total	**6,580.071**	**4,329.604**

Chart 1

Sectoral distribution of public sector project loans as of December 31, 2002

(in millions of dollars)



Categories of recipient countries

By the end of 2002, the world's least developed countries had received $2,928.7 million or 57% of the Fund's total public sector lending commitments, while other developing countries had benefited from loans worth $2,217.3 million, or 43% of the total.

Categories of loans

Regional apportionment of public sector loans according to type was as follows:

Project loans: $1,861.8 million to Africa; $1,640.9 million to Asia; $411.6 million to Latin America and the Caribbean; and $38.2 million to Europe.

BOP support loans: $430.5 million to Africa; $175.8 million to Asia; and $118.0 million to Latin America and the Caribbean.

Program loans: $166.6 million to Africa; $64.5 million to Asia; and $74.2 million to Latin America and the Caribbean.

HIPC Initiative: $132.8 million to Africa; and $31.2 million to Latin America and the Caribbean.

Sectoral distribution of project loans to the public sector

The breakdown of project loans by economic sector was as follows:

Transportation: $975.3 million, or 24.7%

Energy: $783.6 million, or 19.8%

Agriculture and agro-industry: $622.2 million, or 15.7%

Education: $532.1 million, or 13.5%

Water supply and sewerage: $303.6 million, or 7.7%

Health: $258.6 million, or 6.5%

Multisectoral: $191.6 million, or 4.8%

National development banks: $174.7 million, or 4.4%

Industry: $92.7 million, or 2.3%

Telecommunications: $18.1 million, or 0.5%

(See Appendix I for full details.)

Private sector financing

Through its private sector window and by the end of 2002, the Fund had approved financing worth a total of $190.1 million in 41 operations in support of private sector entities in Africa, Asia, Latin America, the Caribbean and Europe.

Grants

By December 31, 2002, the Fund had committed a total of 602 grants worth $272.02 million.

Of this amount, $100.6 million was extended as technical assistance, often in cooperation with United Nations agencies and a number of other international development organizations; $46 million was made available in support of emergency relief operations; $5.5 million sponsored research and similar activities; $14.3 million was given to finance projects within the framework of the HIV/AIDS Special Account; $2 million was approved from the Special Grant Account for Palestine; and $20 million went to IFAD. In addition, grant allocations totaling $83.6 million were approved for the Common Fund for Commodities (CFC). This amount is made up of a voluntary contribution of $46.4 million to the Second Account of the CFC and another $37.2 million to cover the subscriptions of 35 least developed countries to the directly contributed capital of the CFC. By the end of 2002, agreements for CFC grants totaling $35.1 million had been signed by the OPEC Fund with 33 of these countries; $12.53 million had been disbursed.

IFAD

IFAD is a specialized agency of the United Nations, founded in 1977 to mobilize concessional resources for agricultural development in poorer regions of the world. It provides funding for projects to introduce or expand food production systems and works to strengthen related policies and institutions in accordance with national priorities and strategies.

The OPEC Fund played a significant role in the establishment of IFAD, channeling $861.1 million in contributions from OPEC member countries towards the agency's initial capital ($435.5 million) and first replenishment ($425.6 million). Of this pledged total, $732 million ($650.8 million in cash and $81.2 million in promissory notes) had been paid-in by the end of 2002.

Since IFAD's creation, OPEC states have maintained their firm support of the agency, contributing to additional replenishments of its resources. In 1986, $184 million was pledged for the second replenishment, of which $181.7 million has been paid in ($176.7 million in cash and $5 million in promissory notes). OPEC member countries also agreed to contribute $124.4 million towards the third replenishment in 1989. Of this amount, $119.5 million ($109.9 million in cash and $9.6 million in the form of promissory notes) had been paid in by the end of 2002. OPEC member countries also contributed to the fourth and fifth replenishments: they pledged $39.3 million to the fourth, of which $34.8 million has been paid in ($32.1 million in cash and $2.7 million in promissory notes); and they committed $23.1 million to the fifth, of which $16.6 million has been paid in ($10.6 million in cash and $6 million in promissory notes).

IMF Trust Fund

Also through the OPEC Fund, resources amounting to $110.7 million were transferred by a number of OPEC Fund member states to the IMF-administered Trust Fund, established in May 1976. Representing profits accruing to seven of these countries from the sale of gold held on their behalf by the IMF, these resources were allocated to provide concessional balance of payments support to eligible low-income IMF member countries.

PRGF Trust

In 1994, the OPEC Fund entered into an agreement with the IMF to contribute to the *Enhanced Structural Adjustment Facility* (ESAF) *Trust*, which was established in December 1987, and subsequently extended and enlarged in February 1994, to provide loans on concessional terms to qualifying, low-income IMF developing countries. The ESAF was replaced in October 1999 by the *Poverty Reduction and Growth Facility* (PRGF). The aim of this facility is to bring about substantive changes in the way countries' programs are formulated and, in particular, to arrive at policies that are more clearly focused on growth and poverty reduction. The OPEC Fund has committed $50 million to the Trust, and three drawings, in the total amount of $49.647 million have been made so far. The ESAF Trust was aimed at responding to the balance of payments difficulties confronting many of the world's poorest developing countries. ●

The OPEC Fund in 2002

1. Year in Brief

In 2002, the OPEC Fund approved a total of 37 project loans worth $254.19 million to the public sector. Three other loans, amounting to $18.2 million were approved to provide debt relief within the context of the *Heavily Indebted Poor Countries (HIPC) Initiative*. In the area of grant aid, the Fund extended a total of 34 grants valued at $20.540 million, of which $1.505 million went to finance technical assistance schemes, $14.31 million supported projects within the framework of the HIV/AIDS Special Account; $2 million were committed from the Special Grant Account for Palestine; $815,000 helped fund research and similar activities; and $1.91 million were extended to provide emergency humanitarian aid.

The Fund's headquarters in Vienna.

L. Cechura

The sum thus committed through the Fund's traditional traditional windows for loan and grant operations in 2002 amounted to $292.93 million. Disbursements for the year totaled $221.63 million.

Approvals during 2002 through the Fund's private sector window comprised investments totaling $78.4 million and concerned 18 operations in 13 developing countries. ●

Table 2

Commitments and disbursements in 2002

(in millions of dollars)

	Commitments	Disbursements
1. Public sector lending operations		
– Project financing	254.190	136.746
– Program financing	–	6.500
– HIPC Initiative financing	18.200	48.730
Subtotal	**272.390**	**191.976**
2. Private sector operations	78.410	19.921
3. Grant program		
– Technical assistance	1.505	2.539
– Research and similar activities	0.815	0.847
– Emergency aid	1.910	1.591
– HIV/AIDS Special Account	14.310	4.760
– Special Grant Account for Palestine	2.000	–
Subtotal	**20.540**	**9.737**
Total	**371.340**	**221.634**

2. Public Sector Lending

In keeping with its mandate, the Fund has traditionally directed a large portion of its resources to the world's least developed countries (LDCs). Numbering 49, and with a combined population of over 600 million, these nations constitute the weakest and most vulnerable group in the world economy. In addition to struggling to overcome the limitations imposed by inadequate economic, institutional and human resources, many of these countries must contend with political unrest, geophysical handicaps and debilitating external debt burdens. There thus remains an acknowledged need within the international community to accord them preferential treatment wherever possible.

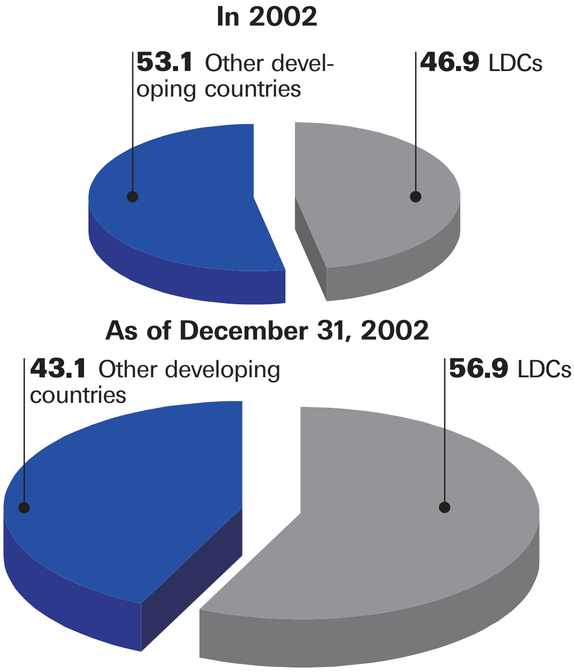
In recognition of the unique difficulties confronting the LDCs, the OPEC Fund directed 47% of its total commitments in 2002 to these countries. Altogether, 17 LDCs benefited from loans worth $127.7 million, while 16 other low-income nations received lending in the amount of $144.7 million. Cumulatively, the LDCs have attracted 57% of the OPEC Fund's total loan commitments, with the remainder going to other low-income developing countries.

B. Babajide

H.E. Mr. Martin Okouda, Minister of Public Investments and Regional Development, prepares to initial the loan agreement for a road project in Cameroon.

Chart 2

Public sector lending to LDCs
(in percent)



Project Lending

Total project loans approved in 2002 by the OPEC Fund numbered 37 and amounted to $254.19 million. The loans were extended to finance operations in 33 developing countries, and helped support projects in the sectors of transportation, agriculture, education, energy, and water supply and sewerage, as well as operations of a multi-sectoral nature. For the fifth consecutive year, transportation attracted the lion's share of lending with a substantial 37.4% of commitments. Multi-sectoral projects followed with 16.9%, slightly ahead of loans for water supply and sewerage, which attracted 15.7%. The remainder was divided among education (12.7%), agriculture (10.9%) and energy (6.4%).

Loans to the **transportation** sector benefited 13 countries and totaled $94.95 million. Improving links to remote rural areas was a priority for many recipient countries: Bangladesh ($10 million), Pak-

Table 3

Public sector lending to the Least Developed Countries (LDCs)

(in millions of dollars)

Type of operation in 2002	LDCs	Other developing countries	Total
Project loans	115.490	138.700	254.190
HIPC Initiative loans	12.200	6.000	18.200
Total	**127.690**	**144.700**	**272.390**
(Percentage of total loan commitments)	(46.9)	(53.1)	(100)
Cumulative to the end of 2002			
Project loans	2,152.711	1,799.799	3,952.510
BOP support loans	465.680	258.550	724.230
Program loans	183.470	121.826	305.296
HIPC Initiative loans	126.830	37.200	164.030
Total	**2,928.691**	**2,217.375**	**5,146.066**
(Percentage of total loan commitments)	(56.9)	(43.1)	(100)

istan ($15 million), Rwanda ($6.5 million) Senegal ($6.5 million), Sri Lanka ($8.5 million) and Tunisia ($7 million) all plan to implement road upgrading projects designed to make isolated regions more accessible. For other beneficiaries, the focus was on strategic arterial routes: Ethiopia obtained $4.8 million to rehabilitate the Metu-Gore road which forms part of the country's main west-east link; The Gambia acquired $2.75 million to renovate a portion of the South Bank Trunk Route, one of its most heavily used transport corridors; and Mauritania took $4.3 million to bituminize a 196 km extension of the Nouakchott-Rosso Highway. Boosting tourism was among the key aims of road upgrading projects in three Caribbean/Central American nations: Belize ($6 million), Grenada ($3 million) and Jamaica ($5 million) all secured loans to improve road infrastructure and help promote this area of their economy. Bolivia received two loans for its transportation sector: $10 million towards completion of the Puerto-Suarez road, and $5.7 million to upgrade an important gravel-based road in the southern Department of Chuquisaca.

B. Babajide

H.E. Mr. Mamarizo Nurmuratov, Minister of Finance of Uzbekistan (left), and H.E. Dr. Saleh A. Al-Omair, Governing Board Chairman, prior to concluding the agreement for the first public sector loan the Fund has extended to the Central Asian republic.

Table 4

Public sector project loans approved in 2002 – geographical and sectoral distribution

(in millions of dollars)

Country/region	Agriculture and agro-industry	Education	Energy	Multi-sectoral	Transpor-tation	Water supply and sewerage	Total
Benin		4.730					4.730
Burkina Faso		4.000					4.000
Cape Verde		5.000					5.000
Chad	7.500						7.500
Djibouti		4.500					4.500
Egypt	10.000						10.000
Eritrea			0.910				0.910
Ethiopia					4.800		4.800
Gambia, The					2.750		2.750
Guinea				5.000			5.000
Mali				9.000			9.000
Mauritania					4.300		4.300
Morocco						15.000	15.000
Mozambique		4.000					4.000
Niger				10.000			10.000
Rwanda			5.000	8.000	6.500		19.500
Senegal					6.500		6.500
Tanzania						5.000	5.000
Tunisia		10.000			7.000		17.000
Africa	**17.500**	**32.230**	**5.910**	**32.000**	**31.850**	**20.000**	**139.490**
Bangladesh			8.000		10.000		18.000
Korea, D.P.R.	10.200						10.200
Pakistan					15.000		15.000
Sri Lanka					8.500		8.500
Tajikistan			2.400				2.400
Uzbekistan						10.000	10.000
Asia	**10.200**		**10.400**		**33.500**	**10.000**	**64.100**
Belize					6.000		6.000
Bolivia					15.600		15.600
Cuba						10.000	10.000
Dominican Republic				5.000			5.000
Grenada					3.000		3.000
Jamaica					5.000		5.000
Nicaragua				6.000			6.000
Latin America & the Caribbean				**11.000**	**29.600**	**10.000**	**50.600**
Total	**27.700**	**32.230**	**16.310**	**43.000**	**94.950**	**40.000**	**254.190**
(percentage)	10.9	12.7	6.4	16.9	37.4	15.7	100

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H.E. Ms. Georgina Fajardo Díaz, Economic and Commercial Counselor of Cuba (left), and H.E. Dr. Saleh A. Al-Omair, Governing Board Chairman, complete the formal arrangements for the Fund's first operation in Cuba, a water supply and sewerage project.

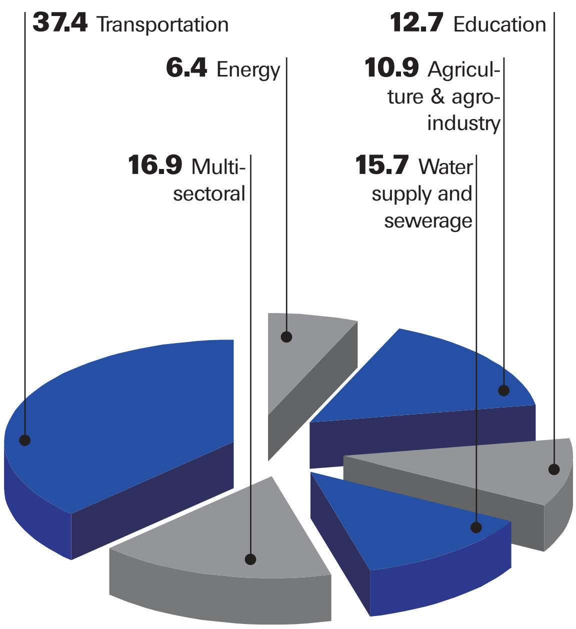
Six **multi-sectoral** loans were approved in 2002: to Guinea ($5 million), Nicaragua ($6 million), Mali ($9 million) and Rwanda ($8 million) for the development of rural infrastructure in needy areas; to Niger ($10 million) to rehabilitate urban infrastructure in the capital Niamey; and to the Dominican Republic ($5 million) to co-finance a range of small-scale social and economic development schemes in marginalized communities along the Haitian border.

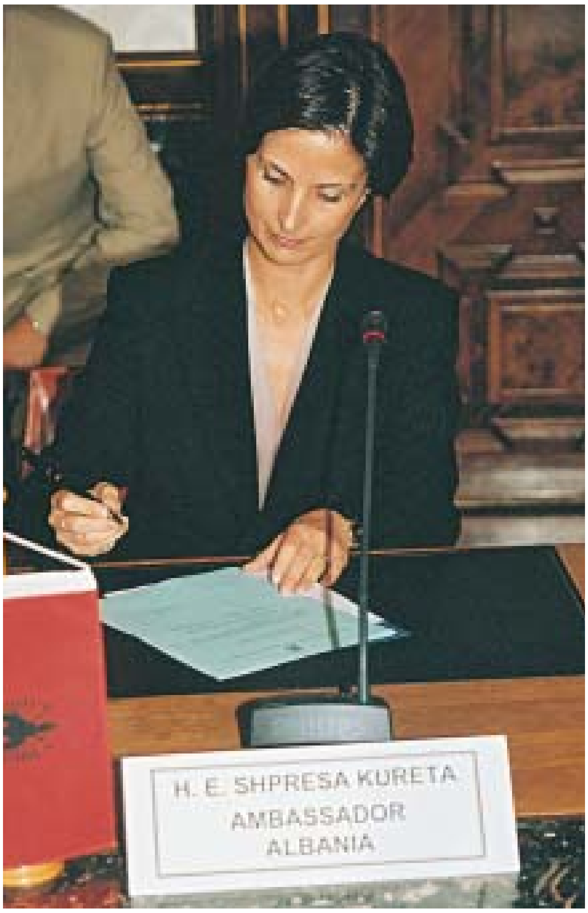
In the **water supply and sewerage** sector, four loans worth a total of $40 million were approved to Cuba ($10 million), Morocco ($15 million), Tanzania ($5 million) and Uzbekistan ($10 million). With the proceeds, Cuba will upgrade the sanitation system in the capital Havana, while Morocco plans to upgrade dam capacity in the coastal region between Rabat and Casablanca. For Tanzania, goals are to rehabilitate and expand potable water supplies in the city of Singida. Uzbekistan proposes using its loan to carry out emergency repair works on a 30-year-old pumping cascade system, which brings irrigation water from Turkmenistan's Amu Dayra River to the Karshi Steppe agricultural area.

Resources valued at $32.23 million were committed for **education** projects in six countries. Tertiary education is the focus in Burkina Faso ($4 million), Mozambique ($4 million) and Tunisia ($7 million), with loans supporting the construction and upgrading of facilities, as well as the procurement of materials and equipment. Benin will devote its $4.73 million loan to building new primary and secondary schools, while Cape Verde plans to use its $5 million to implement education reform strategies and improve the standard of high school technical and vocational tuition. A $4.5 million loan to Djibouti will upgrade facilities at the National Printing Enterprise to support the domestic production of quality textbooks and teaching materials.

Chart 3

Sectoral distribution of public sector project loans in 2002
(in percent)





H.E. Mrs. Shpresa Kureta, Ambassador of Albania, initials the agreement for a loan that will help finance the rehabilitation of water distribution networks in her Balkan homeland.

For **agriculture and agro-industry,** three loans valued together at $27.7 million were secured in 2002. Chad obtained $7.5 million to boost livestock farming, and Egypt secured $10 million to build 20 grain silos. Korea D.P.R. intends using its $10.2 million loan to help finance rehabilitation of the Pyongbuk Irrigation System.

Loans to the **energy** sector numbered four and totaled $16.31 million. Bangladesh took $8 million to renovate and upgrade the electricity network in the Greater Rajshahi region; Eritrea obtained $0.91 million to carry out repair works at the Hirgigo Thermal Power Plant; Rwanda secured $5 million to boost hydroelectric power capacity in the western provinces of Ruhengeri and Gisenyi; and $2.4 million was approved for Tajikistan to help finance a regional initiative that aims to modernize the Central Asian power grid. ●

3. Private Sector Operations

The Fund's *Private Sector Facility* was established in 1998, following a decision at the annual meeting of the Ministerial Council to extend the operations of the Fund to embrace private sector financing. Through the Facility, which is endowed with its own resources, the Fund now channels support directly to the private sector in developing countries. The main objectives of the Facility are to promote economic development by encouraging the growth of productive private enterprise and by supporting the development of local capital markets. The focus of the Facility is on achieving maximum development impact together with satisfactory financial returns relative to the risks taken.

As a generator of trade, investment and employment, the private sector has a pivotal role to play in sustainable development and poverty alleviation. Creating the enabling conditions that allow private enterprise to flourish is therefore generally believed to be a key element of economic growth. The main enabling ingredients include effective regulation, governance and legislation and favorable taxation incentives, along with well-developed infrastructure such as transportation, telecommunications, education and healthcare. Through its Private Sector Facility, the Fund seeks to support viable projects that will assist in contributing to overall economic growth.

As a pre-condition to making investments, the Fund requires signature of a standard agreement for the encouragement and protection of investment with the country concerned. Recognized as a gesture of trust and confidence, the agreement accords the Fund the same privileges as those normally given to international development institutions in which the country holds membership. As of December 31, 2002 investment protection agreements had been concluded with 45 countries. Following signature of an agreement, the Fund prepares a country business plan. Its purpose is to increase the Fund's knowl-

Table 5

Private sector financing approved in 2002 – geographical distribution

(in millions of dollars)

Country	Recipient	Type of finance	Amount
Egypt	Alpha-Chem Advanced Pharmaceutical Industries	Loan	10.00
Egypt	Glass Container Company	Equity	4.41
Ghana	Lister Medical Services Ltd.	Loan	1.40
Sudan	Byblos Sudan	Loan Equity	2.50 2.50
Sudan	Sudatel	Loan	7.60
Tunisia	Banque de Tunisie	Line of Credit	6.50
Tunisia	Tunisie Leasing	Line of Credit	4.00
Uganda	Development Finance Corporation of Uganda	Line of Credit	5.00
Africa			**43.91**
Bangladesh	Hamid Fabrics	Loan	2.00
Bangladesh	Industrial and Promotion Development Company	Equity	2.20
Cambodia	Living Angkor	Loan	3.00
Maldives	Villa Shipping and Trading	Loan	3.50
Sri Lanka	Lanka Orix	Line of Credit	5.00
Syria	Syrian Company for Chemicals	Loan	7.50
Uzbekistan	Bursel Tashkent	Loan	5.00
Asia			**28.20**
Bolivia	Jolyka Bolivia	Loan	1.30
Jamaica	Development Bank of Jamaica	Line of Credit	5.00
Latin America & the Caribbean			**6.30**
Total			**78.41**

B. Babajide

H.E. Mr. Phillip Bwanali, Deputy Minister of Finance and Economic Planning of Malawi (left), and H.E. Dr. Y. Seyyid Abdulai, Director-General, prior to signing the Agreement for the Protection and Encouragement of Investment, a prerequisite for Fund investments in a country's private sector.

edge of the private sector in that country and assist in the construction of an active network of local partners to lead to a sustainable deal flow. As further agreements are signed, the scope for conducting a higher volume of private sector operations will increase. However, the Fund will only finance a project which enjoys the support of the host country's government.

The Fund seeks to work closely with other development finance agencies and banks and frequently co-finances projects with other institutions. Co-financing partners in 2002 included EBRD, the IFC, PROPARCO and the ICD, among others. As well as strengthening existing alliances, the Fund seeks to develop relationships with new partners, including commercial banks that provide private sector finance to developing economies.

H.E. Mrs. Behija Hadzihajdarevic, Federal Minister of Agriculture, Water Management and Forestry of Bosnia and Herzegovina (right), and H.E. Dr. Y. Seyyid Abdulai sign the investment agreement that precedes all private sector operations.

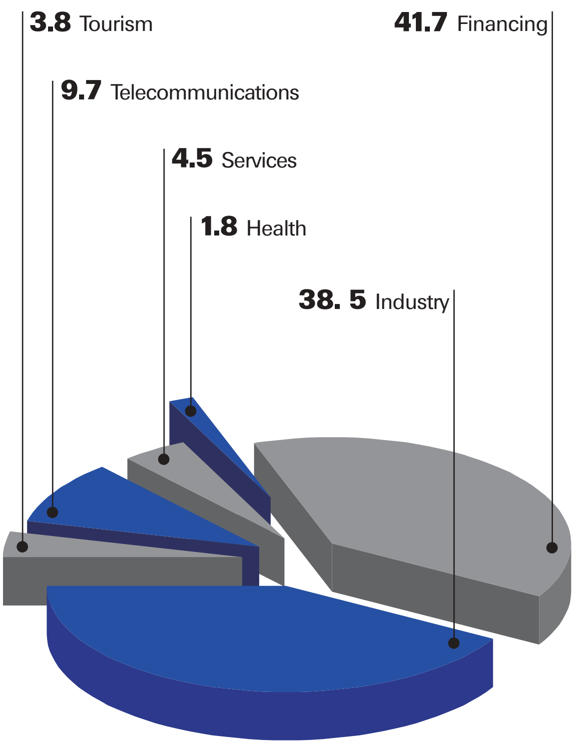
L Cechura

The main focus of the Facility in its formative years has been the financing of small- and medium-scale enterprises through financial intermediaries including micro-finance institutions, regional and national development banks, leasing companies and commercial banks. Financing through financial intermediaries assists in strengthening local capital markets. However, consistent with its objective of supporting a broader range of private sector operations, the Fund has been increasing its participation in non-financial sector projects, and in the year 2002 it supported projects in the industrial, health, telecommunications, tourism, services and financial sectors.

Chart 4

Sectoral distribution of private sector financing approved in 2002

(in percent)



To date, the Fund's private sector product range has consisted mainly of senior debt and equity instruments. An important objective of the Fund is to broaden the range of products that may be used to support project financing. Future plans may include developing quasi-equity products and guarantees.

As of December 31, 2002 cumulative approvals for private sector operations amounted to $190.1 million. For 2002, approvals totaled $78.4 million and covered a broad range of sectors (see Chart 4).

Consistent with the formation of any new activity, the Fund has been prudent in ensuring that institution building is pursued alongside its regular project cycle activities. Setting up an appropriate policy framework to guide operating procedures and support the growth of the Private Sector Facility was a key focus during 2002, as was development of a private sector legal framework. With the Fund operating in certain countries for the first time, an assessment of local legislation, as it pertains to private sector activity and regulation, is essential.

Private sector financing guidelines are available for downloading from the Fund's website at www.opecfund.org or on request directly to the Fund's headquarters in Vienna, Austria. Applications for financing may be submitted by post, fax or email to:

OPEC Fund for International Development
Parkring 8
A-1010 Vienna, Austria
Tel. (+43-1) 515 64-0
Fax (+43-1) 513 92 38
Email: administrator@opecfund.org

4. Grant Operations

By means of its grant program, the OPEC Fund channels valued resources into a wide range of development schemes and activities for which loan assistance is not usually an option. Fund grants are extended in the form of technical assistance for worthwhile social causes and small-scale enterprises, as sponsorship for research and studies and, when occasion demands, as humanitarian or emergency relief. The Fund also has two Special Accounts within its grant program: the first is dedicated to HIV/AIDS mitigation activities, while the second sponsors relief efforts in Palestine.

Mr. Didier Cherpitel, IFRC Secretary General (right), and H.E. Dr. Y. Seyyid Abdulai, Fund Director-General, committed their institutions to working together to halt the spread of HIV/AIDS in the Asia-Pacific region.

Photo courtesy of IFRC

In 2002, 34 grants worth a total of $20.54 million were approved by the Fund. Of these, eight were extended for technical assistance, 11 supported research and similar activities, and 10 helped finance emergency aid operations. Four regional initiatives were sponsored from the HIV/AIDS Special Account, and one grant was drawn from the Special Account for Palestine.

In the sphere of **technical assistance,** resources amounting to $1.505 million were allocated to a variety of worthy causes. Support went to the charity *Development Aid from People to People* to help finance the running of a children's town for vulnerable youngsters in Mozambique; to UNICEF in support of a project to raise the health and nutritional status of women and children in Tajikistan; to the AOAD to co-finance a *Rift Valley Fever* control and surveillance initiative in six affected Arab countries; and to an IAEA-sponsored scheme aimed at strengthening clinical radiotherapy services in 20 AFRA member states. Funds were also allocated to sponsor two Palestine-based projects: one to equip the mechatronics laboratory at the Palestinian Polytechnic University in Hebron, and another to help set up a charitable bakery in Nablus. A further technical assistance grant in 2002 supported an adult literacy program in Honduras.

Research activities supported by the Fund drew grants totaling $815,000 in 2002. This amount supported operations carried out by organizations such as the *African Regional Center for Technology,* the *Third World Academy of Sciences,* the *International Development Law Institute,* the *International Ocean Institute,* the *International Trypanotolerance Center* and *UNESCO.* The Account also helped finance an IAS conference on *Bridging the Science Divide,* a research project launched by the DYNMED Research group, and a two-year study on *Postnatal Transmission of Hepatitis C Virus* undertaken by the University Children's Hospital in Vienna, Austria. Other grants were approved to support the activities of the *Hagar Project,* an NGO that provides social support to Cambodian women and children, and an initiative of the *International Law Institute* that seeks to establish a network of Centers for Legal Excellence in countries of the South.

Emergency assistance, in the total amount of $1.91 million went to Afghanistan ($300,000)

Chart 5

Sectoral distribution of grants in 2002

(in percent)

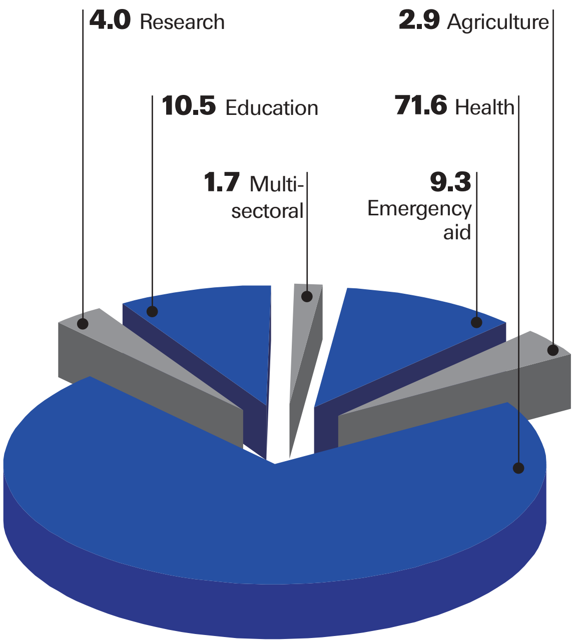


Table 6

Grants approved in 2002

(in thousands of dollars)

I. Technical Assistance	**Commitments**
AOAD: Regional Project for Surveillance and Control of Rift Valley Fever in the Arab Region	400.0
DAPP: Children's Town in Maputo, Mozambique	160.0
HCCA: Establishment of a Charitable Bread Bakery in Nablus	75.0
IDE: Market Creation for the Rural Poor	200.0
IAEA: Management of Most Common Cancers in AFRA Countries	200.0
National Commission for Non-Formal Education: Literacy and Basic Integral Education for Young People and Adults in Honduras	150.0
PPU: Equipping the Mechatronic Laboratory at the University in Hebron	120.0
UNICEF: Special Project for the Survival of Children and Women in the Republic of Tajikistan	200.0
Subtotal	**1,505.0**
II. Research and Similar Activities	
ARCT: Promotion of Modern Women Entrepreneurship for Food Security and Poverty Alleviation in Rural Africa	80.0
DYNMED: Study on Innovative Enterprises, Local Know-how and Euro-Mediterranean Partnerships	60.0
HAGAR: Social Promotion of Vulnerable Mothers and their Children in Cambodia	100.0
IAS: Conference on Bridging the Science Divide	35.0
IDLI: Legal training courses	99.0
ILI: Regional Campuses Network	100.0
IOI: Ocean Governance: Policy, Law and Management	56.0
ITC: Screening of village-based livestock for milk and growth rates	70.0
TWNSO: Joint Research Projects Scheme	100.0
UNESCO: Population and Perspectives for Development in the Arab World	40.0
University Children's Hospital Vienna: Postnatal Transmission of Hepatitis C Virus	75.0
Subtotal	**815.0**
III. Emergency Aid	
Afghanistan	300.0
Austria	200.0
Congo, D.R.	100.0
Iran, I.R.	200.0
Palestine	1,110.0
Subtotal	**1,910.0**
IV. HIV/AIDS Special Account	
OPEC Fund/WHO Initiative Against HIV/AIDS in Africa	8,110.0
OPEC Fund/UNFPA Project for HIV/AIDS Prevention in Selected Arab Countries	1,000.0
OPEC Fund /UNFPA Project for HIV/AIDS Prevention in Central America and the Caribbean	3,200.0
OPEC Fund/IFRC Project on Reducing Household Vulnerability to HIV/AIDS in Selected Countries of Asia & the Pacific	2,000.0
Subtotal	**14,310.0**
V. Special Grant Account for Palestine	
Assistance to Educational Institutions in Palestine	2,000.0
Subtotal	**2,000.0**
Total	**20,540.0**

and Iran, I.R. ($200,000), which were hit by severe earthquakes, to Congo D.R. ($100,000) to provide relief to volcano victims, and to Austria ($200,000) following the worst floods to hit that country in over a century. In addition, aid totaling $1.11 million was approved for a number of humanitarian operations in Palestine, which were primarily of a health and/or social nature and included the provision of medical supplies and equipment, the strengthening of medical services, and support to women and traumatized children.

The year 2002 also saw the Fund's **HIV/AIDS Special Account** commence implementation. In total, $14.31 million were committed to support large-scale, regional prevention initiatives in Africa ($8.11 million), selected Arab countries ($1 million), Central America and the Caribbean ($3.2 million) and Asia and the Pacific ($2 million).

One project was approved from the newly-launched **Special Grant Account for Palestine.** The sum of $2 million was committed to cover the tuition costs of needy students at nine universities and help defray their living costs. ●

5. Heavily Indebted Poor Countries Initiative

The *Heavily Indebted Poor Countries* (HIPC) *Initiative* was first launched in September 1996, as an international response aimed at providing comprehensive debt relief to the world's poorest, most heavily indebted countries. The high debt level in these nations was recognized as one of the main sources of slow economic growth and persistent poverty.

Among its main distinguishing features, the Initiative focuses on: removing the debt overhang for countries that pursue sound economic and social reform targeted at measurable poverty reduction; decreasing multilateral debt; and helping countries make the transition from endless debt restructuring to lasting debt relief. The Initiative employs a strategy of fully proportional burden sharing among all official creditors.

In late 1998, the original initiative was revised, leading to the Enhanced HIPC, which incorporates three key improvements: 1) Deeper and

B. Babajide

H.E. Mr. Getachew Gebre, State Minister of Finance and Economic Development of Ethiopia (left), visited with H.E. Dr. Saleh A. Al-Omair, Governing Board Chairman, prior to concluding an agreement for debt relief under the Enhanced HIPC Initiative.

Table 7

Development assistance within the framework of the Enhanced HIPC Initiative in 2002
(in millions of dollars)

Country	Approved amount
Ethiopia	6.6
Ghana	6.0
Rwanda	5.6
Total	**18.2**

broader debt relief: external debt servicing would be cut by approximately $50 billion, more than double the relief provided under the original framework. When completed, in combination with traditional debt relief, the Initiative would thus reduce by more than two-thirds the outstanding debt of more than 30 countries, bringing the average ratio of total debt to GDP from about 58% to less than 30%. 2) Faster debt relief: participating creditors should provide debt relief immediately at, or soon after, the decision point. 3) A stronger link between debt relief and poverty reduction: freed-up resources should be set aside to support poverty reduction strategies, developed with civil society participation.

Towards the end of December 2002, 26 countries (22 in Africa and four in Latin America) had qualified to receive relief amounting to more than $41 billion ($25.7 billion in net present value terms). The total committed assistance to these countries represents an average net present value stock-of-debt reduction of nearly two-thirds. Among the qualified countries, six have already reached their completion point.

The OPEC Fund has, from the very beginning, expressed its support of the Initiative and participated actively in its design. During 2002, the Fund approved the delivery of debt relief, within the framework of the Enhanced HIPC Initiative, to three countries: Ethiopia, Rwanda and Ghana, adding $18.2 million in new commitments to the $145.83 million already approved. Disbursements in 2002 under the HIPC framework amounted to $48.7 million, bringing the cumulative amount to $58.3 million. So far, of the 22 HIPC countries for which the Fund has approved debt relief (see Appendix IV), eight have received full disbursement: Benin, Bolivia, Chad, The Gambia, Mali, Mauritania, Niger and Senegal. ●

H.E. Ms. Maria dos Santos Tebús Torres, Minister of Planning and Finance of São Tome and Príncipe (center), and H.E. Dr. Y. Seyyid Abdulai, Fund Director-General, signed a HIPC II agreement that will reduce her country's debt burden.

B. Babajide

6. Cooperation with Other Organizations

L Cechura

H.E. Dr. Toraya Ahmed Obaid, UN Under-Secretary General and Executive Director of UNFPA (right) and Fund Director-General Dr. Abdulai discussed enhanced cooperation between their organizations, especially in the fight against HIV/AIDS.

To strengthen the impact of its contribution to the international development effort, the OPEC Fund remains firmly committed to coordinating its operations with like-minded institutions, in particular the bilateral and multilateral development agencies of OPEC member states, the specialized agencies of the United Nations System, regional development banks and a host of others. Such cooperation allows for a pooling of financial resources, expertise and experience, and helps avoid wasteful duplication of effort.

The Fund continued its long-established policy of cooperation in 2002 by co-financing 25 public sector projects in collaboration with other external donors. These included OPEC aid agencies – the Abu Dhabi Fund, the Arab Fund, BADEA, the IsDB, the Kuwait Fund, the Nigeria Trust Fund and the Saudi Fund – as well as a number of other partners, namely AfDB, AfDF, AsDB, EU, IBRD, IDA, IDB and IFAD. A total of $179.09 million was contributed by the Fund to these projects whose combined cost amounted to $1,287.27 million. (The sectoral breakdown of cofinanced projects is illustrated in Table 8 below.) A further 11 projects, costing a total of $130.61 million, were financed in conjunction with the governments of the recipient countries and sponsored by the OPEC Fund to the value of $75.10 million.

In the sphere of private sector financing, the Fund is maintaining cooperation with its traditional partners as well as developing new alliances specifically with the private sector in mind. In 2002, these included the IFC, PROPARCO *(Agence française de développement)* of France and ICD (the private sector arm of the IsDB).

The majority of grant-financed operations also received support from external donors including, among others, AGFUND, BADEA, CARE WBG, CIDA, DAPP, EU, IFAD, IFRC, IsDB, OXFAM, UNDP, UNFPA, UNESCO, UNICEF, UNRWA, USAID, WFP and WHO.

Further details on co-financiers of Fund operations in 2002 may be found in Part Two of this Annual Report. Meetings and conferences attended by the Fund are listed in Appendix XII. ●

Table 8

Co-financed public sector projects by sector in 2002

(in millions of dollars)

Sector	OPEC Fund loans	Total cost of projects
Transportation	79.55	689.93
Water supply and sewerage	30.00	241.23
Multi-sectoral	27.00	87.07
Agriculture and agro-industry	17.50	136.13
Energy	16.31	101.09
Education	8.73	31.82
Total	**179.09**	**1,287.27**

Fund creates Special Grant Account for Palestine

In view of the deepening poverty and human tragedy engulfing Palestine, the OPEC Fund in November established a "Special Grant Account to Address the Needs of Palestine." Initially endowed with $10 million, this special account will be used to speed enhanced humanitarian and economic assistance to the beleaguered inhabitants of East Jerusalem, the West Bank and Gaza.

The special account was approved by the Ministerial Council, the Fund's highest decision-making body, on November 20th, prompted by a sense of solidarity with the Palestinian people and the conviction that donor assistance to Palestine must be increased significantly in light of the impending economic collapse in the occupied areas.

Emphasis on emergency assistance

Already in November 2000, the Fund, gravely concerned about the high level of violence and the intense suffering of the civilian population, began shifting the focus of its grant assistance to Palestine from long-term, growth-oriented development projects to immediate survival aid. By late August 2002, the Fund had extended 14 emergency grants, totalling $2.55 million, in support of various NGOs and international organizations working to provide humanitarian assistance and crucial social services to the afflicted Palestinians.

Of these grants, 12 co-financed projects designed to meet some of the exploding need for emergency medical and health care. In addition to providing treatment for the severely injured, therapy for the physically handicapped, and care for traumatized women and children, these grants furnished ambulances, medicines, medical equipment, blood banks and supplies. Other grants made during this period financed initiatives, such as a charity bakery in Jenin, which were designed to raise food security among destitute families, especially households headed by widows.

Over the years, the Fund has extended a total of 67 grants, worth over $18 million, to Palestine. The Fund's overall assistance, however, includes two further public sector loans, also totalling $18 million and approved in 1998 and 1999, as co-financing for a major two-phase community development program.

Growing hardship and poverty

As the conflict continued, it became clear that the volume of grant assistance the Fund extended to Palestine[1] was no longer adequate. By spring 2002, the unemployment rate had soared to over 60% of the workforce, as the strictest, most comprehensive closures since 1967 prevented some 125,000 Palestinians who relied on jobs inside Israel from travelling to work. Another 60,000 people who were employed in the "autonomous areas" also became jobless as more and more Palestinian firms were forced to cut production or close.

With incomes reduced to a trickle, savings exhausted and private assets destroyed or confiscated, more and more families became destitute. After 15 months of conflict and closures, poverty had tripled to nearly 67%. In Gaza alone, 70% of the population was subsisting on less than $2 a day. Hunger and malnutrition increased alarmingly, especially in rural communities: 13.2% of the children in Gaza and 4.3% in the West Bank were reported to be suffering from "body wasting," severe, chronic malnutrition, and the World Food Program concluded that over half of the population required food assistance.

Deepening humanitarian crisis

During the Israeli re-occupation of the West Bank in March-April 2002, the humanitarian crisis intensified. Within weeks, the number of Palestinian dead increased to over 1,600. Of some 19,000 Palestinians injured during this period, hundreds were permanently disabled. Public and private property was destroyed at an unparalleled rate, and tens of thousands of people were made homeless. According to UNRWA assessments, 4,400 dwellings were ruined in March-April alone, including 660 that were razed in Gaza and 2,880 within the refugee camps.

Essential infrastructure was wantonly and systematically destroyed, leaving communities without water, electricity, telephones, schools, or medical care. In March alone, 141 refugee shelters, 22 UNRWA schools, four health clinics and two ambulances were demolished. During the same period, 134 wells were contaminated or bull-

[1] Since 1993, the Fund has aimed at extending approximately $1 million per year to Palestine in the form of technical assistance and research grants.

The conflict in the West Bank and Gaza Strip is an asymmetrical one, pitting children "armed" with stones against tanks, helicopter gunships and F-16s. During 2002, 115 Palestinians under 18 were killed by the occupation forces.

Photo courtesy of ECRC

dozed; thousands of hectares of crops and cultivated land were ruined or laid waste; and 34,600 olive and fruit trees uprooted, thereby depriving thousands of families of their main or sole source of income.

Cooperation with sister organizations

As the crisis worsened, the Fund stepped up its search for ways to increase and enhance its assistance to Palestine, in part through intensified cooperation with other organizations, especially its sister institutions. These efforts culminated in a *Special Meeting on Palestine,* held at Abu Dhabi in May 2002. The participating members of the Coordination Group of Arab/OPEC/Islamic Development Aid Institutions reviewed plans for unified emergency aid to Palestine and agreed to work together to alleviate poverty, improve living conditions, and prevent the collapse of essential social services, especially in the healthcare sector.

Four institutions, the Arab Monetary Fund, the Arab Fund for Economic and Social Development, the Arab Bank for Economic Development in Africa (BADEA), and the Arab Authority for Agricultural Investment and Development, signalled their readiness to allocate a total of $39.8 million for a joint program to provide emergency assistance to the Palestinian people and help rebuild housing and vital infrastructure.

Additional assistance planned

The proposed program will include five main components: support for educational institutions and poor students; financial assistance to hospitals, clinics and health centers; reconstruction and rehabilitation of infrastructure; reconstruction or rehabilitation of housing; and support to needy families and orphans. The OPEC Fund has expressed an interest in financing projects within the first two components, thereby re-affirming a long-standing commitment to improving health and education in the West Bank and Gaza.

In December, the Fund's Governing Board approved the extension of the first grant to be drawn from the Special Account for Palestine. This grant will provide $2 million in assistance to nine non-governmental, non-profit universities and establish a revolving credit fund to help needy Palestinian students pay their education fees. On the same occasion, the Board approved, in principle, a proposal for drawing on the Special Grant Account to provide financial support in the form of micro-credits to artisanal businesses in Palestine. ●

Public Sector Lending in 2002*

1. Africa

Benin

Sector: Education
Project: Second Technical Education and Vocational Education
Amount: $4.73 million
Terms:** Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Ministry of Primary and Secondary Education
Co-financiers: AfDF, government of Benin
Loan administrator: AfDB
Total cost: $22.93 million

In the early 1990s Benin embarked upon an education reform program that substantially increased enrolment rates. Overall quality and efficiency of education, however, remains low, particularly in rural areas, due to the combined factors of the long distances many pupils must travel to and from schools, the lack of teaching materials and under-equipped classrooms. As the demand for education continues to rise, an additional 6,000 classrooms and 10,000 teachers are needed. The current project will help close this gap by constructing 150 classrooms and rehabilitating 16 existing ones in selected primary schools. Six secondary schools will also be built, and in all, places will be created for over 12,000 pupils. Moreover, a technical high school will be constructed in Mono province, as well as two agricultural colleges in Djougou and Savalou. All these schools will have science and computer laboratories, workshops and other facilities, as well as dormitories, which will encourage regular attendance, especially among girls. Equipment, pedagogical materials and furniture will also be provided. In addition, sensitization campaigns covering topics such as HIV/AIDS and malaria and the promotion of education for young girls are envisaged, as are literacy programs for around 10,000 women.

Burkina Faso

Sector: Education
Project: University of Ouagadougou Campus Facilities

First-graders in Benin. A Fund loan will co-finance the construction of 150 new primary classrooms and six secondary schools.

European Commission Audiovisual Library

* All public sector lending operations in 2002 concerned development project financing.
** There is a service charge on all Fund loans of 1% per annum on amounts withdrawn and outstanding.

Ministry of Education, Cape Verde

Secondary enrollments in Cape Verde have increased fivefold since the island republic introduced universal primary education.

Amount: $4 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: PIU, at the General Directorate of the National Center for University Works, Ministry of Secondary/Higher Education and Scientific Research
Co-financier: Government of Burkina Faso
Loan administrator: OPEC Fund
Total cost: $4.46 million

The University of Ouagadougou, the oldest and largest higher education facility in Burkina Faso, has a current enrolment of some 12,000 students. On-campus housing, however, is scarce, with only 750 beds available for some 10,000 requests. Those who are fortunate enough to secure a room must share it with three others, a situation that is not conducive to learning. Because of the shortage of dormitory space, most students have to live in Ouagadougou's outlying suburbs. Living off campus means time lost commuting and fewer opportunities to participate in campus activities. Many students are even forced to abandon their education altogether for want of housing. Under the present project, three multi-story dormitories, each with the capacity to house 250 students, will be constructed at the university. The complex will contain laundry facilities, a dining hall, administrative offices, infirmary and sports area, and will be fully furnished and equipped. Once the new facilities are complete, students will have the chance to study in more spacious, comfortable surroundings and have greater motivation to complete their studies. Revenues from students' food and lodging fees and the anticipated decline in drop-out and repetition rates will also translate into more income for the university.

Cape Verde

Sector: Education
Project: Secondary Education
Amount: $5 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agencies: Ministry of Education, Science, Youth and Sports, Ministry of Transport
Co-financier: Government of Cape Verde
Loan administrator: OPEC Fund
Total cost: $5.5 million

Situated some 50 km off the Senegal coast, Cape Verde is an archipelago consisting of nine larger islands and several smaller ones. After the introduction of universal primary education, enrolment levels burgeoned, especially among the secondary schools, which have experienced a five-fold increase during the past decade. As a result, most of these schools are overcrowded and forced to operate a triple-shift system. Learning materials and equipment are in short supply, and many teachers lack proper qualifications. Courses for technical and vocational studies, which are offered after completion of the first two years of secondary school, are outdated and not relevant to market needs. To correct these problems, government is implementing a series of education reforms. Under this project, activities will be carried out in the densely-populated islands of Santiago, Fogo, Maio and Santo Antao, where four existing secondary schools will be rehabilitated, and three new ones built. Each will contain science laboratories, computer rooms and other facilities, and be provided with books, teaching materials, furniture and equipment. Pre- and in-service training will be provided to secondary, vocational and higher education school instructors to boost the overall quality of education. The enhanced facilities are expected to accommodate 4,000 additional pupils.

Chad

Sector: Agriculture
Project: Pastoral Livestock Support
Amount: $7.5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: PIU, under the aegis of the Ministry of Livestock
Co-financiers: AfDF, Technical Assistance Fund of the AfDB, beneficiaries, government of Chad
Loan administrator: AfDB
Total cost: $31.56 million

Imprimerie Nationale de Djibouti

The IND, Djibouti's state printing enterprise, plans to expand and procure modern presses and equipment needed to increase textbook production.

Animal husbandry is an important contributor to Chad's economy, accounting for around one-third of agricultural GDP and providing the primary source of income for over 40% of the population. Development of the sector is hampered, however, by a number of organizational, technical and economic constraints. This loan will support a government initiative to address these weaknesses and give the sector a much-needed boost. Project activities include institution strengthening across the entire livestock sub-sector, along with the extension of support to livestock associations, pastoral interest groups and other related organizations. In addition, abattoirs, butchers' stalls, livestock markets and meat storage areas will be built. Livestock health will be promoted through the construction and rehabilitation of veterinary stations and the expansion of facilities at the National School of Technical Livestock Agents. Pastoral herders will benefit from the rehabilitation of trails, the drilling of wells and water points, and the planting of trees, fodder plants and shrubs that provide shelter for their herds and prevent erosion. A wide-reaching training component will comprise literacy programs, livestock management courses and food processing techniques, all with a strong emphasis on women's participation. Once completed, a minimum of 250,000 households are expected to benefit from the project.

Djibouti

Sector: Education
Project: National Printing Press
Amount: $4.5 million
Terms: Interest rate of 2.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: *Imprimerie Nationale de Djibouti* (IND)
Co-financier: Government of Djibouti
Loan administrator: OPEC Fund
Total cost: $4.8 million

With a primary school enrolment rate of barely 40%, Djibouti's education indicators lag behind those of other developing countries. One of the reasons for this situation is a severe scarcity of textbooks. In fact, schoolbooks are in such short supply that students are limited to using them during class time only, and for some subjects, no printed material is available. Due to lack of maintenance, IND, the country's National Printing Enterprise, is operating well under capacity, necessitating the costly use of sub-contractors or printing services abroad. To address these issues, this project will implement capacity building at the IND and at Djibouti's National Education Research, Information and Production Center (CRIPEN), and carry out the required infrastructural improvements. The IND building will be fully rehabilitated, existing equipment repaired and modern printing presses procured. Since the CRIPEN facility will be responsible for layout and production, it will be expanded by 500 m2 and provided with the necessary computer equipment. The staff will also receive appropriate training. Once the upgraded facilities are fully operational, production is expected to increase from the present level of 25,000 textbooks annually to 185,000, thus making printed material available at affordable prices and in sufficient quantity to meet demand.

Egypt

Sector: Agriculture
Project: Grain Silos Complexes
Amount: $10 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agencies: General Authority for Commodities and Trade and Supply, Ministry of Supply and Internal Trade
Co-financiers: IsDB, government of Egypt
Loan administrator: IsDB
Total cost: $104.569 million

Agriculture, particularly the export of wheat, corn and other grains, plays a vital role in Egypt's economy. Additional storage capacity, however, is urgently needed as much of the grain produced is housed in traditional open "yards" that offer little protection from humidity, insects and other damaging influences. This situation results in estimated losses of over $8 million annually. Government therefore plans to build 50 grain silos in 21 of the country's governorates, with the ultimate goals of not only increasing the quantity of grain stored, but also the speed and efficiency of its handling. The present project will help achieve these aims by constructing 20 metal silos on sites selected both on the basis of their proximity to main roads and cultivation areas, and the amount of grain currently being lost. Each silo will have a storage capacity of at least 30,000 tons, and each complex will be equipped with truck and railway receiving pits, delivery portals and scales, as well as tunnels and modern conveyance systems. It is anticipated that the project will save the government almost $19 million per year, which will be invested in the construction of additional silos until an adequate grain storage network has been established throughout the country.

Eritrea

Sector: Energy
Project: Hirgigo Thermal Power Plant Rehabilitation
Amount: $0.91 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: Eritrea Electric Authority
Co-financiers: Abu Dhabi Fund, BADEA, Kuwait Fund, Saudi Fund, government of Eritrea
Loan administrator: Kuwait Fund
Total cost: $19.64 million

The construction of the Hirgigo Thermal Power Plant, located some 10 km from the city of Massawa on the Red Sea coast, originally began in 1997 with co-financing from the OPEC Fund. Shortly before the plant was fully commissioned, however, it was extensively damaged as a result of conflict in the region, seriously compromising the country's ability to provide its population with a steady, inexpensive supply of electricity. This supplementary loan was extended to retroactively cofinance the repair works necessary to bring the plant back into operation. The rehabilitation scheme, which was completed in December 2001, included the extensive reconstruction and replacement


Eritrea Electric Authority

Severely damaged a short time before it could be commissioned, Hirgigo Thermal Power Plant was reconstructed with a supplementary loan.

of equipment and support structures, as well as the testing, commissioning and synchronization of generator units and other related mechanical and electrical works. The refurbished plant is supplying households with a reliable, economical source of energy, and has the installed capacity to handle future electricity requirements.

Ethiopia

Sector: Transportation
Project: Metu-Gore Road
Amount: $4.8 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: Ethiopian Road Authority
Co-financier: Government of Ethiopia
Loan administrator: OPEC Fund
Total cost: $5.6 million

Road density in Ethiopia is among the lowest in Africa, with just an estimated 27 km of road available per 1,000 km^2 of land. Only a small percentage of the network is paved, leaving rural areas served primarily by earth tracks that are in poor condition and prone to flooding during the wet months. These shortfalls perpetuate poverty and threaten food security by hindering the transportation of produce to marketplaces and outlying food deficit regions. Ethiopia's 26 km-long Metu-Gore road is part of the country's most important west-east link, which passes through rich agricultural areas where a diversity of food and cash crops are grown. This unpaved stretch has deteriorated to a point where travel is dangerous and virtually impossible during heavy rains, halting income generation and leaving villages isolated from vital social services. Under the project, it will be upgraded to double bitumen standard, including a 7 m carriageway (6.5 m in mountainous areas) and 1.5 m paved shoulders on either side. Drainage structures will be installed to insure year-round travel, and worn bridges repaired. Once completed, thousands of families living in the project area will enjoy safer, more efficient travel, and the entire country will benefit from the expected boost to the economy from increased agricultural activity.

The Gambia

Sector: Transportation
Project: Serrekunda-Mandina Ba Road, Phase II
Amount: $2.75 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Department of State for Works, Construction and Infrastructure
Co-financiers: IsDB, government of the Gambia
Loan administrator: IsDB
Total cost: $9.5 million

Transport is slow and inefficient in Ethiopia, where unpaved tracks are the rule and bridges in poor condition. The Metu-Gore road will be upgraded with a loan provided by the Fund.

Photo courtesy of Kocks Consult GmbH

FAO/Roberto Faidutti

Drilling new wells is high on the agenda of a rural development project in Guinea, which will also develop 675 ha of land and install an irrigation system.

One of The Gambia's most heavily-used transport corridors is the South Bank Trunk Route, which traverses the entire length of the country. It also provides access to the Trans-Gambian Highway that connects The Gambia with neighboring Senegal and the regional road network. Part of this system is the 28.6 km-long Serrekunda-Mandina Ba road, which is presently being rehabilitated with the help of an earlier Fund loan. Although the road is largely completed, current traffic loads have far exceeded projected estimates. It has therefore been decided that the original project specifications will be expanded by adding a 14.4 km, two-lane highway on the busiest stretch between Serrekunda and the Banjul International Airport. A concrete barrier will be built to separate the existing road from the new highway, which pedestrians will be able to cross safely by using one of the four envisaged steel overpasses. Plans also include the provision of sidewalks and the installation of drainage works.

Guinea

Sector: Multi-sectoral
Project: Telimele Integrated Rural Development
Amount: $5 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: Ministry of Agriculture and Livestock
Co-financiers: IsDB, government of Guinea
Loan administrator: IsDB
Total cost: $16.54 million

Guinea is endowed with a number of natural resources, such as fertile soils and a favorable climate for cultivating a wide variety of crops. However, the combination of outdated agricultural practices, unavailability of inputs and lack of effective methods to harness groundwater sources has led to low yields that compromise food security and necessitate the import of produce. The prefecture of Telimele comprises 14 districts that depend heavily on rain-fed agriculture. The area's rapidly-growing population, however, is placing increasing pressure on underdeveloped rural infrastructure, thus jeopardizing income-generation. To address these projects, 675 ha of land will be developed through the installation of an irrigation network and drainage system, and construction of a small dam to store excess water. Inputs such as seeds, pesticides and fertilizers will be provided, and the region's numerous small farmers assisted through the establishment of farmers' associations and training programs. Boreholes and wells will be drilled to boost access to potable water supplies,

Galen R. Frysinger (www.galenfrysinger.com)

A multi-faceted agricultural project in Mali's Ke-Macina region will enlarge an irrigation canal to boost rice and vegetable production.

and the transport of agricultural goods facilitated through the construction of 192 km of feeder roads. Additionally, ten new primary schools in under-served villages will be built, and the delivery of health care improved through the construction and equipping of two major health centers and ten health units.

Mali

Sector: Multi-sectoral
Project: Ké-Macina Agricultural Rehabilitation
Amount: $9.0 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002
Executing agency: *Office de Niger,* autonomous entity under the Ministry of Rural Development and Environment
Co-financiers: Kuwait Fund, government of Mali
Loan administrator: Kuwait Fund
Total cost: $22.3 million

Agriculture is the mainstay of Mali's economy, with rice, the predominant crop, covering most of the country's 260,000 ha of irrigated land. Although Mali possesses enough surface and groundwater sources to irrigate more than double this amount, constraints such as underdeveloped infrastructure and the high cost of harnessing these resources limit this potential. This loan will help finance a project in the Ké-Macina region, a key rice-growing area located northeast of the capital city Bamako. The aim is to build on the success of an earlier scheme by rehabilitating an additional 3,160 ha and expanding social services for around 1,250 families in 10 villages. Works will entail upgrading and enlarging the main irrigation canal built under Phase I, installing a 100 km drainage network, and providing a wide range of social infrastructure. Once completed, an annual increase of 12,000 tons of rice and 6,000 tons of vegetables is anticipated, thereby boosting food supplies and enhancing income generating activities for some 16,000 people.

Mauritania

Sector: Transportation
Project: Rosso Boghé Road Construction
Amount: $4.3 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Public Works Department at the Ministry of Equipment and Transport
Co-financiers: AfDF, EU, Technical Assistance

Fund of the AfDB, Nigerian Trust Fund, government of Mauritania
Loan administrator: AfDB
Total cost: $66.89 million

The road network accommodates the majority of all commercial and passenger traffic in Mauritania and comprises around 10,300 km of roads, of which only about 25% is paved. The 196 km Rosso-Boghé road, an extension of the paved Nouakchott-Rosso Highway, is an important corridor that lies in direct proximity to the Senegal River, which, as the country's only navigable waterway, is a vital trade link. This stretch, however, is often rendered impassable during the rainy season, a situation that severely compromises income generation and prevents the development of surrounding areas with high agricultural potential. Widespread poverty compels a large percentage of the male population to leave their villages in search of work, leaving the women to head the households. The project the Fund is co-financing will help six of the poorest villages in the country. In addition to upgrading the Rosso-Boghé road to bitumen standard, the project will expand the network by adding an extra 3.5 km of urban road in Boghé and 15.5 km of paved link roads off the main highway. Once completed, thousands of previously isolated families will be able to enjoy year-round access to social services, marketplaces and jobs.

Morocco

Water is a precious commodity in Morocco, especially along the coast.

Sector: Water Supply and Sewerage
Project: Water Supply
Amount: $15 million
Terms: Interest rate of 3.5% per annum; 20-year maturity, including a 5-year grace period

IFAD/Alberto Conti

Approved: March 14, 2002*
Executing agency: Department of Water within the Ministry of Public Works
Co-financiers: Arab Fund, government of Morocco
Loan administrator: Arab Fund
Total cost: $87.9 million

The availability of water in Morocco varies widely, ranging from a yearly rainfall of one meter in mountainous areas to less than three centimeters in the south, necessitating the use of dams to help maintain adequate supplies. With a rapidly-rising population and growing demand for irrigation water, the government is concerned

Monica Ladurner

"Direct sales" in Mauritania. Good roads help facilitate trade between coastal and inland regions.

that the limited capacity of existing facilities could soon lead to water shortages. The situation is particularly urgent in the coastal region between the capital Rabat and Casablanca, where the dams are in urgent need of expansion. Here, a number of activities will be carried out to secure adequate water supplies for the region's 5.25 million people. The Sidi Mohammed Ben Abdullah dam, situated on the Bou Regreg River some 10 km from Rabat, will be raised by approximately 7.5 meters through the installation of a second 42 km-long spillway, more than doubling its storage capacity. Additionally, a new retention dam will be built at Bou Khmis on the Grou River, along with an outlet canal for transporting water to distribution centers in neighboring villages. The resulting reservoir will be capable of holding up to 180 mil-

* This loan was approved in 2002, but financed through the 14th Lending Program.

Herbert Rathgeb

Mondlane University will expand to help Mozambique meet its growing need for qualified professionals.

lion m³ of water. Once completed, the scheme is expected to boost potable water supplies by some 100 million m³.

Mozambique

Sector: Education
Project: Eduardo Mondlane University
Amount: $4 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002
Executing agency: Eduardo Mondlane University
Co-financiers: BADEA, government of Mozambique
Loan administrator: BADEA
Total cost: $8.89 million

Although Mozambique's rate of economic growth over the past few years has been relatively high, it has not been accompanied by an equal increase in human resources. As a result, the country is experiencing acute shortages of qualified professionals in areas such as medicine, engineering, computer science and pharmacology. Although Mozambique has 10 universities, the overall number of applicants is far higher than available vacancies. One of the country's most pre-eminent educational facilities is the Eduardo Mondlane University in the capital city Maputo. Under the project, and as part of a government strategy to enhance the quality and availability of advanced education, the University will be expanded by constructing one three-story building to house the department of Mathematics and Computer Science, and two others for the Biology Department. Each will be designed with appropriate classrooms and laboratories and furnished accordingly. A 3,600 m² administrative building will centralize the departments that are currently housed in widely-scattered, improvised facilities. Upon completion of the project, a 40% increase in university graduates is expected. The higher number of well-trained and qualified professionals will help boost Mozambique's economy and bring more social services, particularly in the area of health care, to poorer segments of the population.

Niger

Sector: Multi-sectoral
Project: Public Works II
Amount: $10 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002*
Executing agency: *Agence Nigérienne de Travaux d'Intérêt Public pour l'Emploi* (NIGETIP)
Co-financier: Government of Niger
Loan administrator: OPEC Fund
Total cost: $11.10 million

Over half of Niger's population lives below the poverty line, and urban infrastructure is largely underdeveloped, especially in the capital city Niamey. As the local construction industry, particularly smaller, private businesses, is beset by constraints such as a lack of expertise to deal with procurement procedures and a scarce supply of construction materials, many jobs are instead contracted out to foreign firms. In a continuation of the successful works carried out under Phase I, this project will construct and/or rehabilitate urban infrastructure such as markets, roads and sewerage systems. Since implementation will focus on using simple, labor-intensive methods, substantial employment opportunities will be created for the country's large number of unskilled workers. Measures to increase the production of building materials locally will be implemented through the rehabilitation of an industrial brickyard. A training and development component will improve the technical and managerial capacity of local consultancy and construction firms, and help small and medium enterprises learn new skills. Finally, the capacity of the Abdou Moumouni University in Niamey will be expanded. This will strengthen the country's skilled work force and have a positive impact on Niger's economy.

* This loan was approved in 2002, but financed through the 14th Lending Program.

Rwanda

1.

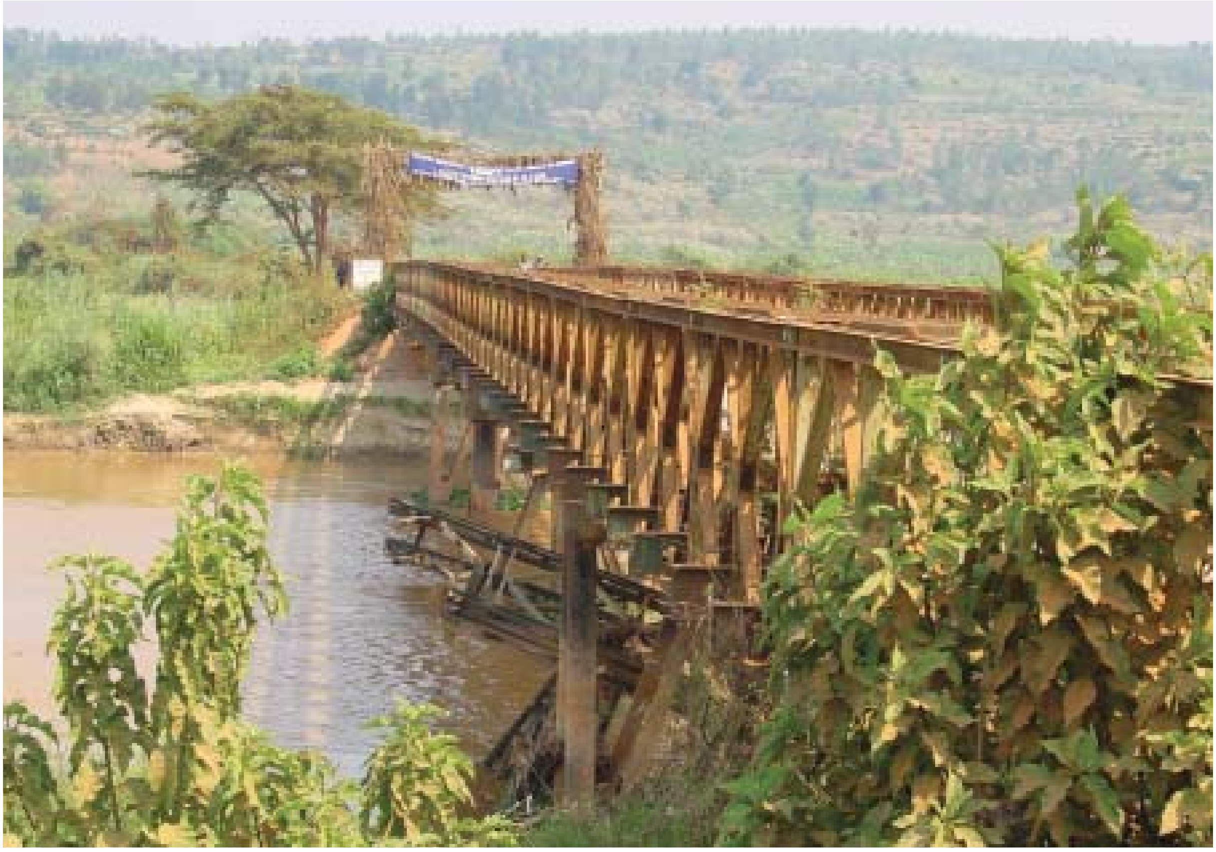
Sector: Multi-sectoral
Project: Umutara Community Resources and Infrastructure Development, Phase II
Amount: $8 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002*
Executing agency: Ministry of Finance and Economic Planning
Co-financiers: IFAD, I-NGOS, beneficiaries, government of Rwanda
Loan administrator: IFAD through UNOPS
Total cost: $24.23 million

Development of the agriculture sector is crucial to economic recovery in Rwanda, where over 90% of the population depends on farming for a living. This need is particularly urgent in the northeastern province of Umutara, which is occupied by a large number of refugees living in extreme poverty. Under the present scheme, a number of sub-projects will be carried out in three rural communities not covered under Phase I, namely, the Kabare, Muvumba and Kahi districts, as well as the municipality of Umutara. Water supply services for around 38,000 homes will be enhanced through the expansion and rehabilitation of four water supply conveyance systems, and the rehabilitation or construction of valley dams. This will help reduce the incidence of water-borne diseases and lessen the time spent collecting water. Additionally, cattle-watering points will be drilled. Another sub-project will upgrade some 177 km of feeder roads to allow for a swifter flow of inputs and produce between farms and markets, and to afford people better access to social services. Other components will provide the tools, materials and knowledge farmers need to increase crop and livestock production. Throughout the project's implementation, community participation in the development process will be encouraged with emphasis placed on the promotion of income-generating activities among women.

2.

Sector: Transportation
Project: Kicukiro-Nyamata-Nemba Road
Amount: $6.5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002

* This loan was approved in 2002, but financed through the 14th Lending Program.



Anajulia Tarter

Roads and bridges in Rwanda are often in deplorable condition. Communities south of Kigali will benefit from a road project that will build a new bridge over the Nyborongo River.

Executing agency: Directorate of Roads under the aegis of the Ministry of Public Works, Transport and Communication
Co-financiers: BADEA, government of Rwanda
Loan administrator: BADEA
Total cost: $15 million

Landlocked and possessing no railway system, Rwanda depends heavily on its road infrastructure, especially for the movement of goods to international corridors linked to shipping ports. Unfortunately, after years of prolonged civil conflict, the network has sustained considerable damage, particularly in rural areas. The 60 km Kicukiro-Nyamata-Nemba road, a stretch that connects outlying agricultural communities to the capital city Kigali and to the Burundi border, is in very poor condition and often becomes impassable during the rainy seasons, a situation that not only places economic hardship on the local population, but also leaves them isolated from vital social services. In order to address these problems, the road will be re-aligned, shortening its overall length by two km, and its surface paved with all-weather, bituminous concrete. Flood protection measures include the installation of culverts and drainage systems, and a 100 m-long bridge will be built over the Nyaborongo River. To enhance road safety, traffic signs and signaling devices will be installed. The newly-renovated road will afford the local communities swifter, more reliable transport, and facilitate the movement of produce to marketplaces and food-deficit regions, raising living standards for many.

3.

Sector: Energy
Project: Energy Rehabilitation
Amount: $5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Ministry of Energy, Water and Natural Resources through *Electrogaz*
Co-financiers: BADEA, government of Rwanda
Loan administrator: OPEC Fund
Total cost: $11.3 million

As Rwanda relies heavily on the use of fuelwood for providing electrical energy, tremendous pressure is being placed on the country's rapidly-depleting forests. Many villages experience chronic power shortages and frequent blackouts, necessitating the use of expensive-to-operate backup generators. This situation naturally perpetuates poverty for many, as income generation is compromised and the overall quality of life undermined. Government has therefore placed high priority on seeking renewable, alternative fuel sources, capable of providing the population with an affordable, reliable supply of electricity. The project will help realize this aim by rehabilitating three dilapidated hydroelectric power plants in the western provinces of Ruhengeri and Gisenyi. Each plant will be completely renovated and modernized, and repairs made to all connecting canals. In order to prevent damage to the powerhouses at the plants, erosion and flood protection measures will also be undertaken. Other components include the construction of access roads and workshops, and the implementation of capacity-building schemes. These activities are expected both to foster socio-economic growth among numerous impoverished families, and to help preserve the country's fragile environment.

Photo courtesy of Experco

Phase II of the Umutara Community Resources project will expand water supply services for some 38,000 households.

Senegal

Sector: Transportation
Project: Linguère-Boulal Road
Amount: $6.5 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Autonomous Agency for Road Activities under the aegis of the Ministry of Equipment and Transport
Co-financiers: BADEA, government of Senegal
Loan administrator: BADEA
Total cost: $20 million

Agriculture provides not only a significant source of income for the majority of Senegal's population, but also sustenance through food crops such as groundnuts, cotton, rice and vegetables. Good roads are therefore vital for rural communities to convey their produce to markets and receive inputs. One important stretch in northwest Senegal is the gravel-surfaced 120 km Linguère-Boulal Road. Although this region has promising agricultural potential, its development has been hindered because this road is in deteriorated condition and cannot be used during the wet season. Under the project, these shortcomings will be addressed by reconstructing the road so that it is on an elevated embankment less prone to flooding, and by adding drainage ditches and culverts. The worn surface will be replaced with a laterite/cement layer. Furthermore, the road will be designed to accommodate vehicle speeds of 60–80 km/hour. Appropriate safety features such as road markings, signs and pedestrian crossways will also be supplied. Since the road comprises part of the link between Matam on the Senegal River at the Mauritanian border and the port of Dhakar on the Atlantic Ocean, the improved road is expected to encourage additional trade, which, in turn, will do much to reduce poverty in the entire country.

Tanzania

Sector: Water Supply and Sewerage
Project: Singida Water Supply
Amount: $5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: Singida Water Supply and Sewerage Authority

A water storage tank in Singida.

Singida Urban Water Supply and Sewerage Authority

Co-financiers: BADEA, government of Tanzania
Loan administrator: BADEA
Total cost: $12.43 million

Bordered by three of the largest lakes on the African continent, Tanzania has relatively abundant natural sources of water. However, as most of the water harnessed from these lakes is utilized for the generation of hydro-electric power, many households are without a steady supply of drinking water. The Itampka dam, 15 km northeast of the city of Singida, was built to help mitigate such problems. Unfortunately, the city's 20 km-long water distribution system and seven storage tanks are in a poor state of repair, causing substantial losses. To alleviate this situation, the Itampka Lake will be dredged and enlarged, and a treatment plant with a capacity to handle 4,500 m³ of water per day will be built. A new, 16 km-long pipeline will bring water from the lake to the city's Mawanga Water Storage Center, where existing tanks will be rehabilitated and additional ones built. A water tower will also be constructed near the Singida Airport. Within the city itself, a 156 km-long water distribution network will be installed, and an extensive conveyance system connected to numerous households. Beneficiaries include the 70,000 residents of Singida as well as a large number of subsistence farmers.

Tunisia

1.

Sector: Transportation
Project: Agro-pastoral Integrated Rural Development
Amount: $7 million
Terms: Interest rate of 3.5% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002
Executing agency: Ministry of Agriculture
Co-financiers: IFAD, beneficiaries, microfinance institutions, government of Tunisia
Loan administrator: UNOPS
Total cost: $36.6 million

Although poverty levels have declined steadily in Tunisia, considerable disparities remain between urban and rural areas. The southeastern corner of the country is particularly problematic, since it is subject to harsh climatic conditions and recurrent droughts. The project will carry out a variety of works in two of Tunisia's poorest Governorates, Tataouine and Kebili, to improve the productivity of rangeland, boost agricultural production and promote socio-economic development.

Activities include the construction and installation of rural infrastructure such as water storage tanks, dams, irrigation systems, boreholes and 245 km of paved feeder roads. Other schemes involve the rehabilitation of drought-affected orchards, plantations and pastureland; the planting of fruit trees and fodder crops; the establishment of small-scale community development activities; the procurement of livestock fattening units; the setting up and management of agricultural development groups; and the extension of support to farmers' organizations. Training and technical assistance will also be provided for the creation of 350 micro-enterprises in agricultural and non-agricultural activities such as handicrafts. Proceeds from the Fund's loan will be used specifically to finance the road rehabilitation component.

2.

Sector: Education
Project: Higher Institute of Technology
Amount: $10 million
Terms: Interest rate of 3.5% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002*
Executing agency: Ministry of Higher Education
Co-financier: Government of Tunisia
Loan administrator: OPEC Fund
Total cost: $13.01 million

Tunisia's government has initiated a number of reforms to strengthen the delivery of higher education. Steps have been taken both to develop curricula relevant to the current job market and to accommodate burgeoning enrolment levels. In addition to building new universities, higher institutes of technology (ISET) have been created to provide specialty training in areas such as management, computer technology and industry. So far, 11 such institutes have been set up, and there are plans to establish an ISET in each of the country's 24 governorates. Expanding on the successes of the original ISETS, the 13 new ones will contain a new component, a Management Training Center, to address the needs of small- and medium-scale enterprises. This loan will help establish an ISET in the governorate of Siliana, some 120 km from the capital city Tunis. The 22,246 m^2 institute will be able to accommodate 1,500 students per year, and will contain exhibition halls, an amphitheater, classrooms and laboratories. Fully-equipped support facilities will be built, and all infrastructure will be fitted out with associated computer equipment, didactic materials and furniture. Upon completion, the project will help spur the growth of small businesses in Siliana, and help meet the demand for more highly skilled labor.

PPU

Tunisia plans to establish a technical institute for 1,500 students in its Siliana governorate with co-financing provided by the Fund.

* This loan was approved in 2002, but financed through the 14th Lending Program.

HIV/AIDS Special Account

Partnerships for Action

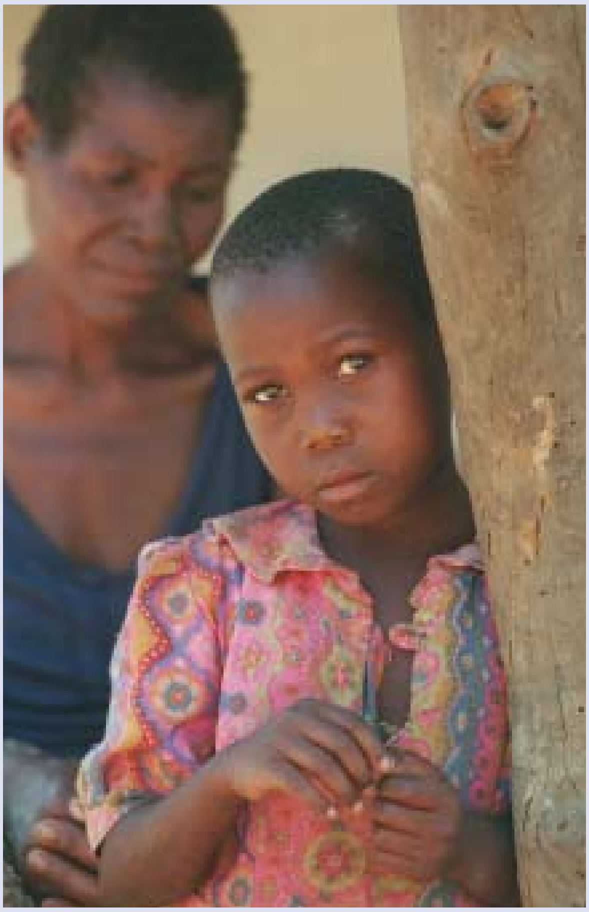
With the launch of the first operations within the framework of its HIV/AIDS Special Account, the OPEC Fund consolidated its support to the global campaign against HIV/AIDS in 2002. In the course of the year, several regional projects, aimed primarily at preventing the spread of the disease, were finalized in partnership with other international organizations. Building on the comparative strengths of the latter, the initiated schemes are targeting afflicted countries in sub-Saharan Africa, Central America and the Caribbean, Asia and the Pacific, and the Arab Region.

The AIDS epidemic is expanding relentlessly, claiming more than three million lives in 2002 and bringing to 42 million the number of people living with the *Human Immunodeficiency Virus (HIV)* worldwide, according to the latest available figures. As the impact of the epidemic grows more severe, the OPEC Fund has been eager to translate its financial commitment into effective action without delay. In order to strengthen the value of its individual involvement, the Fund has engaged in negotiations with other interested parties with a view to forging alliances and developing schemes capable of achieving tangible results. The overall aim is to accomplish the greatest effect on the ground and to ensure the sustainability of efforts. Activities have thus been planned within comprehensive frameworks and with a view to devolving ownership of the respective projects to the individual countries and communities.

Africa

In *Africa* south of the Sahara – the region of the world most severely affected by the virus – the worst is yet to come, with many countries only now experiencing the force of a fully-fledged epidemic. In 2002, the virus claimed the lives of an estimated 2.4 million people. With approximately 3.5 million new infections occurring the same year, the number of people living with HIV/AIDS in sub-Saharan Africa today exceeds the 29 million mark. In acknowledgement of the devastating impact of the epidemic, the majority of affected countries in Africa are expanding and upgrading their responses, many through the development of a national HIV/AIDS strategic plan.

The Fund is directing its contribution to this region through the *OPEC Fund Initiative against HIV/AIDS in Africa.* Targeting 12 severely hit sub-Saharan countries, namely *Burkina Faso, Burundi, the Central African Republic, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Togo, Uganda, Tanzania* and *Zambia,* this scheme aims, as a first step, to help participating countries update their HIV policies and set guidelines for



World Vision/Senzani Center

In Africa, AIDS is having a devastating effect on families. In some countries, one-fifth of all children are AIDS orphans.

appropriate interventions. Capacity building, to ensure the availability of adequate infrastructure across each country's health care sector, will be undertaken in a second phase, before targeted activities, primarily at district level, are implemented. Adopting a participatory approach, each country has been invited to identify fields of intervention addressing its priority needs. The selected areas of particular interest include: youth-friendly services for information and education; voluntary counseling and testing; mother-to-child

UNAIDS

Effective information campaigns can help slow the spread of HIV/AIDS.

transmission prevention strategies; provision of care and support to those infected; prevention and treatment of sexually transmitted infections; ongoing provision of safe blood supplies; and, monitoring and surveillance measures at both national and district levels.

Fully funded by an OPEC Fund grant amounting to $8.11 million, and due to be completed within an 18 month period, this initiative is being implemented by the World Health Organization (WHO) in close cooperation with national authorities.

Central America and the Caribbean

The dynamics of the epidemics in the *Central America and the Caribbean Region* are embedded in a precarious socio-economic context characterized by unequal economic development and high population mobility. Driven largely by a combination of these factors, HIV is spreading throughout the region, already affecting 1.9 million adults and children. In terms of adult prevalence rates, the Caribbean is the second most-affected region in the world, a dangerous situation that threatens to escalate in the absence of strengthened responses.

Embarking on a new partnership with the United Nations Population Fund (UNFPA), an *OPEC Fund/UNFPA Project for HIV/AIDS Prevention in Central America and the Caribbean* was launched in the third quarter of 2002. This project aims at strengthening the political commitment to halting the epidemic, while addressing the specific needs of one of the more vulnerable groups, namely the youth, especially youngsters living in difficult circumstances. The scheme has been developed in response to a common pattern that sees the outbreaks concentrating mainly on the marginalized fringes of populations. Migrant workers moving around the region in search of work have fueled the spread of HIV/AIDS, perpetuating a vicious cycle that is seriously impeding socio-economic development.

The needs of the most vulnerable in *Belize, Costa Rica, Guatemala, Guyana, Honduras* and *St. Lucia* are being addressed through the building of local capacity to implement sustainable HIV/AIDS prevention campaigns. Innovative approaches for effective prevention among especially vulnerable youth are being developed and valuable insights are expected to be documented and disseminated for replication.

The Arab Region

A similar initiative has been initiated with UNFPA in the Arab Region, namely the *OPEC Fund/ UNFPA Project for HIV/AIDS Prevention in selected Arab Countries*. Focusing on *Lebanon, Morocco, Palestine, Somalia, the Sudan, Syria* and *Yemen,* this scheme is supporting capacity building efforts in beneficiary countries. According to latest reports, evidence points to increasing HIV infection rates, albeit at comparatively low levels in most of these coun-

PAHO

In Latin America and the Caribbean, 1.9 million adults and children, including this little girl in Honduras, are HIV positive.

tries. However, because of the late onset of the epidemic in this part of the world and the inadequacy of systematic surveillance systems, it is feared that hidden epidemics could currently be spreading in the region. In this context, it is crucial to promote the adoption of safer behavior among vulnerable groups in order to avoid the uncontrolled spread of the virus into the wider population. In collaboration with a broad array of partners at the local level, this project seeks to increase the ability of the public sector, NGOs, and community-based/civil society organizations – particularly medical and other professional associations – to respond to threats posed by HIV/AIDS.

In total, $4.2 million is being channeled through UNFPA to co-finance both projects over a period of 36 and 24 months respectively starting October 2002.

Asia and the Pacific

The latest involvement of the Fund is devoted to a region that is home to roughly 20% of the people living with HIV/AIDS globally. In *Asia and the Pacific*, the high rate of new infections is alarming, with an estimated one million people succumbing to the virus in 2002 alone. While the 7.2 million people estimated to be living with HIV already represents a heavy burden for the countries of this region, the fact that this figure has increased by 10% in just 12 months underlines the gravity of the situation.

The International Federation of Red Cross and Red Crescent Societies (IFRC), with its dedicated network of volunteers, is the Fund's strategic partner for implementation of a joint project on *Reducing Household Vulnerability to HIV/AIDS in selected Countries of Asia and the Pacific*. Launched to coincide with *World AIDS Day* in early December, which focused on the elimination of stigma and discrimination, this scheme will support programs of this nature in *Nepal, Sri Lanka, Cambodia, Laos, Vietnam* and *Papua New Guinea*. Activities will revolve around support to volunteers and their communities to meet the challenges imposed by a disease affecting all aspects of life.

The scheme will ultimately benefit even more countries and communities as its scope extends to the strengthening of regional capabilities and the promotion of region-wide activities, covering 22 additional countries. The OPEC Fund's financial contribution to this project amounts to $2 million, with full implementation expected by July 2004.

Breaking the Cycle

Initially perceived as a public health crisis, the HIV/AIDS epidemic has assumed such vast proportions in some parts of the world that it now represents a serious threat to socio-economic development. It is decimating workforces, undermining productive capacity and leaving millions of children parentless. Health services are buckling under the strain of trying to cope with one of the greatest human emergencies to hit the earth in centuries. Tragically, it is a situation that is becoming graver still in the wake of the drought currently sweeping across Southern Africa. By reinforcing some of the conditions that increase the likelihood of HIV transmission, the resulting food crisis is fueling the epidemic,

Monica Ladurner

The rate of new infections in Asia is alarming. Worldwide, women are at a much higher risk of contracting HIV than men.

dragging severely hit countries further into a cycle of despair.

The OPEC Fund remains deeply concerned about the impact of HIV/AIDS and its ramifications for the future wellbeing and prosperity of the very countries it has been trying for decades to help. As the catastrophe continues to worsen, the Fund aims to consolidate its involvement by strengthening its strategic partnerships to step up the fight against the causes and consequences of this plague. ●

2. Asia

Bangladesh

1.

Sector: Energy
Project: Greater Rajshahi Electricity Project
Amount: $8 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002
Executing agency: Power Development Board, under the Ministry of Energy and Mineral Resources

Monica Ladurner

The Greater Rajshahi electricity network must grow to meet future needs.

Co-financiers: Kuwait Fund, governments of Bangladesh and India
Loan administrator: Kuwait Fund
Total cost: $43.75 million

The Greater Rajshahi region, comprising the city of Rajshahi and the townships of Natore, Chapai-Nawabgonj and Naogaon, is situated approximately 200 km west of the capital city Dhaka. Populated by around 1.3 million people, the area yields a wide array of food and cash crops. The electricity network, however, is limited in capacity and frequently overtaxed, delivering inconsistent electrical power, which in turn disrupts the running of irrigation systems. Moreover, many households have yet to be connected to the network, particularly in rural areas, a situation that depresses living standards and hinders income-generating activities. Under the current scheme, the entire electricity network in the Greater Rajshahi region will be rehabilitated to meet present and future needs. Works include the installation of around 360 km of high voltage transmission lines and some 200 km of distribution lines. Towers and poles as well as equipment and parts such as circuit breakers, conductors and testing instruments, will also be provided. Existing transformer stations will be expanded, rehabilitated and re-equipped, and new ones constructed based upon the electricity requirements of each district. Once completed, the improved system will substantially reduce transmission losses and deliver a consistent supply of electricity, thereby helping boost economic activity, create jobs and ultimately, reduce poverty.

2.

Sector: Transportation
Project: Road Network Improvement and Maintenance
Amount: $10 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002
Executing agency: Road and Highways Department under the Ministry of Communications
Co-financiers: AsDB, government of Bangladesh
Loan administrator: AsDB
Total cost: $103.4 million

Over the past three decades, Bangladesh's road development strategy has focused on upgrading key transportation corridors. As a result, a number of national and regional highways have been paved. Emphasis has now shifted to rehabilitating rural feeder roads, which are vital for connecting remote regions with major economic centers. This project is to be implemented in the north/northwest of the country and entails the reconstruction, widening and re-alignment of five feeder roads and two sections of the Nymensingh-Nandail regional route. Totaling 174 km, all stretches will be upgraded to double bituminous standard with a 20-year life span, and shoulders added to accommodate non-motor-

Ferrying wood on Lake Kaptai. Road traffic in Bangladesh is improving, but boats still transport more people and goods.

Galen R. Frysinger

ized and slow vehicle traffic. In addition, maintenance plans will be drawn up and implemented for 50 km of regional roads and for 400 km of priority roads in the areas with the highest poverty levels. A safety assessment will be conducted on an additional 200 km of roads, and improvements made accordingly, including the installation of warning markers and signs, and the construction of speed bumps. The newly-renovated roads will afford the local population swifter, safer transport and help integrate rural communities with the rest of the country.

Korea D.P.R

Sector: Agriculture
Project: Pyongbuk Irrigation
Amount: $10.2 million
Terms: Interest rate of 2% per annum; 20-year maturity, including a 5-year grace period
Approved: September 24, 2002
Executing agency: Ministry of Agriculture
Co-financier: Government of Korea DPR
Loan administrator: OPEC Fund
Total cost: $48.36 million

Agricultural production in Korea has suffered a decline in recent years, due in part to an unprecedented series of natural disasters coupled with unreliable irrigation systems. As a result, stocks of rice and maize, the country's main staples, are depleted and food shortages widespread. This loan will help finance rehabilitation of the Pyongbuk Irrigation System, with the dual aim of increasing agricultural production while conserving energy supplies. A new reservoir with a storage capacity of 275 million m^3 will be formed through the construction of a 650 m-long dam on the Samgyo River. Water will be drawn from the reservoir from a separate outlet tower situated upstream, thereby replacing the existing pump-

WFP

PDR Korea will rehabilitate its Pyongbuk irrigation system to boost agricultural production and raise food security.

driven system with one using more reliable, gravity-fed technology. Some 64 km of new canals will be built and connected to the existing canal system, which will also be rehabilitated. In addition, a pilot project will be introduced on two farm collectives to establish improved techniques and cropping systems. Upon completion of the scheme, crop yields and electricity savings are expected to increase substantially, thus improving living standards and helping the country achieve food security.

Galen R. Frysinger (www.galenfrysinger.com)

Overloaded vehicles take a heavy toll on the roads in Pakistan. Rural roads in Sindh province will be upgraded with Fund co-financing.

Pakistan

Sector: Transportation
Project: Provincial Road Sector Development
Amount: $15 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002
Executing agency: Communication and Works Department of the Province of Sindh
Co-financiers: AsDB, government of Pakistan
Loan administrator: AsDB
Total cost: $236 million

Pakistan's road network is fairly extensive, comprising around 250,000 km of roads, of which 24,000 km are bituminous paved. The combination of heavy vehicle loads and inadequate maintenance, however, has taken its toll on the network and as a result, many sections have deteriorated considerably, particularly in the country's second largest province, Sindh. The consequences are dire for the province's 30.4 million-strong, largely rural population. With the movement of produce and inputs both slow and expensive, the sub-standard roads are jeopardizing food security and hindering economic activity. The poor condition of the roads also makes it difficult for the inhabitants of affected communities to travel to jobs, schools and health care services. To help ease this situation, important road infrastructure in the province will be rehabilitated, and capacity-building schemes will be initiated to insure the project's sustainability. Two main arteries that provide links to isolated, rural areas will be improved with asphalt paving: a 31 km section of the Thatta-Sujawal highway, and a 133 km portion of the Nawabshah-Kotlalu-Ranipur. Some 1,200 km of high-priority, rural access roads will be also upgraded to all-weather standard. Complementing the project will be the creation of a community-based pilot scheme to provide the local population with training in road construction and maintenance.

Sri Lanka

Sector: Transportation
Project: Road Improvement
Amount: $8.5 million
Terms: Interest rate of 2.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agencies: Ministry of Home Affairs, Provincial Councils, government of Sri Lanka
Co-financiers: AsDB, government of Sri Lanka
Loan administrator: AsDB
Total cost: $81.6 million

Although Sri Lanka has an extensive transportation network, most roads were built over 50 years ago, and the combination of heavy traffic loads and inadequate maintenance has taken its toll.

FAO/G. Bizzarri

Better roads should help end isolation in rural Sri Lanka.

These deficiencies jeopardize road safety, raise transport costs and leave certain regions economically and socially isolated. This project will address these problems by rehabilitating and upgrading some 1,020 km of provincial and community access roads and bridges in Sri Lanka's North Central, North Western, Uva and Western Provinces, according highest priority to impoverished areas. Depending on projected traffic levels, provincial stretches will be upgraded with either asphalt concrete or bitumen and, where necessary, bridges, culverts and drainage structures repaired. Approximately 40 km of community access roads, many of which are no more than dirt tracks, will be rehabilitated to a modified gravel surface. The selected roads will be those that provide linkages to markets and community centers. The newly renovated stretches will do much to enhance the social well-being of numerous communities, and facilitate access to schools, health services and jobs.

Tajikistan

Sector: Energy
Project: Regional Power Modernization
Amount: $2.4 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Baraki Tajik
Co-financiers: AsDB, government of Tajikistan
Loan administrator: OPEC Fund
Total cost: $26.4 million

Tajikistan possesses the largest hydroelectric power capacity in Central Asia, with the ability to generate more than 300 billion kilowatt hours of electricity annually. Current production levels, however, fall far short of this potential. Although the reasons for this situation are complex, they are largely a combination of insufficient funding for expansion and maintenance, and a lack of regional cooperation among the countries within

Galen R. Frysinger (www.galenfrysinger.com)

Looking north to the Pamirs. Tajikistan plans a wide-scale modernization of the power transmission system it shares with Uzbekistan.

Central Asia's interconnected, high-voltage power system, namely, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The long-term objectives of concerned governments, therefore, are to meet the energy requirements of each country efficiently and, in turn, to support regional economic development. The current project, which is part of a larger initiative, aims to modernize the interconnected transmission systems of Tajikistan and Uzbekistan. This goal will be accomplished through the wide-scale rehabilitation of substations, switchyards, and dispatch and control centers. Also envisaged is the strengthening of the institutional and regulatory environment of the Central Asian power grid. This scheme is expected to enhance economic development in Tajikistan considerably, and lead to a far better quality of life for the country's population of 6.2 million.

Ministry of Agriculture and Water Resources of Uzbekistan/Tsurikov

An intake dredger on the Amu Darya River in Uzbekistan.

Uzbekistan

Sector: Water Supply and Sewerage
Project: Karshi Pumping Cascade Rehabilitation
Amount: $10 million
Terms: Interest rate of 2.5% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002
Executing agency: Ministry of Agriculture and Water Resources
Co-financiers: Kuwait Fund, World Bank, governments of France and Uzbekistan
Loan administrator: OPEC Fund
Total cost: $140.9 million

Agriculture is the backbone of the Uzbek economy, accounting for 35% of the GDP and employing almost half of the country's 24.1 million-strong population. In Uzbekistan's Karshi Steppe area, some 400,000 ha of land are irrigated by water brought from the Amu Darya River in Turkmenistan via a 76 km-long open channel divided into six cascading sections separated by pumps. From the Talimardjin reservoir, the water flows by gravity through open channels to the Karshi agricultural area. The consistent and reliable functioning of the pumping cascade is of vital importance for some two million people who depend on agriculture for their livelihoods. Constructed over 30 years ago, however, the system has reached the end of its design life. The project aims to carry out widespread emergency repairs to rehabilitate worn and under-functioning components of the system. A number of capacity-building and institution-strengthening measures will also be implemented to insure the sustainability of the project. Additionally, 14 water-users associations in private farm areas will be established with the assistance of a specialist technical team, and key irrigation and drainage infrastructure within these regions will be rehabilitated.

Financing for Development

UN holds conference to determine the way forward

The nations of the world gathered March 18 to 22, 2002, in Monterrey, Mexico, to discuss financing for development and agree on measures to bring greater relief to millions of the poor and destitute, worldwide. *The United Nations Conference on Financing for Development (FfD)* brought together several heads of state and governments, finance and foreign ministers, heads of international organizations and business and civil society. They examined the challenge of development financing and poverty alleviation and discussed ways to achieve economic growth and sustainable development within an inclusive, equitable global system.

Preparations for the conference had begun in 2000 with the adoption of a UN General Assembly Resolution calling on all stake-holders to join forces to stimulate the process of development. They were also requested to seek cooperation in six core areas: mobilization of domestic resources for development; increase in private direct investment; strengthening of official development assistance (ODA); solving the debt problem; enhancing coherence in global and regional financial structures; and promoting fair representation of developing countries in international decision-making.

Luis Galan G./Terra Networks, Mexico

H.E. Mr. Vicente Fox Quesada, President of Mexico and President of the Conference, addressed the plenary session.

OPEC member countries were represented [in Monterrey] in full force – at the levels of either heads of state or government or relevant cabinet ministers. Member states gave speeches at the plenary, urging greater commitment to international development and enhanced resources for needy countries. Among the OPEC heads of state in attendance were Their Excellencies Presidents Olusegun Obasanjo (Nigeria); Abdelaziz Bouteflika (Algeria); El-Hadj Omar Bongo (Gabon); and Hugo Chávez Frías of Venezuela. Also there were H.E. Dr. Ibrahim Al-Assaf, Minister of Finance and National Economy of Saudi Arabia and H.E. Mr. Tahmaseb Mazaheri, Minister of Economic Affairs and Finance, I.R. Iran.

The Libyan Arab Jamahiriya delegation was led by Mr. Abdurrahman M. Shalghem, Secretary of the General People's Committee for Foreign Liaison and International Cooperation; the Indonesian delegation by H.E. Dr. Makarim Wibisono, Deputy Minister of Foreign Affairs and Foreign Economic Relations; the Iraqi delegation by H.E. Dr. Mohammed Mahdy Saleh, Minister of Trade; the delegation of the United Arab Emirates by H.E. Abdulazziz Bin Nasser Al-Shamsi, Permanent Representative to the United Nations; the Qatari delegation by H.E. Abdullah Khalid Al-Attiyah, Governor Central Bank of Qatar; and the Kuwaiti delegation by H.E. Ambassador Mohammad Abdulhassan, Permanent Representative to the UN.

The OPEC Fund was represented at the conference by H.E. Dr. Saleh A. Al-Omair, the Chairman of the Governing Board, and by H.E. Dr. Y. Seyyid Abdulai, the Director-General. Participating in a *summit-level round table,* Dr. Abdulai said a greater commitment was needed on the part of donors to accomplish more for the poorer countries. He quoted from the speeches of member countries, recalling their [OPEC countries'] dedication to assisting fellow developing countries where they could. Dr. Abdulai also gave a brief outline of the history of the OPEC Fund, and said the Fund was working to help ease development difficulties in beneficiary countries.

The conference had many highlights

• US President Bush urged a battle against poverty, "because faith required it, and conscience demanded it." Mr. Bush asserted that development progress should be measured "not by the resources put into it, but by the results achieved." He said a nation's most vital resources are found in the minds, the skills and the enterprise of its people; and that the spirit of enterprise was not limited by geography or history or station in life. The US had, prior to the conference, announced a $5 billion contribution, over the next three budget years, as part of a "new compact in aid to fund initiatives to help developing countries improve their economies and standards of living."

• Cuban President Fidel Castro Ruiz declared that the existing world economic order was "defective." He condemned *speculative financial transactions,* calling them "completely disconnected from the real economy." He quoted the late James Tobin, urging the curtailment of currency speculation. President Castro asked the developed world to accept the foreign debt of the poor countries and grant them fresh, soft credits, to finance their development. Rather than battle the illiterate, the ill, the poor and the hungry, he argued, the world should battle, instead, ignorance, illness, poverty and hunger.

Much was heard at the conference about forging partnerships, increasing market access, assuring fair trade and building bridges instead of barriers. Meetings not wars; shared benefits, not isolated efforts, said H.E. President Vicente Fox Quesada of host-country Mexico, should be the common goal. He also said Monterrey was an historic opportunity to create a conversion of economic growth and human development. "It is time for bold change." The world was urged to invest in human capital, to respect human rights, combat corruption and use resources judiciously, with greater transparency, participation and justice.

Yet other opinions and/or proposals aired at the conference were that:

• ODA was indispensable to meeting the *Millennium Goals;*

• accountability over aid spending is required of both donors and recipients;

• an effective and rapid implementation of the Monterrey Consensus is critical to spur economic growth, worldwide, and eradicate poverty;

• good governance would form the basis for mobilizing both domestic and international resources for developing countries; and

• foreign direct investment is preferable to short-term and more volatile ODA. There also should be improved market access for agricultural products from developing countries.

FfD concluded with the adoption, by acclamation, of a final document, the *Monterrey Consensus.* The document asserted the resolve of the international community to *eradicate* poverty, *achieve* sustained economic growth and *pursue* sustainable development in the context of a fully inclusive and equitable global economic system. It noted with concern the current estimates of dramatic shortfalls in resources required to achieve internationally-agreed development goals, including the *Millennium Development Goals* contained in the *UN Millennium Declaration.* The Consensus also urged a common pursuit of growth; appropriate policy and regulatory frameworks; a sustained fight against corruption at all levels; sound micro-economic policies; investments in basic economic and social infrastructure; and greater micro-finance and credit for micro-, small- and medium-scale enterprises.

The Monterrey Consensus also discussed the mobilization of international resources for development (foreign direct investment and other private flows); increasing international financial and technical cooperation for development; and [systemic issues such as] enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

Delegates were urged to "stay engaged," build global alliances for development, ensure proper follow-up and the implementation of agreements and commitments reached at the conference. Delegates should continue to work between countries and within the framework of the holistic agenda developed by the conference. Greater cooperation between existing international institutions is needed; and this should be based on a clear understanding and on respect for their respective mandates and governance structures.

Two new FfD publications

The OPEC Fund later published two books relating to the conference in Monterrey. The first publication, *Financing for Development,* represents the 33rd issue of the Fund's Pamphlet Series and contains seven papers presented at the FfD preparatory workshop organized by the Intergovernmental Group of Twenty-Four (G-24). The workshop, which took place in New York on September 6–7, 2001, brought together some 70 officials from developing countries, their representatives at the United Nations in New York and the Bretton Woods Institutions in Washington, and experts on different aspects of development and finance.

Covering four main themes, the papers concentrate on: increasing foreign resource flows (private, bilateral and multilateral); establishing a satisfactory representative procedure and institutional framework for resolving external debt problems; making global economic governance more participatory and accountable to a broader community of nations; and, creating an international trading environment supportive of growth and development.

The second publication, *Financing for Development: an OPEC Presence,* contains statements delivered at the Monterrey conference by ministers and heads of state and government of OPEC Fund member countries. The speeches examine the challenge of development financing and poverty alleviation, and discuss ways to achieve economic growth and sustainable development within an inclusive, equitable global system.

Both books are available free of charge from the Department of Information and Economic Services at the OPEC Fund. The publications may also be viewed online at www.opecfund.org. ●

3. Latin America and the Caribbean

Belize

Sector: Transportation
Project: Golden Stream–Big Falls–Guatemala Border Road
Amount: $6 million
Terms: Interest rate of 3.75% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Ministry of Works
Co-financiers: Kuwait Fund, government of Belize
Loan administrator: Kuwait Fund
Total cost: $23 million

Endowed with abundant natural resources and an attractive coastline on the Caribbean Sea, Belize's primary economic activities are agriculture and tourism. Development potential, however, is limited by an inadequate transportation sector, which hampers the movement of goods and people. In response, government is in the process of implementing a national strategy to rehabilitate the primary road network and has succeeded in paving most of the key stretches. Under the current initiative, two remaining unpaved portions of the Southern Highway, situated between Golden Stream and the Guatemalan border, will be upgraded. Totaling 50 km, the road will be re-surfaced to double bitumen standard, and drainage systems and culverts built to reduce the threat of flood damage. Bridges will also be repaired, and signaling and safety devices installed. Some 30,000 local inhabitants will benefit from greater mobility and easier access to social services and employment opportunities. Additionally, as the road provides a link to the Pan-American Highway, it should make the Toledo district more appealing to tourists, a welcome source of additional income.

Bolivia

1.

Sector: Transportation
Project: Otorongo-Cerro Pucara Road
Amount: $5.6 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: National Roads Service
Co-financier: Government of Bolivia
Loan administrator: OPEC Fund
Total cost: $6.4 million

Tourism depends on sea, sun – and infrastructure. A better link from the Pan-American Highway to Belize should attract more tourists.

Galen R. Frysinger (www.galenfrysinger.com)

Paving the Santa Cruz–Trinidad road. In 2002, the Fund extended two loans to Bolivia for road construction projects.

Photo courtesy of CAF/Ecoviana-Sid-Soinco.

With an economy based largely on agriculture, Bolivia relies heavily on its 53,200 km road network for the movement of inputs and produce, as well as for the export of minerals. However, with the nearest shipping ports located some 2,000 km away, the transport of such goods is prohibitively expensive and poses a considerable constraint on development. Roads in rural areas are particularly problematic, as many pass through mountainous, rugged terrain and are difficult to maintain. The gravel-based, 32.7 km Otorongo-Cerro Pucara Road, situated in the southern department of Chuquisaca and constructed some 70 years ago, is presently in very poor condition and suitable only for travel during the dry season. Although the region has a high potential for agriculture, opportunities are limited due to the deteriorated road infrastructure. Under the project, this stretch will be reconstructed, widened and re-aligned to improve travel efficiency and safety. Flood prevention measures will entail the construction or rehabilitation of drainage culverts and channels. After its completion, the newly upgraded road will enable local residents to enjoy year-round, safer travel and better access to marketplaces and social services. An estimated 3,600 small farmers in the project area are also expected to benefit from the scheme.

2.

Sector: Transportation
Project: Export Corridor Santa Cruz–Puerto Suarez
Amount: $10 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: National Roads Service
Co-financiers: IDB, government of Bolivia
Loan administrator: IDB
Total cost: $87.93 million

Bolivia relies heavily on its transportation network to facilitate the export of agricultural produce and minerals, two of the country's most valuable economic activities. Most roads, however, have earth or gravel surfaces and are unsuitable for year-round travel, a situation exacerbated by the harsh climate, increasing traffic loads and poor maintenance. Given the road network's importance to economic development, government has placed priority on rehabilitating critical links, such as the 573 km-long Puerto Suarez corridor in southeastern Bolivia. Partly rehabilitated under an earlier project, the road will be completed using the Fund loan. Works will include the construction of a new 124 km section between Paraiso and El Tinto, an area with enormous agricultural potential. Other stretches will be upgraded to all-weather standard, including drainage culverts and channels, and safety features will be installed where needed. Routine maintenance will be provided for sections that were repaired under Phase I, and bridges constructed/rehabilitated. Institutional strengthening activities are also envisaged.

Michael Wessely

Cuba's first Fund loan will finance a rehabilitation of Havana's sewerage system that is needed to protect the Almendares-Vento watershed.

Once completed, Bolivia will enjoy increased trade opportunities, and thousands of agricultural communities will benefit from higher incomes and easier travel to marketplaces, schools, hospitals and jobs.

Cuba

Sector: Water Supply and Sewerage
Project: Almendares River Basin Rehabilitation
Amount: $10 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: March 14, 2002*
Executing agency: National Institute of Hydraulic Resources
Co-financier: Government of Cuba
Loan administrator: OPEC Fund
Total cost: $17.83 million

This loan will help finance a scheme to protect the 402 km² Almendares-Vento watershed, Havana's main water source, and rehabilitate deteriorated water supply and sanitation infrastructure. The Vento aquifer, located directly beneath the Almendares River, provides Havana with around one-third of its potable water supply. Over the years, however, the watershed and its tributaries have become polluted from the improper disposal of industrial and residential waste, posing a real risk of drinking water contamination that would endanger the health of the city's population of 2.2 million. To rectify this situation, sanitation infrastructure in the municipalities of Cotorro, Maria del Carmen and Puentes Grandes will be upgraded and expanded. Existing wastewater treatment plants will be extensively rehabilitated and new ones built, and some 260 km of adduction and distribution sewerage pipes, as well as house connections, will be installed. All catchment areas will be reforested and thoroughly cleaned. Upon completion, at least 1.5 million people will be connected to a reliable sewer system, which will reduce pollution of the Almendares River and prevent the infiltration of wastewater into the Vento aquifer. The project will also enable the population to enjoy better-quality drinking water and protect it from water-borne illnesses. In addition, improved environmental conditions will help encourage and strengthen economic activities, particularly tourism, which is a vital source of income for the country.

* This loan was approved in 2002, but financed through the 14th Lending Program.

Dominican Republic

Sector: Multi-sectoral
Project: Border Provinces Rural Development
Amount: $5 million
Terms: Interest rate of 3.25% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: National Planning Office
Co-financiers: IFAD, government of the Dominican Republic
Loan administrator: UNOPS
Total cost: $24 million

Poverty is widespread in the Dominican Republic and is especially pervasive in remote areas. The worst affected population lives along the Dominican-Haitian Border in workers' settlements known as *bateys,* where basic infrastructure is dilapidated and inadequate. Although most of these people are considered permanent residents, few possess proper legal documentation. This loan will co-finance a multi-faceted project targeting some 105,000 inhabitants of this area. In addition to capacity building and institution strengthening strategies, support will be extended to grassroots organizations that offer legal assistance, literacy programs and other services. Economic development schemes will help small and micro-enterprises boost income generation through the provision of training in areas such as livestock production, micro-enterprise management and marketing. A productive infrastructure fund will be set up to give local organizations capital for financing small irrigation systems, rural roads, inputs and equipment. Another component will construct/rehabilitate over 1,000 homes, as well as primary schools, water supply and sewerage installations, electrification systems, day-care centers and health posts. As the project will place a strong focus on the economic and social integration of vulnerable and minority groups, it is envisaged that discrimination will decrease substantially. In all, at least 15,000 families are expected to benefit.

Grenada

Sector: Transportation
Project: Road Rehabilitation (Phase III)
Amount: $3 million
Terms: Interest rate of 4% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Ministry of Works, Communications, Public Utilities and Energy
Co-financiers: Kuwait Fund, government of Grenada

World Vision/Sarat Arias, Carlos Brito

"Amenities" such as electricity, piped water and proper sanitation are often lacking in the remote settlements along the border between the Dominican Republic and Haiti.

Loan administrator: Kuwait Fund
Total cost: $10 million

Grenada is a small independent country consisting of three islands: Carriacou, Petit Martinique and, the largest, Grenada. As Grenada Island is made up of some 440 km^2 of mountainous, volcanic terrain, its 1,040 km-long road network is confined to the flatter coastal areas, and comprises a main road that encircles the island, and a series of secondary stretches that branch out to surrounding villages. Only about 400 km are paved, however, and as a result, some sections have deteriorated from the combination of natural erosion and the regular occurrence of tropical storms. Targeted for rehabilitation, therefore, is the 20.4 km Eastern Coast Main Road, which is located near a key agricultural area inhabited by around 11,000 people. The project will resurface two important sections of the road, raising them to all-weather standard. Repairs will also be made to worn drainage systems, and traffic markings and signs installed where needed. Additionally, five bridges will undergo extensive rehabilitation. Once completed, the road's reliability and safety will improve substantially, allowing agricultural produce to be transported more efficiently and thereby boosting income generation. It is anticipated that tourism, another economically vital sector for Grenada, will grow as well.

Jamaica

Sector: Transportation
Project: Rural Roads Rehabilitation
Amount: $5 million
Terms: Interest rate of 3.25% per annum; 20-year maturity, including a 5-year grace period
Approved: June 12, 2002
Executing agency: National Public Works Agency
Co-financier: Government of Jamaica
Loan administrator: OPEC Fund
Total cost: $6.05 million

Although Jamaica has a fairly extensive road network, totaling some 17,900 km, more than half of all roads have been classified as being in poor condition. Factors that have contributed to the deterioration of the network include the dramatic increase in traffic loads over the past decade and premature wear and tear caused by flooding during the hurricane season. Rural roads are particularly bad and often hamper the movement of inputs and produce in areas that rely heavily on agriculture. This situation is particularly acute in the parishes of Westmoreland and St. Elizabeth, home to some 244,000 people, where three key links are in urgent need of rehabilitation. To address this situation, the project aims to rehabilitate these sections (totaling 22.1 km) by removing the existing surface and re-paving the road

Constructing a sea wall at St. Mark's Bay. Tropical storms and erosion have left roads and bridges on Grenada's east coast in great need of rehabilitation.

Photo courtesy of DIWI Consult International GmbH.

Mel Matthews

Jamaica will repair three hurricane-damaged roads with a loan.

with asphalt. Drainage systems and culverts will also be installed, and road safety enhanced through the provision of signposts, road markings and safety rails. Once completed, the transport of goods will be cheaper and faster, which, in turn, will help boost economic activity, and local residents will enjoy easier access to schools, health services and jobs.

Nicaragua

Sector: Multi-sectoral
Project: Poverty Reduction and Local Development
Amount: $6 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 10, 2002
Executing agency: Emergency Social Investment Fund (FISE)
Co-financier: Government of Nicaragua
Loan administrator: OPEC Fund
Total cost: $7.5 million

Nicaragua is one of Latin America's poorest countries, with around one-half of the population living below the poverty line. Over one-third of its inhabitants, especially those in rural areas, lack access to potable water, electricity and safe sanitation. Although the percentage of children attending school is relatively high, only a small number completes primary education. The Emergency Social Investment Fund is the single most important agency in Nicaragua responsible for providing basic infrastructure to poor rural communities. The Fund loan will co-finance a series of small-scale sub-projects, selected by FISE in coordination with municipalities, community organizations and NGOs. To be implemented in the most underserved communities, these sub-projects will include the rehabilitation and construction of schools, water supply and sewerage systems, as well as rural roads, bridges, dams and irrigation schemes, electrification systems and other vital infrastructure. Beneficiaries will receive maintenance training to insure the projects' sustainability, and capacity building will take place among government and community organizations. The Fund's loan will be used specifically for the implementation of 150 sub-projects benefiting, in all, around 180,000 people.

Carol Arendt

In Nicaragua, 150 sub-projects, financed by the Fund, will provide basic services and infrastructure in especially poor communities.

Sudan's impossible dream

Kenana Sugar Company expands with Fund financing

Skeptics described it as an impossible dream and one of the most ambitious "greening" projects of all time – the transformation of a swathe of Sudanese desert into a verdant oasis of rich farmland. Twenty years on, the critics have been silenced and the Kenana Sugar Company (KSC) jostles for position as one of the largest and most efficient integrated producers of white sugar in the world.

Combining the benefits of Arab financing, Western technology and the Sudan's natural resources of sun, fertile soil and plentiful water, Kenana was launched in 1975 as a joint venture between the Government of Sudan and important Arab governmental and inter-governmental bodies. Using irrigation water drawn from the White Nile, the first modest crop was harvested in 1980. By 1985, the estate was operating at full capacity and a major milestone had been reached – the Sudan was self-sufficient in sugar.

Monica Ladurner

Using modern harvesting and refining technology, Kenana Sugar now produces 3.65 million tons of sugar per year.

Today, the company is a major exporter of sugar to regional African and Middle Eastern markets, as well as more recently to Europe and the Indian subcontinent, an achievement that saves the country upwards of $10 million per year on imports and generates a steady flow of foreign currency.

New boiler unit will help increase production

Continuous replacement and rehabilitation of facilities and equipment has recently enabled KSC to embark on a $61 million capacity expansion program designed to raise sugar production from 300,000 tons to a targeted 450,000 tons annually. A $10 million loan from the OPEC Fund is helping to finance Phase V of this program and represents the Fund's first private sector investment in the Sudan. Loan proceeds will directly support the installation of an eighth boiler unit to help increase cane-crushing capacity during the harvesting season.

As the lynchpin upon which all operations depend, Kenana's boiler capacity is central to the output of the sugar plant. Acquiring the additional unit will enable the factory to improve its processing efficiency, minimize factory down time and provide additional safety and security assurances for the crop operations. During the off-crop period, the boiler will furnish supplementary energy for new projects planned under KSC's diversification program. These support the company's "green" ethos and involve utilizing by-products of the main production line, such as molasses as a basis for animal feed and surplus *bagasse** to make charcoal briquettes.

Fund delegation visits Kenana estate

In February 2002, an OPEC Fund delegation headed by Director-General, HE Dr. Y. Seyyid Abdulai, traveled to Khartoum to conclude the loan agreement with KSC. Following the loan signature ceremony in the Sudanese capital, the delegation traveled the 250 km south to tour KSC's sprawling estate on the eastern bank of the White Nile.

Spread over some 70,000 hectares, the estate comprises a 43,000 hectare sugar plantation and a factory/refining complex, as well as a working farm and a self-contained township, which is home to around 8,500 employees. Amenities

* *Bagasse* is the dry pulp remaining after the extraction of juice from sugar cane. It is frequently used as a fuel.

Monica Ladurner

During cane harvest, the control center coordinates harvesting equipment and hundreds of trucks to ensure rapid handling and high sucrose recovery.

provided by KSC to its staff include schools, a 60-bed hospital, health centers, social clubs and sports facilities. Cows, sheep and poultry are raised on the farm and a non-profit cooperative grows fruit and vegetables, making the estate largely self-sufficient in terms of food production. Including permanent employees and the additional 7,000 seasonal workers engaged at harvesting time, Kenana is the second largest employer in the Sudan, with a total of some 150,000 people in surrounding towns and villages wholly dependent on the estate.

Care for the environment

KSC has taken great pains to limit the environmental impact of its operations, as evidenced by its by-products diversification program, and is continually taking steps to protect and enhance its surroundings. Irrigation water, for example, is recycled and a forestry belt of eucalyptus trees has been planted around the estate on a target area of 8,000 hectares. These measures, together with the 40,000 ha in crops, act as an effective block on desertification in the area.

Additionally, all seven of Kenana's existing boilers have large air pre-heaters, combustion controls and mechanical cyclone dust collectors to ensure good combustion and minimize particulate boiler stack emissions. The new boiler will conform to these standards, keeping anticipated emissions for all eight boilers at a level three times lower than that allowed by the U.S. Environmental Protection Agency.

Monica Ladurner

Kenana employees and their dependents live in an adjacent community, complete with company-provided schools, a 120-bed hospital and a mosque.

Regional center of excellence

Today, Kenana is striving to become a regional centre of excellence for the sugar industry. Its six-year-old Engineering and Technical Services Unit prepares feasibility studies, comprehensive drawings and engineering designs, undertakes installations and the supervision of plant construction, and plans and implements training programs in a number of sub-Saharan countries. ●

Private Sector Operations in 2002

1. Africa

Egypt

1.

Recipient: Alpha Chem Advanced Pharmaceutical Industries S.A.E. (ACAPI)
Type of Instrument: Loan
Sector: Health
Amount: $10 million
Approved: June 13, 2002

ACAPI was established in 1994 to manufacture a variety of pharmaceutical products for both domestic and export markets. Located in Badr City, some 50 km northeast of Cairo, the factory was first commissioned in 1997, when it commenced production of tablets and capsules. Sales of ACAPI's own worldwide patented *alpha interferon* (Ismafron®) began two years later. The OPEC Fund loan will help finance the purchase and installation of production lines for liquids, creams and ointments, as well as a sterile area for ampoules and vials. When the new facility is completed in 2004, at an estimated total cost of $88 million, ACAPI, as a state-of-the-art pharmaceutical plant, will be able to contribute significantly towards the government's objective of achieving self-sufficiency in the production of medicines and pharmaceuticals. In addition to increasing foreign exchange earnings, ACAPI is also expected to create several hundred new jobs.

2.

Recipient: Glass Container Company S.A.E.
Type of Instrument: Equity
Sector: Industry
Amount: LE 20.3 million ($4.4 million equivalent)
Approved: September 24, 2002

The Glass Container Company was formed in May 2001 to undertake the production of high quality glass bottles and containers for use in the pharmaceutical, food and beverage industries. The Fund has subscribed for 15% of the share

A new high-tech facility at the Glass Container Company in Egypt will help make the country self-sufficient in the production of glass containers.

United Neutral Glass Co.

Gerry Doyle

Lister Medical Services' medical and healthcare center near Accra, Ghana.

capital through a private placement. The high-tech glass production facility, which will cost a total of $64 million, is expected to achieve an annual capacity of some 84,000 tons of finished products, thus helping Egypt attain self-sufficiency in the production of containers for pharmaceutical products, food and beverages.

Ghana

Recipient: Lister Medical Services Limited
Type of Instrument: Loan
Sector: Health
Amount: $1.4 million
Approved: December 10, 2002

The loan to Lister Medical Services Limited will be used to finance the completion of a new medical and healthcare center located in the residential and light industrial suburb of Spintex in Accra. The total project cost for the buildings, together with supporting infrastructure and utilities, which are all nearing completion, is estimated at $2.9 million. The health center will provide specialized medical services, primarily in obstetrics and gynaecology, to a wide client base, from both Ghana and nearby countries. By offering other general healthcare services as well, including cancer screening, menopause management, surgery, internal medicine, pediatrics and family practice, the new facility will support the government's strategy of encouraging the private sector to participate in the medical sector in order to raise the quality of care to international standards and to help alleviate under-capacity in the public system.

Sudan, The

1.

Recipient: Sudan Telecommunications Company Limited (Sudatel)
Type of Instrument: Loan
Sector: Telecommunications
Amount: $7.6 million
Approved: March 14, 2002

Sudatel provides fixed-line services throughout the Sudan and has recently launched a major capital expansion program involving the installation of some 5,000 km of fiber optic cable, the transition from analogue to digital services, and the introduction of digital satellite networks. The number of fixed-line subscribers, which already exceeds 500,000, is expected to grow to over one million by 2003. The proceeds from the Fund's loan will be used to purchase equipment to connect several remote towns and villages to the existing fiber optic network. Ensuring the access to national and international communications networks is expected to contribute significantly to overall economic growth.

2.

Recipient: Byblos Bank Sudan
Types of Instrument: Equity and subordinated loan
Sector: Financial

ITU/Page Communications Engineering

Sudatel is bringing remote villages in the Sudan the benefits of modern telecommunications by connecting them to the fiber optic network.

Byblos Bank Lebanon

The new Byblos Bank Sudan will lend to Sudanese firms, support trade financing and participate in reconstruction.

Amount: \$2.5 million (equity); \$2.5 million (subordinated loan)
Approved: December 10, 2002

Byblos, one of the leading banks in Lebanon is now establishing a new bank in the Sudan, Byblos Bank Sudan. The Fund will participate in the \$18 million capital of the new bank by means of minority equity participation together with a subordinated loan. The project will provide immediate benefit by injecting new capital into the country's banking sector, thus helping it meet the financing requirements of major companies. Byblos Bank will also support trade financing for Sudanese firms through lines of credit and pre-export facilities. Furthermore, by providing direct loans to the industrial sector, it will participate in the country's reconstruction.

Tunisia

1.

Recipient: *Banque de Tunisie*
Type of Instrument: Line of credit
Sector: Financial
Amount: €6.5 million (\$6.5 million equivalent)
Approved: March 14, 2002

Banque de Tunisie, a private, commercial bank established in 1844, is Tunisia's oldest banking institution. The line of credit from the Fund will be used not only to assist companies in modernizing and upgrading their equipment, but also for financial re-structuring under the country's *mise à nouveau* program, which is aimed at preparing the economy to meet the challenges accompanying the adoption of the Association Agreement with the EU, which is to remove tariff barriers on various industrial goods over a 12-year period.

2.

Recipient: *Tunisie Leasing*
Type of Instrument: Line of credit
Sector: Financial
Amount: €4 million (\$4 million equivalent)
Approved: September 24, 2002

Founded in 1984, *Tunisie Leasing* leases vehicles, equipment and property to professional and corporate clients. This line of credit from the OPEC Fund will enable the company to meet its clients' longer-term financing needs. It will also support an industrial sector modernization program, which Tunisia is implementing in response to the increased competition resulting from the Association Agreement with the EU.

Uganda

Recipient: DFCU Ltd.
Type of Instrument: Line of credit
Sector: Financial
Amount: \$5 million
Approved: March 14, 2002

DFCU is the leading provider of term debt and equity financing in Uganda, where long-term financing is in relatively short supply. The line of credit will assist with the development of DFCU's longer-term financing and leasing business, and will enable the corporation to maintain and expand its client base of small- and medium-sized companies. The line of credit will also encourage private sector development, help generate additional employment opportunities and promote economic growth in general.

Tunisie Leasing

Tunisie Leasing leases property, construction machinery, vehicles and even special operating room equipment for hospitals.

2. Asia

Bangladesh

1.

Recipient: Hamid Fabrics
Type of Instrument: Loan
Sector: Industry
Amount: $2 million
Approved: March 14, 2002

The textile fabric producer Hamid Fabrics Limited is in the process of diversifying its business to include dyeing and finishing operations. This loan from the Fund will help finance an expansion of the plant facilities and the acquisition of new equipment and modern machinery. The resulting dyeing and finishing plant will be capable of producing export quality fabric from unfinished cloth, thereby spurring the development of the textile sector in Bangladesh by providing a link between the weaving sector and the production of ready-made garments for export.

Mahin Group/A. Jewel

New equipment will help Hamid Fabrics produce export quality fabric for Bangladesh's growing garment industry.

2.

Recipient: Industrial Promotion and Development Company (IPDC)
Type of Instrument: Equity
Sector: Financial
Amount: $1.5 million
Approved: September 24, 2002

The equity investment in IPDC will help promote the growth and development of this development finance institution. IPDC provides its clients with multi-product financial arrangements, including debt, equity, short-term financing, corporate finance advice, guarantees, bridge financing and leasing arrangements. The firm acts as a catalyst for obtaining finance not only through its own direct financing activities and ability to attract other financing for projects, but also through its advisory, syndication and appraisal processes. IPDC is currently expanding its capital base through a private placement that will enable it to increase both its transaction size and business in general.

Cambodia

Recipient: Living Angkor
Type of Instrument: Loan
Sector: Tourism
Amount: $3 million
Approved: June 13, 2002

The Living Angkor project involves the construction of a $10 million visitors' center near Siam Reap adjacent to the Angkor World Heritage site in Cambodia. The project will bring ancient (and modern) Angkor alive through exhibits, museum and theater. An environment center and tropical garden will showcase Angkor's rare plant and animal life. The project will focus on strengthening cultural tourism, a high growth sector and potentially one of Cambodia's most valuable resources. The lost city of Angkor is the world's largest archaeological site and the biggest historic attraction in the Asia Pacific region. The project will contribute to developing Angkor as a major tourist destination, while promoting the cultural and heritage significance of the site.

Maldives

Recipient: Villa Shipping and Trading
Type of Instrument: Loan
Sector: Services
Amount: $3.5 million
Approved: September 24, 2002

Villa Shipping and Trading Limited, the largest operator of tourist resorts in the Maldives, is also involved in a wide range of other activities, particularly trading and distribution. The primary purpose of this loan is to help Villa Trading diversify through further expansion of its trading operations. The above loan will help finance the development of a land-based fuel storage depot and a center for packaging and storing cement and other items for distribution. In recent years, the economy of the Maldives has experienced rapid and sustained growth. This project will make Villa

Villa Shipping and Trading

Villa Shipping and Trading in the Maldives will expand its operations to include land-based fuel storage depots.

Shipping more competitive in traded goods, thus helping the company to meet the needs of the country's growing economy.

Sri Lanka

Recipient: Lanka Orix
Type of Instrument: Line of Credit
Sector: Financial
Amount: $5 million
Approved: June 13, 2002

Founded in 1980, Lanka Orix was the first leasing company established in Sri Lanka. The company provides leasing services to a range of established concerns in the trading, transport, construction, agriculture, tourism and industrial sectors. This line of credit to Lanka Orix will provide funds that will enable the firm to expand its leasing operations and provide longer-term financing for small and medium-sized businesses.

LOLC Corporate Profile

Lanka Orix leases machinery and equipment to a broad range of clients in Sri Lanka, including the textile industry.

Easier access to term finance will, in turn, benefit the recipient SMEs, thus boosting employment levels and opening new opportunities for private enterprise in Sri Lanka.

Syria

Recipient: Syrian Saudi Company for Chemicals
Type of Instrument: Loan
Sector: Industry
Amount: $7.5 million
Approved: September 24, 2002

The loan forms part of the financing package for a $30 million chlor-alkali plant that the Syrian Saudi Company is building 35 km from the city of Aleppo, in accordance with strict environmental, health and safety standards. Since the output from the plant will be used locally, the need for expensive imports will be reduced, thus allowing considerable savings in foreign exchange. The project, which involves a significant amount of technology transfer, is also expected to bring about an upswing in know-how and management skills, and to lead to new employment opportunities in the surrounding communities.

Uzbekistan

Recipient: Bursel Tashkent
Type of Instrument: Loan
Sector: Industry
Amount: $5 million
Approved: December 10, 2002

The project involves the establishment of a new textile factory at Chirchik, 35 km northeast of Tashkent, which will produce a broad range of knitted garments for export, primarily to North America and Europe. The loan will enable the firm to acquire state-of-the-art production machinery and equipment from leading international suppliers. The new plant will cost an estimated total of $44 million and have a capacity of up to 7,145 tons of knitted garments per year. In addition to generating considerable foreign exchange revenues, the project will provide direct employment for more than 1,000 persons and contribute significantly to the government's objectives of expanding the cotton-processing industry and increasing value added.

LOLC Corporate Profile

The Fund's Private Sector Facility helps small and medium-sized enterprises in developing countries finance modern equipment.

3. Latin America and the Caribbean

Bolivia

Recipient: Jolyka Bolivia S.A.
Type of Instrument: Loan
Sector: Industry
Amount: $1.3 million
Approved: September 24, 2002

Jolyka Bolivia S.A. is a leading manufacturer of Forest Stewardship Council certified hardwood flooring products. Founded in 1995, Jolyka has recently started expanding its business operations and increasing its production capacity with the aim of capturing a larger market share for its products. It plans to widen its sales area to include the United States and Europe. The loan will be used to finance land, buildings and equipment, and to provide additional working capital. Jolyka is located close to Bolivia's abundant forest resources, which are managed on a sustainable basis. The project is expected to generate substantial foreign currency earnings, help create jobs and stimulate the further development of a sustainable logging industry.

Ricula O.

Small entrepreneurs in agriculture, tourism and other sectors will benefit from a line of credit to the Development Bank of Jamaica.

Jamaica

Recipient: Development Bank of Jamaica Limited
Type of Instrument: Line of Credit
Sector: Financial
Amount: $5 million
Approved: March 14, 2002

The Development Bank of Jamaica was established in April 2000 with the aim of enhancing the efficiency of the development banking sector. Through its pivotal role in providing medium-term finance, the Development Bank has become a catalyst for investment and economic growth in Jamaica. It also serves as a wholesaler of funds and promotes on-lending through approved financial intermediaries. The final beneficiaries of this line of credit from the Fund will include small- and medium-scale enterprises in the agricultural, agro-processing, manufacturing, mining and tourism sectors.

Fund lends support to *Children's Town* in Zambia

In a perfect world, all children the world over would grow up in the comfort and security of a loving family home. Tragically, for millions of youngsters in the less developed countries, this picture-book ideal is a far cry from reality. Orphaned by AIDS or simply abandoned by their parents as one mouth too many to feed, countless numbers are forced to fend for themselves on streets that are lonely, precarious and unforgiving.

Possibly nowhere is this problem more acute than in Zambia, one of the poorest countries on the African continent. With an economy devastated by falling international prices in agriculture and copper, and a budget bled almost dry by massive debt repayments, social conditions in the southern African republic are grim. Since the onset and escalation of the HIV/AIDS pandemic, the situation has spiraled dangerously out of control.

Humana/DAPP

Happy youngsters at the* Children's Town *in Chibombo, Zambia.

AIDS orphans forced onto the streets

At 19.7%, Zambia has one of the worst prevalence rates of HIV/AIDS in the whole of Africa. An estimated 600,000 children have been orphaned by the disease and a further 1.6 million have lost one parent. Formerly, children like these would have been cared for within the extended family system that is central to the African way of life. AIDS and economic stagnation, however, have ripped apart this traditional social safety net, leaving thousands at the mercy of the streets.

Left alone to live by their wits, most of these children turn to casual labor, street vending, and even petty theft and prostitution in their desperate quest for survival. Home is a cardboard box or some other crude shelter. Food, when they can get it, is little more than crumbs. And going to school is out of the question. Not surprisingly, chronic illness and malnutrition are rife. Those who are "fortunate" enough to obtain refuge with relatives are not always better off. Thrust on already impoverished households, they are usually treated as little more than slaves, forced to perform hard labor and beg for scraps, while their guardian's biological children go to school and receive priority care and attention. For all of these children there is no childhood, no future, no love, and no time to play and learn – instead there is only hunger, fear and despair.

A safe haven for the homeless

As depressing as this picture may seem, however, all is not lost for the street children of Zambia thanks to an innovative care scheme set up and run by the Danish NGO *Development Aid from People to People* (DAPP). Located in the marginalized rural district of Chibombo, some 90 km from the capital Lusaka, the *Children's Town* is a unique and safe haven for destitute youngsters. As well as material needs such as shelter, food and medical care, the center provides its young charges with schooling and practical skills training, all in a secure, homely envi-

Humana/DAPP

Busy learning. At the Children's Town, destitute children are able to acquire a good academic education.

Seven of the Town's 120 residents pose in a comfortable dormitory room.

ronment. In the words of DAPP Project Coordinator, Moses Zulu, "The Children's Town is the final destination for children with no-one to take them under their wing, usually after a long and cruel period of neglect, child labor or other abuses no youngster should endure."

Since extending a $150,000 grant to the Children's Town in November 2001, the OPEC Fund has maintained a keen interest in the activities of the center, which over the years has grown from a handful of makeshift tents in the bush to a regional center for education and development. At any one time, it caters for 120 residential students, the majority former street children from Lusaka and other cities, as well as 140 day students made up of orphans and other disadvantaged children from the local communities.

Zulu explains the thinking that inspired the Children's Town: "The education of children and youths is of the utmost importance for any nation. Only equipped with appropriate knowledge can they contribute productively and significantly to the development of their respective communities and society in general."

Making dreams come true

The ultimate aim of the center is to give needy children a future, to encourage them to have dreams, believe in themselves and take charge of their destinies. "The program is devised around a family structure in which the children are nurtured and encouraged to acquire the academic, vocational and life skills needed to lead independent, useful lives. The youngsters participate fully in the operation of the Children's Town, learning how to produce food, raise farm animals, maintain the buildings and surroundings, and run a general store. At the same time, they learn how to take responsibility for themselves, solve problems, defend their rights and the rights of others, take care of their general and reproductive health, and avoid crime, drugs and alcohol," explains Zulu.

To date, over 1,400 children have benefited from an education at the Children's Town. Many have proceeded to high school, while others have obtained employment or established their own enterprises (see box). Yet the benefits to these youngsters go far beyond mere academic qualifications. Perhaps most significant is their transformation from shy, abused and often traumatized individuals, starved of love and affection, into bright and enthusiastic young men and women, with the potential to make a valuable contribution to society.

Orphans outreach program

The center acknowledges, however, that with the number of vulnerable children growing at an alarming rate, institutionalization cannot possibly be the answer for them all. Hence, says Zulu, the orphans outreach program. "Through this we support the upbringing of a disadvantaged child within its own community, offering psy-

The children also learn practical things such as gardening, livestock-raising or poultry farming.

chosocial counseling to the guardians and empowering these extended families economically." DAPP is facilitating this community-based initiative through capacity building initiatives, project monitoring and technical support in resource mobilization. Extending to 34 villages, the scheme has so far benefited well over 1,000 orphans.


Humana/DAPP

In some Children's Towns, the youngsters have the opportunity to learn computer skills.

Further afield, the success of the Children's Town has inspired a host of similar programs across Zambia, with scores of graduating students taking the benefit of their skills and knowledge into the wider community.

The way forward

DAPP's plans for the future include expansion of the primary school and establishment of a high school in the Children's Town, along with extension of the orphans program to other districts as soon as resources become available. Its more immediate goals are to extend the skills training programs and, in light of the HIV/AIDS problem, increase reproductive health education. The center also hopes, as a priority, to increase the ratio of boys to girls to correct the nationwide gender imbalance in Zambian schools. For the students, however, the most exciting development is sure to be the arrival of electricity in the town. Thanks to the OPEC Fund grant, installation is imminent, and ideas are already afoot to determine how the new facility can best be used. ●

Brian's story

My name is Brian Sikalumbi. I was born on November 25, 1982, the youngest of four siblings. I do not remember my parents – my father died before I was born and my mother when I was very young. I was brought up by a man I believed to be my father, but who was actually my uncle. Life with him was very unpleasant. He treated me like a servant and made me do all the domestic chores while his wife and children just relaxed. Although my uncle paid my school fees, he didn't care how I dressed or about anything else in this line.


HUMANA/DAPP/Moses Zulu

I was 13 when I found out the truth about my so-called "father." This revelation made me realize why I had been so badly treated and I decided to run away from home. Along with some other street children, I was able to rent a house in one of the shanty compounds using the money I made on the streets looking after cars and doing other odd jobs.

In January 1997 I met Gilbert Mumba, who had just graduated from the Children's Town. He took me to the social welfare department where all the formalities were done to refer me to the center. However, I didn't have enough money to travel there, so I stayed with Gilbert for one month and when he got his salary he paid for my trip.

On arriving at the Children's Town, I realized that education was the only source of hope for me in life. I came to know that education was the key to success, and this realization enabled me to work hard in class. In just two years I managed to do a seven-year school program. I am currently doing my grade 11 and have been selected by the school authorities to serve as one of the school prefects next year (2003).

I am eternally grateful to the Children's Town for the role it has played in helping me be what I am today. I feel overwhelmed that I have turned out to be a responsible citizen and especially that I have been entrusted with special responsibilities. At long last, I feel like I have a future. ●

Sowing the Seeds of Hope

Fund releases anniversary film

A special documentary film, produced to mark the Fund's 25th anniversary, was premiered at the annual meeting of the Ministerial Council in June. Entitled *Sowing the Seeds of Hope,* the film highlights the work of the Fund in a range of developing countries, illustrating the impact of the Fund's efforts to eliminate want and raise prospects and living standards among the poor. The result is a moving description of the worldwide battle against poverty, and the contribution, albeit modest, of a small group of countries determined to help their fellow man.

The documentary deals primarily with problems and solutions in areas such as health care, water supply, agriculture, road construction, energy and environment. It also looks at the role of the private sector, the topical issue of HIV/AIDS, and the setbacks created by natural and man-made disasters. Background information on the Fund is introduced through brief interviews with senior officials, who talk about the origin, philosophy, aims and activities of the institution.

The bulk of the film, however, is dedicated to the Fund's projects. Through the eyes of beneficiaries, the viewer learns how carefully targeted efforts have helped transform the lives of entire communities. In southern Senegal, for instance, farming families in Anambé are enjoying new-found prosperity thanks to a successful rural development scheme. In Bangladesh, a new 365-bed hospital is providing the residents of Dhaka with access to modern medical treatment in specialized departments for the first time. And in hurricane-devastated Honduras, Fund financing has helped reconstruct schools and health centers and restore water supplies and sanitation services.

Some 45-minutes in length, the film brings to life a wide range of other projects – some large, some small – in countries as diverse as Albania, Ghana, Guatemala, Mauritania, the Sudan, Vietnam and Yemen.

Produced on both DVD and VHS, the documentary is available in English, Arabic, Farsi, French and Spanish. ●

Grant Operations in 2002

1. Technical Assistance

IAEA/P. Pavlicek

Fewer than 100 radiotherapy machines are in operation in Africa.

African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology

Sector: Health
Purpose: To strengthen radiotherapy services
Amount: $200,000
Approved: December 10, 2002
Total cost: $8.881 million
Implementing agency: African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology (AFRA)
Grant administrator: OPEC Fund

This grant will help finance a scheme that seeks to strengthen clinical radiotherapy services in 20 AFRA member states. As an extension of an ongoing initiative, the project aims to optimize use of available facilities, strengthen personnel training and generally improve the standard of radiotherapy practices in Africa for the most commonly diagnosed cancers. More than 1,500 radiotherapy machines are needed on the continent, but fewer than 100 are in operation because of high equipment cost, inadequate infrastructure and lack of qualified personnel. The IAEA has made significant headway in addressing some of these issues with the successful implementation of an earlier initiative. The current project will build on these achievements and consolidate the improvements and advances already made. Covering the period 2002–2006, the project will put together specialized teams to improve the delivery of radiotherapy services in AFRA countries where radiotherapy is not yet available. Training courses and workshops across all levels of health care personnel will be provided, and materials produced to enhance public education. Each radiotherapy center will also be supplied with safety information to help reduce occupational exposure to radiation.

Arab Organization for Agricultural Development

Sector: Agriculture
Purpose: To help finance an initiative to control Rift Valley Fever (RVF)
Amount: $400,000
Approved: June 12, 2002
Total cost: $2.92 million
Co-financiers: Governments of beneficiary countries
Implementing agencies: AOAD, Ministries of Animal Resources/Ministries of Agriculture of beneficiary countries
Grant administrator: OPEC Fund

RVF is a virus spread by mosquitoes and other biting insects. Although many types of animals can contract RVF, the effects are particularly severe among livestock, especially animals less than one

AOAD

Formerly endemic only in sub-Saharan Africa, Rift Valley Fever now threatens 205 million head of livestock north of the Sahara.

Illiteracy is a serious handicap for Hondurans who did not have the opportunity to attend school as children. The National Commission for Non-formal Education is training 1,700 volunteers to teach adults to read and write.

World Vision/Israel Carcamo

week old. Initially endemic only in sub-Saharan Africa, RVF cases have now been confirmed in Egypt, Mauritania, Saudi Arabia, Somalia, the Sudan and Yemen. In these countries alone, a total of some 205 million head of livestock are endangered, a situation that threatens to have negative consequences both on food security and local and national trade. This grant will support an AOAD-sponsored regional prevention and containment program in these six countries, with the eventual aim of expanding operations into other affected regions. An early warning system will be established and advanced technological equipment used to help predict potential outbreaks. Furthermore, Egypt's existing vaccine-manufacturing facility will be expanded to boost production. At both regional and national levels, veterinarians and technicians will receive training in the surveillance, diagnosis and management of RVF. The grant from the Fund will be used specifically for the purchase of operational supplies for the early warning system and the vaccine-producing facility.

Hawwa Center for Culture and Arts

Sector: Multi-sectoral
Purpose: To help establish a charitable bread bakery
Amount: $75,000
Approved: March 14, 2002
Total cost: $140,000
Co-financier: The Welfare Association
Implementing agency: Hawwa Center for Culture and Arts
Grant administrator: Arab Fund

Since the onset of the *Intifada* in September 2000, living conditions in Palestine have deteriorated drastically. As part of the Fund's ongoing endeavors to improve conditions and foster self-sufficiency among the affected population, this grant provided support to the Hawwa Center for Culture and Arts. Established in 1994, this non-profit NGO offers health and social assistance to Palestinians, especially women and children. The aim of this initiative is to establish a charitable bakery in Nablus. With a planned production capacity of 2,500 kg of bread per day, of which 300 kg will be distributed free to needy families, the bakery will create jobs for 15 poor women who are the sole wage earners of their households. Revenue generated from bread sales will not only form a working capital for the bakery, but also contribute to the Hawwa Center's activities. The Fund's contribution will cover the cost of the building and purchase of a bread delivery vehicle.

Honduras

Sector: Education
Purpose: To help finance a literacy program
Amount: $150,000
Approved: March 14, 2002
Total cost: $614,820
Co-financiers: National Commission for Non-Formal Education (The Commission), National Institute for Vocational Training (INFOP), Cooperating NGOs
Implementing agency: The Commission
Grant administrator: OPEC Fund

Illiteracy is a serious problem in Honduras, particularly in remote, rural communities. Over the past decade, the government, civil society and NGOs have tried hard to correct this problem by developing a "non-formal" education system aimed at adults. The National Commission for Non-Formal Education is at the forefront of a 10-year campaign, *Literacy and Basic Education for Young People and Adults*, which aims to provide an innovative, informal means of raising adult literacy levels. This grant will support the first year of the program, which aims to educate at least 25,000 people from the departments of Santa Barbara, Lempira, Copán Valle, Ocotepeque and

Pumping irrigation water in Bangladesh. IDE helps small farmers in Zambia and four Asian countries boost agricultural production, cultivate high value cash crops and start small businesses.

IDE

Choluteca, areas with especially large numbers of illiterate adults. Working jointly with INFOP and participating NGOs, the Commission will draw up and implement a professional training scheme and prepare some 1,700 volunteer educators to go out into the community and teach. In addition to literacy classes, program participants will also have an opportunity to take part in vocational training designed to help them obtain steadier, better paying jobs.

International Development Enterprises

Sector: Agriculture
Purpose: To support small farmers
Amount: $200,000
Approved: June 12, 2002
Total cost: $8.4 million
Co-financiers: CIDA, Oxfam GB, Sir Dorabji Tata Trust, Swiss Development Corporation and USAID
Implementing agencies: International Development Enterprises (IDE), national authorities, beneficiary smallholders, community-based organization and NGOs
Grant administrator: OPEC Fund

Some 600 million of the world's 1.3 billion people who exist on less than one dollar per day live in rural areas and depend primarily on subsistence farming for survival. Since these smallholders cannot afford to purchase inputs or invest in new cultivation technologies, they are generally unable to produce surplus crops that could be sold for profit. This grant will support a scheme sponsored by IDE that will help farmers overcome these barriers by creating smallholder market systems in field locations across Bangladesh, China, India, Nepal and Zambia. The first step will be to develop suitable technologies to help boost agricultural productivity and identify high value cash crops that can be cultivated using the smallholders' abundant source of family labor. A training and capacity building component will help farmers gain additional skills and knowledge, and the establishment of farmers' associations and credit services will offer opportunities to expand their businesses. Over 47,000 households are expected to benefit from this initiative, which will help the participants achieve self sufficiency and break the cycle of poverty.

Mozambique

Sector: Multi-sectoral
Purpose: To help vulnerable children and adolescents
Amount: $160,000
Approved: September 24, 2002
Total cost: $480,600

Co-financiers: Development Aid from People to People (DAPP); Ministry of Education, Mozambique; *Telecomunicações de Moçambique;* UNICEF, Mozambique office; WFP
Implementing agency: DAPP
Grant administrator: OPEC Fund

During Mozambique's 17-year period of civil conflict, thousands of people fled from their homes to the capital Maputo, putting a massive strain on the city's infrastructure. Currently, some 350,000 children there are threatened by homelessness, chronic illness and malnutrition. At the same time, the spread of HIV/AIDS has significantly increased the number of school-aged orphans. In 1991, DAPP established *The Children's Town,* a center for education and development, in the Costa de Sol area of Maputo Province. Comprising a boarding complex with three houses, a primary school, dining hall and sports field, the Town provides youngsters with a core education through the seventh grade, as well as training in areas such as office management, computer literacy, sewing and ceramics production, and metal and wood-working. Emphasis is placed on re-integrating youngsters with their families or into settled foster care. Since its inception, the Town has provided shelter and education to over 450 former street children, a large number of whom have either re-joined their families, moved on to higher education, or obtained jobs. The Fund grant will help finance the activities of The Children's Town for the next two years.

HUMANA/DAPP

At a Children's Town, street children and orphans receive schooling and can learn practical things like sewing or wood-working.

Palestinian Polytechnic University

Sector: Multi-sectoral
Purpose: To procure equipment for a mechatronics laboratory
Amount: $120,000
Approved: March 14, 2002
Total cost: $120,000
Implementing agency: Palestinian Polytechnic University (PPU)
Grant administrator: Arab Fund

The ongoing violence in the West Bank and Gaza Strip has resulted in a rising number of conflict-related illnesses and injuries, considerably overtaxing Palestinian hospitals. In order to ensure that urgently needed diagnostic and life support equipment is maintained, and that adequate numbers of staff are trained to perform these specialized tasks, this grant fully financed the procurement of an *Integrated Mechatronic and Automation Unit (IMAU)* at the PPU. Established in 1978, PPU is one of the leading institutions of higher education in Palestine and turns out a number of highly qualified engineers and technicians each year. The IMAU will enable the university to provide advanced technical training for biomedical engineering students on the maintenance and repair of life-saving hospital equipment.

PPU

Biomedical engineering students at PPU are learning to maintain and repair the diagnostic and life-support machines in Palestinian hospitals.

Tajikistan

Sector: Health
Purpose: To boost medical care for women and children
Amount: $200,000
Approved: September 24, 2002

A UNICEF-led program will provide nutritional supplements and medicines to poor mothers and their children in remote areas of Tajikistan.

IFRC

After many years of civil strife, Tajikistan faces a number of developmental challenges. Despite efforts to rehabilitate the country's health care facilities, widespread shortages in coverage remain, as evidenced by the high maternal/infant mortality rates and widespread incidence of under-nutrition. To address these problems, this UNICEF-led initiative will deliver basic medical equipment and essential drugs and supplements, especially vitamin A and iron tablets, to 750 community health centers and maternity hospitals. Feeding centers will receive extra food supplies and nutritional supplements, and training will be offered to health care personnel on topics such as childhood illnesses, safe motherhood and nutritional disorders. A social mobilization strategy will help promote family knowledge of child health care, and public education materials will be made available free of charge. In addition, institution strengthening measures will help boost cooperation between local governments and communities. At least 2.2 million women and children, particularly those living in remote, rural areas are expected to benefit from this scheme.

Total cost: $845,000
Co-financiers: UNICEF, CIDA and government of Japan
Implementing agencies: Ministry of Health, Tajikistan; UNICEF; and international and local NGOs
Grant administrator: OPEC Fund

2. Research and Similar Activities

African Regional Center for Technology

Purpose: To help finance training workshops
Amount: $80,000
Approved: February 1, 2002
Total cost: $200,000
Co-financiers: IFAD, UNDP-TCDC
Implementing agency: African Regional Center for Technology (ARCT)
Grant administrator: OPEC Fund

This grant helped support a one-year program sponsored by ARCT: the *Promotion of Modern Women Entrepreneurship for Food Security and*

IFAD/Guiseppe Bizzari

Learning to make cheese. ARCT provides training in food processing methods and other useful skills for rural micro- and small entrepreneurs.

Sebra Film

Basket-weaving in Tunisia. DYNMED promotes traditional Mediterranean trades such as weaving or pottery-making.

Poverty Alleviation in Rural Africa. Under this scheme, a series of workshops held in Dakar, Senegal helped develop the technical skills of micro, small and medium enterprises in the agro-food sector, particularly those run by women. Training was provided for the following: women in the area of modern food processing; rural entrepreneurs on the construction and operation of bio-digestors and the use of compost for horticultural purposes; enterprise managers and government officials in the negotiation of contracts for the acquisition and transfer of food technologies for rural micro-enterprises. Additionally, a one-week study tour was held on technical cooperation and entrepreneurship among developing countries in North Africa.

DYNMED Research Group

Purpose: To help finance a research project
Amount: $60,000
Approved: February 1, 2002
Total cost: $3.5 million
Co-financiers: EU; French Institute for Research and Development; University of Birzeit, Palestine; Spanish Superior Council for Scientific Investigation; Spanish Ministry of Education and Culture; Algerian Ministry in charge of Greater Algiers
Implementing agency: DYNMED Research Group
Grant administrator: OPEC Fund

This grant helped support a research project launched by the Corsica-based *DYNMED Research Group.* Implemented within the framework of the European Union's *Euromed Heritage Program,* the initiative aims to increase the capacity of southern Mediterranean countries to upgrade, manage and promote their own traditional resources through partnership with the northern countries of the region. Expected to run over a three-year period (2002–2004), the project will concentrate on traditional trades such as ceramics, textiles, food processing and metal and stoneworking. Other areas of focus will include technology transfer, strengthening the role of social agents, developing entrepreneurial and organizational capabilities and the endorsement of professional training through seminars and workshops. DYNMED was established in 1992 as an interdisciplinary international network of researchers, consisting of 22 research groups from 11 different countries, namely, Italy, France, Spain, Portugal, Greece, Tunisia, Algeria, Egypt, Palestine, Lebanon and Turkey.

The Hagar Project

Purpose: To provide assistance to Cambodian women and children
Amount: $100,000
Approved: July 30, 2002
Implementing agency: The Hagar Project
Grant administrator: OPEC Fund

Proyecto Hagar

Making tofu. The Hagar Project in Phnom Penh provides temporary homes and training in soya milk production to poor women with children.

Although Cambodia's economy is slowly recovering from 30 years of civil conflict, poverty levels remain high. Malnutrition is rife, with women and children representing the most vulnerable group within the country's population of 12 million. Many women are homeless and, lacking the skills or means to support themselves and their families, are unable to break the cycle of poverty. The Hagar Project, based in Phnom Penh, provides temporary homes for such women and their children, and offers vocational training in areas such as sewing, food preparation and soya milk production. It also creates small enterprises that offer poor women on-the-job training and employment opportunities. Since funding limitations have placed constraints on these programs, the Hagar Project is privatizing one of its enterprises, *Hagar Soya,* in order to reduce its dependency on donor contributions and insure the sustainability of its programs. With the help of the Fund grant, Hagar's existing soy milk production facility will be expanded, and a substantial portion of its profits channeled back into the Hagar Project's social programs.

International Development Law Institute

Purpose: To help finance legal training courses
Amount: $99,000
Approved: February 1, 2002
Total cost: $1.51 million
Co-financiers: BADEA, governments of Australia, Italy and the Netherlands
Implementing agency: International Development Law Institute (IDLI)
Grant administrator: OPEC Fund

This grant helped support the attendance of legal professionals from developing countries at two training courses that were held at IDLI's headquarters in Rome, Italy during 2002. Although proper legal expertise plays a vital role in the development process, many developing countries fail to benefit fully from international transactions because their representatives often lack the specialized legal skills needed to deal with many of the technical issues. IDLI's mandate is to promote the use of legal resources in the development process of developing and transition economy countries by conducting training courses for legal professionals. Since its inception, IDLI has trained some 9,600 individuals from 162 countries. The two courses sponsored by the Fund were entitled: *Enterprise and Investment Lawyers* and *Legal and Regulatory Aspects of E-Commerce and Public Procurements*.

International Law Institute

Purpose: To help finance legal training centers
Amount: $100,000
Approved: July 30, 2002
Total cost: $2.375 million
Co-financier: Government of Japan
Implementing agency: International Law Institute (ILI)
Grant administrator: OPEC Fund

This grant will help support a scheme sponsored by ILI, an independent, non-profit, international organization that helps promote developing countries' economic advancement, and assists them with solving many of the legal problems they face, such as negotiating contracts, handling investments and drafting intricate agreements. In 1997, ILI opened a full-time training facility in Kampala, Uganda, the *ILI African Center for Legal Excellence,* which provides a wide range of courses designed to benefit both the local population and the East Africa region. ILI now plans to establish a global network of campuses that will link local needs with the knowledge and experience of international experts. Under the current scheme, centers will be created in Beijing, China; Jakarta, Indonesia; Kiev, Ukraine; Cairo, Egypt; Santo Domingo, Dominican Republic and Abuja, Nigeria. As the campuses will be interconnected through the use of the Internet and other interactive technologies, educational opportunities will be expanded, helping reduce the "digital divide" that exists between developed and developing nations.

International Ocean Institute

Purpose: Training program
Amount: $56,000
Approved: December 10, 2002
Total cost: $196,200
Implementing agency: International Ocean Institute (IOI)
Grant administrator: OPEC Fund

This grant will sponsor the attendance of eight participants from developing counties at an IOI training program that will take place from May 26 to August 1, 2003, at Dalhousie University in Halifax, Canada. Based on similar programs previously carried out by IOI, the 10-week workshop will cover the theme *Ocean Governance: Policy, Law and Management*. Topics to be covered include coastal management and the development of ports and harbors, as well as the sustainable development of living and non-living resources. The course will be specifically designed to enhance the

Herbert Rathgeb

In order to ensure that ocean resources are fairly used, the IOI holds workshops to inform decision-makers from developing countries about the Law of the Seas, coastal management strategies, and other related issues.

knowledge and strengthen the capabilities of mid-career professionals from developing countries in improved ocean management and decision-making skills. Founded in 1972, IOI is an independent NGO active in promoting education, training and research to enhance the peaceful uses of oceans and their resources.

International Trypanotolerance Center

Purpose: Livestock development project
Amount: $70,000
Approved: October 29, 2002
Total cost: $420,000 (annual project budget)
Co-financiers: EU, government of Germany, National Livestock Departments of The Gambia and Guinea
Implementing agency: International Trypanotolerance Center (ITC)
Grant administrator: OPEC Fund

This grant helped finance an ongoing initiative, *Screening of village-based livestock for milk and growth rates: an innovative farmer participatory approach for optimized breed improvement,* a collaborative effort of governmental institutions, NGOs and farmers. Beneficiaries were participating farmers and their families in the Lower River, Central River, North Banks and Upper River divisions of The Gambia, and the Boke prefecture of Guinea. Activities included the establishment and implementation of screening procedures for identifying superior breeding stock; the initiation of farmers' livestock breeding cooperatives; and the development of specialized training programs for farmers, extension workers and managers. ITC, an autonomous, non-profit livestock research institute, was established in The Gambia in 1982. Its mission is to boost livestock productivity in the West African region through an optimal and sustainable exploitation of genetic resistance in indigenous breeds.

Islamic Academy of Sciences

Purpose: To help finance a conference
Amount: $35,000
Approved: July 30, 2002
Total cost: $200,000
Co-financiers: IsDB; OIC Committee on Scientific and Technological Cooperation (COMESTECH); the Arab Potash Company, Jordan; The Pakistan Academy of Sciences; Ministry of Science and Technology, Pakistan
Implementing agency: Islamic Academy of Sciences (IAS)
Grant administrator: OPEC Fund

TWNSO promotes research between scientific institutes of the South on vital issues, including climate change, desertification, and renewable energy strategies.

European Commission Audiovisual Library

This grant helped finance the twelfth scientific conference of the IAS, *Bridging the Science Divide*, which took place in Islamabad, Pakistan in October. The conference focused on the subject of materials science and technology, highlighting, in particular, the influence of materials on healthcare, the environment, communications and education. A series of sub-topics examined the importance of developments in materials research to an improved quality of life. The event brought together some 100 scientists working at the cutting edge of new materials research. IAS is an international, non-political, non-governmental institution, which works to enhance the utilization of science and technology for the general development of Islamic countries and humanity at large.

Third World Network of Scientific Organizations

Purpose: To help finance research study
Amount: $100,000
Approved: May 15, 2002
Total cost: $200,000
Co-financier: Government of Italy
Implementing agency: Third World Network of Scientific Organizations (TWNSO)
Grant administrator: OPEC Fund

TWNSO was established in 1988 with the aim of establishing a permanent network among leading research institutions of the South and fostering cooperation on scientific and technological problems common to developing nations. Since 1994, TWNSO has sponsored a competitive research grant scheme to promote and support joint scientific research between or among research institutes in developing countries. This grant will help sponsor the continuation of this scheme. To date, 20 projects have been successfully completed. A further 10–12 projects, involving around 35 research centers (2–3 per project), will be conducted over the next two years. Topics to be addressed include basic and applied research in the fields of biotechnology; information and space technology; micro-electronics; new and renewable energies; soil erosion and desertification; atmospheric pollution; toxic and chemical waste; and fresh water resources. At least one of the cooperating partners in each project will be an institute from a least developed country.

United Nations Educational, Scientific and Cultural Organization

Purpose: To help finance a population education scheme
Amount: $40,000
Approved: May 15, 2002
Total cost: $140,000

Co-financier: UNFPA
Implementing agency: United Nations Educational, Scientific and Cultural Organization (UNESCO)
Grant administrator: OPEC Fund

This grant co-financed the project *Population and Perspectives for Development in the Arab World,* which aimed to produce pedagogical materials to enhance the understanding of basic demographics and population issues. This information was produced both as printed material and as an interactive CD-ROM, available in French, English and Arabic, to be used by curriculum developers, university lecturers, schoolteachers and other elements of civil society involved in both the formal and informal education sectors. A preliminary seminar was held in October 2001 in Amman, Jordan, where delegates evaluated the proposed material. A follow-up seminar was held in the spring of 2002, when the information was finalized and distributed. The Fund grant was used to cover consulting expenses and the translation and reproduction of pedagogical items as well as the organization of the second seminar.

University Children's Hospital, Vienna

Purpose: To help finance a research study
Amount: $75,000
Approved: May 15, 2002
Total cost: $400,000
Co-financiers: Hoffman LaRoche and the Vienna General Hospital *(Allgemeines Krankenhaus, Wien)*
Implementing agency: University Children's Hospital, Vienna
Grant administrator: OPEC Fund

Hepatitis C virus (HCV) is a globally-spread infectious agent that can cause chronic liver disease and other serious complications. Its prevalence far exceeds that of hepatitis A and B, as neither vaccination nor treatment currently exists. HCV is emerging as a major health problem in the developing world, particularly among women of childbearing age, causing concerns about the possibility of maternal-infant transmission through breast milk. Current studies reveal a lack of consensus regarding the potential risk. Resolving this issue therefore has vital implications for developing countries, where breastfeeding is the safest, most economical and efficient means of providing infant nutrition as well as preventing infant morbidity and mortality from diarrhea and other infectious diseases. In light of this situation, the University Children's Hospital in Vienna is conducting a two-year research study, *The Postnatal Transmission of Hepatitis C Virus,* which aims to show conclusively that nursing infants cannot contract HCV from their infected mothers. The study, which will be carried out in cooperation with the *St.-Anna-Kinderspital, Donauspital, Wilhelminenspital* and *Franz-Josef-Spital,* will investigate 120 mother/infant pairs.

WHO/TDR/Andy Crump

The Pediatrics Department at the University of Vienna Hospital is investigating whether infected mothers transmit the Hepatitis C virus to their nursing infants.

3. Emergency Assistance

Afghanistan

Purpose: To provide relief supplies for earthquake victims
Amount: $300,000
Approved: March 29, 2002
Implementing agency: UNOCHA
Grant administrator: OPEC Fund

This grant helped purchase relief items for victims of a series of earthquakes that struck Afghanistan in late March. With the most severe quake, which measured 6.2 on the *Richter Scale*, the death toll reached 1,800. In all, nearly 4,000 people were injured, and well over 30,000 people lost their homes. Most of the damage occurred at the quake's epicenter in Baghlan Province in Northern Afghanistan, where the town of Nahrin was almost completely destroyed. International assistance was requested to meet potential shortages of emergency supplies and, as Nahrin had also been affected by a series of droughts which had jeopardized the year's harvest, the primary focus of the aid effort was on ensuring food security. Other areas of attention included the establishment of a reconstruction plan and addressing the special needs of women and children. The OPEC Fund's contribution was used to help procure essential relief items, and was channeled through UNOCHA.

Austria

Purpose: To provide relief supplies for flood victims
Amount: $200,000
Approved: August 13, 2002
Implementing agency: Austrian Broadcasting System (ORF)
Grant administrator: OPEC Fund

This grant assisted victims of the extreme flooding in the Fund's host country, the Federal Republic of Austria, one of several European nations severely affected by the heaviest rains to sweep Central Europe in more than a century. Bridges were washed away, communication lines severed, utilities disrupted, agricultural land inundated, and homes and historical buildings destroyed. Many families were forced to abandon their homes and seek shelter in temporary accommodations. In some areas, entire communities were displaced. Although the OPEC Fund is mandated to work exclusively with the developing countries of the world, an exception was made on this occasion to reflect the solidarity it feels with the people of Austria who, over a period of more than 26 years, have been accommodating and welcoming hosts to the institution. The Fund's grant contributed to the government's relief and rehabilitation efforts.

The worst floods in over a century forced thousands of Austrian families to abandon their homes. The Fund showed solidarity with its host country by contributing relief supplies.

Austrian Red Cross/S. Spielbichler

IFRC/Andrew MacColl

A volcano buried the city of Goma under meters of lava and made 500,000 people homeless.

Congo, D.R.

Purpose: To provide relief supplies for volcano victims
Amount: $100,000
Approved: January 22, 2002
Implementing agency: International Federation of Red Cross and Red Crescent Societies (IFRC)
Grant administrator: OPEC Fund

This grant helped purchase relief items for victims of a volcanic eruption that inundated the city of Goma with lava. At least half of Goma's population of 500,000 lost their homes and, with most of the business district destroyed, livelihoods were also compromised. The United Nations Secretary General appealed to the international donor community to assist with relief and clean-up efforts. Immediate needs were essential supplies such as blankets, plastic sheeting and utensils as well as food, water, clothing and other basic goods. The OPEC Fund's contribution to the aid effort was used to procure emergency items, food and medical supplies, and was channeled through the IFRC.

Iran, I.R.

Purpose: To provide relief supplies for earthquake victims
Amount: $200,000
Approved: June 24, 2002
Implementing agency: International Federation of Red Cross Red Crescent Societies (IFRC)
Grant administrator: OPEC Fund

This grant helped purchase relief items for victims of an earthquake that struck the Qazvin and Hamedan provinces in the northwest of the country in June. Measuring 6.3 on the *Richter Scale,* the quake left over 230 people dead, around 1,000 people injured and at least 25,000 without homes. Scores of villages were damaged or destroyed entirely. Hundreds of relief workers were deployed to the affected areas and vast quantities of food and non-relief items delivered. The Fund's contribution was used to help procure urgently needed items and was channeled through the IFRC.

Palestine

1.

Purpose: To provide medical treatment to injured Palestinians
Amount: $200,000
Approved: April 23, 2002
Co-financiers: Austrian Humanitarian Initiative, pharmaceutical companies, cooperating hospitals
Implementing agency: Austrian Committee for the Holy Land
Grant administrator: OPEC Fund

This grant helped provide specialized medical treatment in Austrian hospitals to Palestinians, who had been severely injured as a result of the intensified fighting in their homeland. The relief operation was coordinated by the Austrian Committee for the Holy Land, a fund-raising organization set up in October 2000. During 2001, with assistance from the Austrian Federal and Provincial Governments as well as from other donors, including the OPEC Fund, the Committee arranged for the hospitalization and successful treatment in Austria of 54 critically wounded Palestinians. This humanitarian operation was continued during 2002, with the Fund grant

AGFUND/UNWRA

Most of the Fund's grants to Palestine in 2002 helped ensure adequate medical treatment for the wounded or traumatized.

UNRWA

Drugs and medical supplies have been in short supply since the Intifada began.

used to help cover the transportation costs for the patients and an accompanying family member, hospitalization, an accommodation and living allowance per person for two months, and post-hospital treatment.

2.

Purpose: To provide medical supplies and equipment
Amount: $200,000
Approved: June 10, 2002
Total cost: $2.35 million
Co-financiers: AGFUND, UNDP, UNWRA, and Welfare Association
Implementing agency: AGFUND
Grant administrator: OPEC Fund

This grant supported an initiative designed to help bring relief to Palestinians in the West Bank and Gaza Strip by providing urgently-needed medical supplies and equipment. As a result of the severe escalation in violence and the increased use of military force, the destruction of medical centers, homes and basic infrastructure has been widespread in the occupied territories. In response to the crisis, AGFUND, under the auspices of H.R.H. Prince Talal Bin Abdulaziz of Saudi Arabia, has developed a scheme to deliver emergency medical care to Palestinian cities, refugee camps and rural areas. The specific objectives include providing clinics and major health care centers with drugs, medical supplies, equipment and ambulances; boosting the delivery of rehabilitation services to the injured; extending psychological counseling to affected individuals, particularly children suffering post-traumatic distress as a result of the violence; and training health care personnel.

3.

Purpose: To restore basic medical services to Palestinians
Amount: $200,000
Approved: June 24, 2002
Total cost: $3.6 million
Co-financiers: DFID, EU, UNDP, UNFPA, UNICEF, UNRWA, USAID, WHO and governments of France and Austria
Implementing agency: UNFPA
Grant administrator: OPEC Fund

This grant supported a UNFPA-sponsored program to restore basic health services in the West Bank and Gaza Strip, where movement restrictions have seriously affected the delivery of medical supplies and prevented many people from receiving necessary health care. In addition to the high number of physical injuries, this crisis has also caused widespread psychological trauma. The UNFPA program, which is being implemented over an eight-month period, is carrying out a number of activities such as the rehabilitation and reconstruction of hospitals, clinics, family planning and women's health centers and nursing schools, as well as the provision of medical supplies and equipment. Integrated psychosocial counseling and support programs for traumatized women and their families will also be established. Capacity-building schemes will provide extra training to healthcare workers and trainers, covering topics such as reproductive health, gender-based issues and communication skills.

4.

Purpose: To provide psychosocial support for Palestinian children
Amount: $160,000
Approved: July 29, 2002
Total cost: $238,000
Co-financier: Early Childhood Research Center (ECRC) and private donors
Implementing agency: ECRC
Grant administrator: OPEC Fund

Many Palestinian children have developed severe psychological problems as a direct result of the unstable environment in which they live. Besides witnessing killings and horrific injuries, large numbers of youngsters have had their homes destroyed or seen family members arrested. Such experiences threaten to have a lasting detrimental impact on their emotional, social, physical and cognitive well-being. This grant supported an initiative of the ECRC, a Jerusalem-based non-profit NGO, to provide support to these youngsters by training teachers, parents and community leaders throughout Palestine to identify and work with traumatized children. The aim is to reintegrate affected children into the community by developing their self-esteem, strengthening their coping mechanisms and providing them with the skills to face and overcome trauma. Initially providing coverage in Bethlehem, Hebron, Jenin, Jerusalem, Nablus and Ramallah, the project will not only offer therapy for affected children, but also organize workshops for parents and teachers. It will also establish a network of volunteer trauma workers, set up a national helpline, and produce and distribute learning materials, toys and games.

5.

Purpose: To provide assistance to marginalized women
Amount: $150,000

ECRC (Early Childhood Research Center)

Children in Palestine are living in a violent and frightening environment.

Approved: July 29, 2002
Total cost: $750,000
Co-financiers: CARE West Bank and Gaza Strip (WBG), EU
Implementing agency: CARE WBG
Grant administrator: OPEC Fund

This grant will provide assistance to a project spearheaded by the non-profit NGO, CARE WBG, which seeks to promote food security and self-sufficiency in households headed by women in the Jenin area of the West Bank. In the current environment, women are particularly vulnerable, with the loss of male family members exposing them to greatly increased social responsibility, a situation compounded by soaring unemployment and poverty. In the Jenin governorate, circumstances are exceptionally grave. Since many farmers are unable to market their produce, food shortages have become common. By providing sheep, goats, animal housing, seeds, tools and water tanks, along with training in animal husbandry, gardening, and food processing and preservation, the project will supply women in 10 rural communities with the means to meet the needs of their families. The program will enable them to engage in small-scale farming, become self sufficient in food, and eventually sell excess produce for profit. The OPEC Fund grant will directly finance the requirements for 75 women in the villages of Sielataldaher, Alshuhada and Fahmeh.

6.

Purpose: To help provide medical supplies and equipment
Amount: $200,000
Approved: August 22, 2002
Total cost: $227,642
Implementing agency: El-Wafa Medical Rehabilitation Hospital
Grant administrator: OPEC Fund

This grant provided financing needed by the *El-Wafa Medical Rehabilitation Hospital* in Palestine to help it cope with the growing number of wounded. Since the current *Intifada* began, the hospital has provided free treatment to over 1,200 people, including both in- and outpatients, as well as those treated through its outreach program in Gaza south. Major diagnostic cases include spinal and head injuries, multiple fractures and cerebrovascular trauma. Medicines, equipment and specialized staff, however, are now in short supply, a situation that is seriously compromising the hospital's ability to deliver effective health care. The Fund grant will help purchase essential medical supplies and cover the remuneration of additional health care professionals for one year. With the means to improve the quality of its medical services, the hospital will be able to accommodate a higher number of patients, reduce the risk of permanent disability and ensure the faster reintegration of patients into the community.

4. HIV/AIDS Special Account

Africa

Sector: Health
Purpose: OPEC Fund HIV/AIDS initiative
Amount: $8.11 million
Approved: June 12, 2002
Total cost: $8.11 million
Implementing agency: WHO
Grant administrator: WHO

This grant is for the *OPEC Fund Initiative against HIV/AIDS in Africa,* where over three-quarters of the world's AIDS-related deaths have occurred. The overall goal of the initiative, which will be implemented over an 18-month period, is to scale up prevention, support and care to the infected, and to reduce vulnerability to HIV/AIDS in 12 sub-Saharan countries (Burkina Faso, Burundi, the Central African Republic, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Togo, Uganda and Zambia). This will be done by helping to formulate national action plans, strengthening the capacities of the involved healthcare sectors, and implementing key activities on the ground. Seven main areas of focus include youth-friendly services for information and education; voluntary counseling and testing; mother-to-child HIV transmission prevention strategies; provision of care and support to those infected; prevention and treatment of sexually-transmitted infections; continual provision of safe blood supplies; and, monitoring and surveillance measures at both national and district levels.


Caritas

AIDS leaves the survivors, young and old, even poorer than before.

Arab countries

Sector: Health
Purpose: OPEC Fund HIV/AIDS initiative
Amount: $1 million
Approved: September 24, 2002
Total cost: $1.6 million
Implementing agency: UNFPA (in cooperation with governments and NGOs)
Grant administrator: UNFPA

This grant is financing an *OPEC Fund-UNFPA Project for HIV/AIDS Prevention in Selected Arab Countries,* specifically, Lebanon, Morocco, Palestine, Somalia, the Sudan, Syria and Yemen. Although relatively unscathed until recently, the Middle East/North Africa region is beginning to report an increase in HIV/AIDS, with an estimated 500,000 people now living with the virus. The overall goal of this project is to contribute to the control of HIV transmission and to decrease the incidence of HIV/AIDS in participating countries. This is to be achieved by upgrading countries' HIV/AIDS prevention capacity; increasing awareness among the general public; strengthening countries' HIV/AIDS epidemic detection and surveillance/information systems; and strengthening coordination mechanisms on managing available resources among UN agencies, governments, non-governmental organizations and other partners. It is hoped that early involvement will galvanize other aid donors to mobilize further assistance and help halt the epidemic's potential advance.

Asia and the Pacific

Sector: Health
Purpose: OPEC Fund HIV/AIDS initiative
Amount: $2 million
Approved: December 10, 2002
Total cost: $4 million
Implementing agency: International Federation of Red Cross and Red Crescent Societies (IFRC)
Grant administrator: IFRC

This grant is co-financing an *OPEC Fund/IFRC Project on Reducing Household Vulnerability to HIV/AIDS in Selected Countries of Asia and the Pacific.* This region has witnessed one of the highest increases in HIV/AIDS prevalence rates in the world, with over one million people becoming infected in 2001 alone. China and India will soon overtake South Africa as the country with the highest number of people living with AIDS. Under the joint OPEC Fund/IFRC initiative, funds will be allocated to support programs in Cambodia, Laos, Nepal, Papua New Guinea, Sri Lanka and Vietnam, and to 22 other countries in the Asia Pacific region. The primary focus of the scheme will be to reduce stigma and discrimination against people living with HIV/AIDS, and to provide care, treatment and support to affected families. It also aims to help prevent the further spread of the disease by mobilizing local volunteers to educate at-risk populations.

Central America and the Caribbean

Sector: Health
Purpose: OPEC Fund HIV/AIDS initiative
Amount: $3.2 million
Approved: September 24, 2002
Total cost: $4.2 million
Co-financier: UNFPA
Implementing agency: UNFPA
Grant administrator: UNFPA

This grant will finance an *OPEC Fund/UNFPA Project for HIV/AIDS Prevention in Central America and the Caribbean,* a region where an estimated 1.8 million people are living with HIV/AIDS, and where last year alone some 190,000 people acquired the virus. The overall goal of the three-year project is to reduce vulnerability to HIV/AIDS, particularly among youth, in the participating countries: Belize, Costa Rica, Guatemala, Guyana, Honduras and St. Lucia. Key areas of focus include the systematization and analysis of data and information on HIV/AIDS; provision of technical assistance to support the formation of national prevention strategies; strengthening of existing health care services; sexual and reproductive health training for teachers and outreach workers; creation of behavioral change communication strategies; promoting awareness of and support to HIV/AIDS prevention structures among youth; and, advocating knowledge-sharing on a national, regional and global level. Expected outcomes of the project are better life skills and competencies, and increased knowledge of HIV/AIDS among youth, especially youngsters living under difficult circumstances.

5. Special Grant Account for Palestine

Palestine

Sector: Education
Purpose: To assist selected universities
Amount: $2 million
Approved: December 10, 2002
Total cost: $20 million
Implementing agencies: Welfare Association, Palestinian Ministry of Education, beneficiary institutions
Grant administrator: Arab Fund

The first special grant to Palestine will help needy students continue their studies.

Al-Najah University

At present, more than half of all students in the West Bank and Gaza Strip have had their studies interrupted either as a result of movement restrictions or because they cannot pay their fees, a situation that has placed a large financial burden on the universities. This grant will be divided among nine non-governmental, non-profit universities to directly cover the tuition fees of needy students, thereby enabling universities to continue providing educational services while at the same time insuring regular class attendance. Universities will also receive an allocation for establishing a revolving credit fund to help poor students defray their living expenses, which will then be paid back in small monthly installments once the beneficiaries graduate and start their careers.

Cumulative public sector project lending – geographical and sectoral distribution as of December 31, 2002

(in millions of dollars)

Country/region	Agriculture & agro-industry	Education	Energy	Health	Industry	Multi-sectoral	National development banks	Telecom-munications	Transportation	Water supply & sewerage	Total
Angola	3.130	17.880							3.000		24.010
Benin	8.500	17.230	6.500			5.580	4.500		20.876	4.050	67.236
Botswana		5.760							8.200	2.000	15.960
Burkina Faso	22.630	10.000		9.700					15.900	14.750	72.980
Burundi	20.820								13.200	3.000	37.020
Cameroon	4.850						4.500		15.000		24.350
Cape Verde		7.000				3.000		4.500	2.500	8.000	25.000
Central African Republic		4.000	3.400						8.800		16.200
Chad	21.560	5.000		8.000					22.300	2.410	59.270
Comoros		2.250	1.000						3.000		6.250
Congo, D.R.			5.000				5.000		7.000		17.000
Congo, Rep. of									8.000		8.000
Côte d'Ivoire		17.000	20.000								37.000
Djibouti		6.700	3.500	2.500		1.900			4.950		19.550
Egypt	20.000	20.000	6.000	10.000			8.750				64.750
Equatorial Guinea	2.500	5.600									8.100
Eritrea			5.910							6.000	11.910
Ethiopia	16.000	11.000					5.000		53.300		85.300
Gambia, The		1.500				10.280			6.680		18.460
Ghana	6.000	4.400	9.700	6.550		13.000	1.500		18.670	10.100	69.920
Guinea	16.630	7.500			11.000	5.000			14.000	5.940	60.070
Guinea-Bissau									1.500		1.500
Kenya	26.850	13.700		3.200			11.200		12.000	3.000	69.950
Lesotho		1.500		5.850					6.000	3.000	16.350
Liberia			5.000		8.300				3.000		16.300
Madagascar	12.640	29.420	11.500						14.340		67.900
Malawi				9.350					18.300		27.650
Mali	35.640	19.000	6.450			9.000	3.200		32.000	5.250	110.540
Mauritania	21.300	6.700	6.500		5.000	3.500			14.300	1.000	58.300
Mauritius			2.000								2.000
Morocco	31.580		3.000	8.000			17.000			20.000	79.580
Mozambique	37.100	18.200	17.140	12.000	2.820				23.170		110.430
Niger	1.400	11.100		4.000		14.000			5.000	7.300	42.800
Rwanda	4.000		7.350			18.000			22.000		51.350
São Tomé and Príncipe	1.100	2.500	3.045							2.390	9.035
Senegal	20.040	17.000			19.000				14.750	8.400	79.190
Seychelles		1.000									1.000
Sierra Leone			6.600						12.000		18.600
Somalia	5.500									2.660	8.160
Sudan	23.620		25.700						10.950		60.270
Tanzania	4.100	7.200	32.000	10.000	11.600				37.730	5.000	107.630
Togo									21.425	4.000	25.425
Tunisia	6.000	15.900					5.000		13.000		39.900
Uganda	11.000	7.000		5.000			21.000				44.000
Zambia	3.500	16.000		5.600			15.000		13.500		53.600
Zimbabwe	6.000								6.000		12.000
Africa	**393.990**	**309.040**	**187.295**	**99.750**	**57.720**	**83.260**	**101.650**	**4.500**	**506.341**	**118.250**	**1,861.796**

Country/region	Agriculture & agro-industry	Education	Energy	Health	Industry	Multi-sectoral	National development banks	Telecom-munications	Transportation	Water supply & sewerage	Total
Aghanistan			6.000						3.550		9.550
Bangladesh		14.000	111.100	18.000	10.000		10.000		84.500		247.600
Cambodia						7.800			6.000	4.000	17.800
India	10.000	25.000	114.000	25.500	7.000		8.000		22.500	10.000	222.000
Jordan	6.650	5.000	25.000	5.000	7.000						48.650
Korea, D.P.R.	28.200			6.000					4.740		38.940
Kyrgyz Republic		5.000		4.000		3.580					12.580
Lao, P.D.R.	11.810		4.000						17.420		33.230
Lebanon	5.000	4.000		15.000					10.000	5.000	39.000
Maldives	3.500	2.500					1.500	2.500	7.380	3.000	20.380
Myanmar	6.500	13.100	2.000					3.140	38.500	8.280	71.520
Nepal	19.500	6.500	22.300					8.000	20.000	13.700	90.000
Pakistan	10.000	43.117	85.700	27.000	11.000		8.000		38.000		222.817
Palestine						18.000					18.000
Papua New Guinea		4.000	1.700								5.700
Philippines	15.500	13.500	26.000			10.000			18.250		83.250
Samoa	0.700		4.800								5.500
Solomon Islands			1.500						3.500		5.000
Sri Lanka	5.000	13.930	20.150			9.000			8.500		56.580
Syria	6.000			6.200			10.000			21.000	43.200
Tajikistan		2.000	2.400	5.000					8.000		17.400
Thailand	7.000		58.800								65.800
Turkmenistan				5.000						5.200	10.200
Uzbekistan									5.000	10.000	15.000
Vietnam	27.000	7.000	20.000	4.150			10.000				68.150
Yemen		26.400	44.850			14.220	5.000		48.550	34.000	173.020
Asia	**162.360**	**185.047**	**550.300**	**120.850**	**35.000**	**62.600**	**52.500**	**13.640**	**344.390**	**114.180**	**1,640.867**
Belize									12.200		12.200
Bolivia	7.500			8.000		5.000			22.800	12.000	55.300
Colombia	3.000										3.000
Costa Rica			13.400						3.000		16.400
Cuba										10.000	10.000
Dominica		0.500							2.000		2.500
Dominican Rep.	1.935		1.000			5.000			3.000	9.000	19.935
El Salvador			10.000								10.000
Grenada		0.500							5.000		5.500
Guatemala	10.387	4.500	1.100	5.000		10.000			9.000		39.987
Guyana	8.000						3.000				11.000
Haiti	6.875	5.000					3.500		8.000	12.650	36.025
Honduras	5.000		17.200	5.000		10.000			24.750	10.000	71.950
Jamaica		7.500	3.300	2.000		9.000			11.800		33.600
Nicaragua	5.000	4.000				6.000			10.000	10.000	35.000
Paraguay	4.200						10.000			2.900	17.100
Peru	3.000			13.000			4.000		5.000		25.000
St. Christopher and Nevis		0.500				0.750					1.250
St. Lucia		0.500							2.000	1.900	4.400
St. Vincent and the Grenadines		0.500							1.000		1.500
Latin America & the Caribbean	**54.897**	**23.500**	**46.000**	**33.000**	**0.000**	**45.750**	**20.500**	**0.000**	**119.550**	**68.450**	**411.647**
Albania	6.000	4.500		5.000					5.000	2.700	23.200
Bosnia and Herzegovina	5.000	10.000									15.000
Europe	**11.000**	**14.500**		**5.000**	**0.000**	**0.000**	**0.000**	**0.000**	**5.000**	**2.700**	**38.200**
Total	**622.247**	**532.087**	**783.595**	**258.600**	**92.720**	**191.610**	**174.650**	**18.140**	**975.281**	**303.580**	**3,952.510***
(percentage)	(15.7)	(13.5)	(19.8)	(6.5)	(2.3)	(4.8)	(4.4)	(0.5)	(24.7)	(7.7)	(100.0)

* No account is taken of terminations and balances subsequent to original commitments. Terminations total $285.055 million and balances amount to $175.429 million for all countries.

Cumulative BOP support loans as of December 31, 2002

(in millions of dollars)

Country/region	Amount
Benin	6.50
Botswana	3.00
Burkina Faso	27.75
Burundi	6.20
Cameroon	4.95
Cape Verde	8.05
Central African Republic	1.75
Chad	2.40
Comoros	3.00
Congo, Republic of	4.00
Djibouti	2.50
Egypt	14.45
Equatorial Guinea	3.50
Ethiopia	4.80
Gambia, The	12.15
Ghana	7.80
Guinea	10.85
Guinea-Bissau	9.15
Kenya	5.00
Lesotho	5.90
Madagascar	40.30
Mali	38.95
Mauritania	30.10
Mauritius	4.00
Mozambique	15.05
Niger	16.75
Rwanda	9.20
São Tomé & Príncipe	3.85
Senegal	21.90
Seychelles	4.30
Sierra Leone	5.35
Somalia	31.05
Sudan	37.45
Tanzania	20.45
Togo	3.50
Uganda	4.55
Africa	**430.45**

Country/region	Amount
Afghanistan	3.75
Bangladesh	38.90
India	21.80
Lao, P.D.R.	2.15
Maldives	4.22
Myanmar	2.25
Nepal	4.15
Pakistan	21.45
Samoa	6.35
Solomon Islands	2.00
Sri Lanka	17.10
Tonga	1.00
Turkey	40.00
Yemen	10.65
Asia	**175.77**
Antigua & Barbuda	1.00
Barbados	5.00
Dominica	1.50
Dominican Republic	15.00
El Salvador	1.75
Grenada	7.35
Guatemala	1.75
Guyana	18.60
Haiti	4.31
Honduras	1.75
Jamaica	24.00
Nicaragua	35.00
St. Vincent & the Grenadines	1.00
Latin America & the Caribbean	**118.01**
Total	**724.23***

* No account is taken of terminations and balances subsequent to original commitments. Terminations total $12.30 million and balances amount to $9.10 million.

Cumulative program loans as of December 31, 2002

(in millions of dollars)

Country/region	Purpose	Amount
Benin	Intermediate and capital goods imports	3.050
Burkina Faso	Intermediate and capital goods imports	5.000
Burundi	Road maintenance	1.600
	Petroleum products imports	6.000
Cape Verde	Commodity imports	1.500
Comoros	Commodity imports	2.000
Congo, Republic of	Commodity imports	13.000
Guinea-Bissau	Equipment and commodity imports	3.320
Kenya	Commodity imports	4.000
Mali	Commodity imports	5.500
	Commodity imports	7.000
Mauritania	Commodity imports	6.400
Niger	Commodity imports	4.500
	Petroleum products imports	6.500
Rwanda	Petroleum products imports	6.000
Senegal	Commodity imports	4.600
Sudan	Commodity imports	10.000
	Commodity imports	7.000
	Commodity imports	15.000
	Petroleum product imports	10.000
Tanzania	Textile mills rehabilitation	7.000
	Commodity imports	11.500
	Petroleum products imports	7.500
Togo	Phosphate plant equipment imports	3.600
Uganda	Commodity imports	5.000
Zimbabwe	Manufacturing rehabilitation imports	10.000
Africa		**166.570**
Bangladesh	Rock phosphate and finished fertilizer imports	7.000
	Commodity imports	15.000
Lao, P.D.R.	Equipment imports	5.000
	Heavy equipment maintenance	1.500
Myanmar	Crop intensification	15.000
Nepal	Commodity imports	5.000
Vietnam	Commodity imports	6.000
	Petroleum products imports	10.000
Asia		**64.500**
Dominican Republic	Commodity imports	10.000
	Commodity imports	10.000
Grenada	Commodity imports	2.000
Guyana	Petroleum products imports	18.226
Nicaragua	Commodity imports	10.000
	Commodity imports	12.000
	Commodity imports	12.000
Latin America & the Caribbean		**74.226**
Total		**305.296***

* No account is taken of terminations and balances subsequent to original commitments. Terminations total $3.050 million and balances amount to $3.916 million for all countries.

Cumulative HIPC Initiative debt relief operations as of December 31, 2002

(in millions of dollars)

Country/region	Original HIPC	Enhanced HIPC	Total
Benin	–	7.50	7.50
Burkina Faso	5.50	5.00	10.50
Chad	–	7.00	7.00
Ethiopia	–	6.60	6.60
Gambia, The	–	2.00	2.00
Ghana	–	6.00	6.00
Guinea	–	9.00	9.00
Madagascar	–	4.00	4.00
Mali	4.83	–	4.83
Mauritania	–	11.00	11.00
Mozambique	10.00	3.00	13.00
Niger	–	9.50	9.50
Rwanda	–	5.60	5.60
São Tomé & Príncipe	–	3.50	3.50
Senegal	–	6.90	6.90
Tanzania	–	14.00	14.00
Uganda	5.90	–	5.90
Zambia	–	6.00	6.00
Africa	**26.23**	**106.60**	**132.83**
Bolivia	4.10	–	4.10
Guyana	–	7.50	7.50
Honduras	–	9.60	9.60
Nicaragua	–	10.00	10.00
Latin America	**4.10**	**27.10**	**31.20**
Total	**30.33**	**133.70**	**164.03**

*Cumulative private sector approvals as of December 31, 2002**

(in millions of dollars)

Country/region	Recipient	Amount
Egypt	Alpha-Chem Advanced Pharmaceutical Industries	10.00
Egypt	Glass Container Company	4.41
Ghana	Lister Medical Services Ltd.	1.40
Mauritania	Mauritanie Leasing	2.89
South Africa	Industrial Development Corporation	10.00
Sudan, The	Byblos Sudan	5.00
Sudan, The	Kenana Sugar Co.	10.00
Sudan, The	Sudatel	7.60
Tunisia	Banque de Tunisie	6.50
Tunisia	Tunisie Leasing	4.00
Uganda	Development Finance Corporation of Uganda	5.00
East Africa	East African Development Bank	10.00
North Africa	Framlington MedGrowth Fund	3.00
West Africa	West African Development Bank	10.00
Africa		**89.80**
Bangladesh	Hamid Fabrics	2.00
Bangladesh	Industrial Promotion and Development Co. of Bangladesh	7.20
Bangladesh	Westin Dhaka	3.00
Cambodia	Living Angkor	3.00
India	International Finance Ltd. of India	5.00
Kazakstan	Bank Turan Alem	5.00
Lebanon	Byblos Bank S.A.L.	5.00
Maldives	Maldives Leasing	3.00
Maldives	Villa Shipping and Trading	3.50
Sri Lanka	Lanka Orix	5.00
Syria	Arab Ceramic Roof Tiles Co.	5.60
Syria	Syrian Company for Chemicals	7.50
Turkey	Finansbank A.S.	5.00
Uzbekistan	Bursel Tashkent	5.00
Uzbekistan	National Bank for Foreign Economic Activity of the Republic of Uzbekistan	5.00
Middle East & North Africa	MENA Environmental Fund	3.50
Asia		**73.30**
Bolivia	Banco Bisa	5.00
Bolivia	Caja Los Andes S.A.	2.00
Bolivia	Jolyka Bolivia	1.30
Dominican Republic	Banco Nacional de Credito	5.00
Jamaica	Development Bank of Jamaica	5.00
Paraguay	Vision Finanzas	2.00
Peru	Banco de Micro-Empresa S.A.	5.00
Latin America & the Caribbean		**25.30**
Bosnia and Herzegovina	UPI Banka	1.73
Europe		**1.73**
Total		**190,13**

* No accounts is taken of terminations subsequent to original approvals. Terminations amount to $6.5 million.

Cumulative grants for technical assistance as of December 31, 2002

(in thousands of dollars)

	Approved	Disbursed
AFRICAN REGIONAL CENTER FOR TECHNOLOGY:		
Strengthening technical human resources	100.0	100.0
Upgrading training facilities	80.0	80.0
Subtotal	**180.0**	**180.0**
ARAB ORGANIZATION FOR AGRICULTURAL DEVELOPMENT:		
Eradication of Old World Screwworm in the Middle East	750.0	548.5
Regional Project for Surveillance and Control of Rift Valley Fever in the Arab Region	400.0	100.0
Subtotal	**1,150.0**	**648.5**
CARE INTERNATIONAL:		
Assistance to displaced people in Mozambique	100.0	100.0
Rural development project in Uganda	150.0	150.0
Subtotal	**250.0**	**250.0**
CARTER CENTER:		
Guinea worm eradication program	150.0	150.0
Public health training in Ethiopia	200.0	100.0
Subtotal	**350.0**	**250.0**
CGIAR:		
1. CIAT	900.0	900.0
2. CIMMYT	2,170.0	2,160.4
3. CIP	1,119.0	1,119.0
4. ICARDA	7,542.5	7,361.0
5. ICRISAT	1,094.0	1,094.0
6. IITA	660.0	660.0
7. ILCA	475.0	405.0
8. ILRI	270.0	270.0
9. IRRI	663.0	663.0
10. ISNAR	200.0	0.0
11. WARDA	685.0	685.0
Subtotal	**15,778.5**	**15,317.4**
DEVELOPMENT AID FROM PEOPLE TO PEOPLE:		
Children's Town in Malambanyama, Zambia	150.0	118.9
Children's Town in Maputo, Mozambique	160.0	40.0
Subtotal	**310.0**	**158.9**
FAO:		
Locust control campaign in Madagascar	150.0	93.0
New World Screwworm eradication program in North Africa	200.0	172.9
Subtotal	**350.0**	**265.9**
FAO/IAEA:		
Biofertilizers for increased legume production in Bangladesh	100.0	100.0
Eradication of the Tsetse fly in Zanzibar, Tanzania	250.0	243.6
Management of Most Common Cancers in AFRA Countries	200.0	0.0
Nuclear techniques in plant breeding and biotechnology for AFRA countries	60.0	60.0
Research on soil fertility in 14 developing countries	50.0	36.9
Upgrading clinical radiotherapy services in AFRA countries	150.0	150.0
Subtotal	**810.0**	**590.5**
FOUNDATION DOLORES BEDOYA DE MOLINA:		
Women for Women, Health 2000	100.0	100.0
Productive Activities and Literacy Program in Guatemala	116.0	116.0
Subtotal	**216.0**	**216.0**
IFAD:		
Near East and North African Management Training in Agriculture	200.0	70.0
Rwanda Refugees Rehabilitation Program	150.0	100.0
Subtotal	**350.0**	**170.0**

	Approved	Disbursed
INTERNATIONAL CENTER FOR BIOSALINE AGRICULTURE:		
Establishment of regional center for Biosaline Agriculture	1,000.0	1,000.0
Establishment of irrigation system	250.0	250.0
Establishment of training facilities	200.0	140.0
Subtotal	**1,450.0**	**1,390.0**
NIGER BASIN AUTHORITY:		
Upgrading the Inter-States Hydrological Forecasting Center	150.0	150.0
Pilot water supply project in the Niger River Basin	300.0	289.8
Subtotal	**450.0**	**439.8**
ORGANIZATION OF AFRICAN UNITY:		
Protection of bio-diversity in African Countries	100.0	100.0
African Summit on HIV/AIDS, tuberculosis and other related infectious diseases	200.0	200.0
Subtotal	**300.0**	**300.0**
PAHO:		
Eastern Caribbean Islands health project	65.0	65.0
Prevention and Control of Cholera in Central America	250.0	148.2
Subtotal	**315.0**	**213.2**
PALESTINE:		
Al-Injili Al-Arabi hospital	210.0	210.0
Al-Ahli Hospital, Al-Khalil District	400.0	400.0
Al-Khalil Polytechnic	174.0	174.0
Al-Mahaba hospital in Bethlehem	300.0	0.0
Al-Maqassed Hospital	500.0	500.0
Arab Development Society – Dairy plant in Jericho	325.0	325.0
Artificial Limbs Manufacturing Center in Bethlehem	300.0	300.0
Augusta Victoria Hospital in Jerusalem (UNRWA)	180.0	180.0
Beit Jala Rehabilitation Center	300.0	300.0
Bethlehem Arab Society for Rehabilitation – Center of Excellence in Rehabilitation Medicine	500.0	497.0
Bir Zeit University	250.0	250.0
College of Science and Technology in Khan Yunis – Gaza Strip	250.0	250.0
College of Technology for Al-Najah University	700.0	700.0
Completion of the Amal Center for the Rehabilitation of Handicapped in Nablus	200.0	146.4
Completion of the Red Crescent Maternity Hospital Building	150.0	150.0
Construction of Medical Diagnostic Center in Surdah	400.0	0.0
Day-care Clinic in Tulkarm	250.0	250.0
Development of Bethlehem University	250.0	248.9
Development of the Gaza Hashem Nursery School	200.0	0.0
Early Childhood Education and Care for Palestinian Children	100.0	100.0
Equipping the Faculty of Medicine, Al-Quds University	400.0	389.1
Equipping the Mechatronic and Automation Laboratory at the Palestinian Polytechnic University	120.0	0.0
Establishment of a Charitable Bread Bakery in Nablus	75.0	30.0
Establishment of a computer center at Al-Khalil University	200.0	200.0
Health care institutions	190.0	53.9
Jerusalem Water Authority	250.0	250.0
Medical and social services complex in Nablus	400.0	400.0
Medical equipment (UNRWA)	250.0	250.0
Pediatric Nurse Training Program for Palestinians	114.0	114.0
Princess Basma Center	150.0	150.0
Red Crescent Maternity Hospital in Jerusalem	300.0	300.0
Red Crescent Society and Patient's Friends Society	640.0	598.0
Red Crescent Society, Jenin Branch	525.0	478.8
Restoration and equipping the Industrial Islamic Orphanage School	200.0	200.0
Society of Handicrafts Training Workshops for Girls	630.0	630.0
Vocational training program (UNRWA)	5,862.4	5,658.5

	Approved	Disbursed
Women's Health Center in Jericho	150.0	150.0
Zakat Fund Committee	120.0	120.0
Subtotal	**16,515.4**	**14,953.6**
SIGHT SAVERS INTERNATIONAL:		
Community Ophthalmology Program in Pakistan	100.0	100.0
Comprehensive Eye Care Program in the North-West Frontier Province, Pakistan	200.0	150.0
Production of Braille textbooks for use in East Africa	200.0	200.0
Subtotal	**500.0**	**450.0**
TWAS:		
Wind erosion and sand transport laboratory in the Sudan	100.0	100.0
Associate membership scheme of centers of excellence in the South	100.0	100.0
Subtotal	**200.0**	**200.0**
UNDP:		
Caribbean regional food plan	2,000.0	2,000.0
Central American energy program	1,500.0	1,500.0
Development of the Niger river basin	5,000.0	5,000.0
Development of the Red Sea and Gulf of Aden fisheries	7,641.7	7,641.7
Industrial vocational training center in Egypt	1,500.0	1,500.0
International Center for Diarrhoeal Disease Research in Bangladesh	1,591.0	1,591.0
Labor-intensive public works program	1,300.0	1,299.0
Regional offshore prospecting in East Asia	2,000.0	2,000.0
UNCTAD – research and training program	650.0	650.0
Subtotal	**23,182.7**	**23,181.7**
UNDP ENERGY ACCOUNT:*		
Assistance to the Kiribati Solar Energy Company	23.5	23.5
Djibouti geothermal exploration project	1,000.0	999.9
Financing Energy Services for Small-Scale End-users (FINESSE) in the Philippines	140.0	90.0
Financing energy services for small-scale energy users in the SADC	185.0	153.8
Geothermal exploration project in Uganda	90.0	90.0
Global wind pump evaluation program in Cape Verde and Kenya	50.0	50.0
International Training Course on Renewable Energy (India)	75.0	67.4
International workshop on decentralized rural electrification (Morocco)	70.0	54.9
Lovo mini-hydropower project in Fiji	90.0	90.0
Micro hydro and wind energy-based rural electrification in Honduras	75.0	0.0
Monitoring of biomass gasifier project in Africa	210.0	186.0
National workshops on energy auditing in Ethiopia,Tanzania and Uganda	90.0	90.0
Photovoltaic systems executive workshop in Latin America	55.0	37.5
Pilot project for rural electrification in Morocco through wind energy	20.0	14.3
Rangjung mini-hydropower plant, Eastern Bhutan	200.0	37.2
Rio Ocoa hydropower development project in the Dominican Republic	435.0	79.3
Rural energy development project in the Sudan	800.0	800.0
Solar water heating systems in Grenada	65.0	65.0
Study for a mini-hydropower station in Madagascar	175.0	175.0
Study on power loss reduction in Yemen	234.0	207.0
Supply side efficiency and energy conservation and planning in Syria	180.0	60.0
Training courses on diesel-powered generators in the Pacific Islands	80.0	80.0
UN meeting of experts on energy prospects and international cooperation	40.0	40.0
Subtotal	**4,382.5**	**3,490.8**
UNDP Subtotal	**27,565.2**	**26,672.5**
UNESCO:		
Rational utilization and conservation of water resources in Burkina Faso	100.0	75.8
Rational utilization and conservation of water resources in Mauritania	100.0	87.9
Training program for African educational planners, managers and administrators	335.0	335.0
Upgrading Science and Engineering Education in Arab Universities	150.0	150.0
Subtotal	**685.0**	**648.7**

* These grants have been drawn from the $6 million allocated by the OPEC Fund in 1980 to the UNDP Energy Account.

	Approved	Disbursed
UNFPA:		
Family welfare centers in Pakistan	1,500.0	1,500.0
Maternal and child health program in Mozambique	100.0	100.0
Subtotal	**1,600.0**	**1,600.0**
UNFSTD:		
Development of solar energy and biogas production in Lesotho	240.0	240.0
Oceanographic Institute in Yemen	261.6	261.6
Sago starch hydrolysis and fermentation in Papua New Guinea	61.4	61.4
Wood for energy – technology program in Honduras	305.0	305.0
Subtotal	**868.0**	**868.0**
UNHCR:		
Construction equipment and maintenance of primary schools in Eastern Sudan	200.0	200.0
Ndzevane rural settlement project, Swaziland	334.0	334.0
Special program for refugees and displaced persons in Yemen	140.0	140.0
Special program for Mozambican refugees in Tanzania	80.0	80.0
Subtotal	**754.0**	**754.0**
UNICEF:		
Basic Health and Nutrition Emergency Project in the Sudan	200.0	150.0
Child survival, growth and development program in the Maldives	100.0	100.0
Control of Acute Respiratory Infections Program in Bolivia	100.0	90.9
Community Water Supply and Sanitation in Nepal	100.0	100.0
Expanded program of immunization in Nepal	150.0	150.0
Expanded program of immunization in Pakistan	100.0	95.8
Expanded program of immunization in Somalia	116.0	114.1
Expanded program of immunization in the Comoros	100.0	100.0
Expanded program of immunization in Yemen	200.0	200.0
Health and Nutrition in Mauritania	100.0	95.3
Integrated Early Childhood Care and Development in Lesotho	200.0	150.0
National program of child survival in Guatemala	120.0	120.0
Oral rehydration therapy programs in Burkina Faso, Haiti, Nepal and Sudan	330.0	330.0
Primary Health Care Program in the Maldives	100.0	97.9
PROANDES Phase II – Bolivia	100.0	100.0
Promotion of breast-feeding in Honduras	130.0	129.9
Rural Community Water Supply and Environment Sanitation in Bhutan	100.0	99.0
Rural Water Supply in Vietnam	100.0	95.8
Rural water supply and sanitation program in:		
– Benin	1,000.0	1,000.0
– Burundi	100.0	95.1
– Cape Verde	500.0	500.0
– Guinea	150.0	139.9
– Sudan, The	1,500.0	1,500.0
Senegal health services project	325.0	325.0
Special Project for the Survival of Children and Women in Tajikistan	200.0	0.0
Strengthening Basic Health Services in Peru	200.0	50.0
Water Supply and Environmental Sanitation Program in Nicaragua	100.0	100.0
Water Supply and Sewerage in Tajikistan	150.0	150.0
Subtotal	**6,671.0**	**6,178.7**
WFP:		
Social development through assistance to pre-school children in Bolivia	150.0	150.0
Construction of hostels for girls in Bhutan	100.0	50.0
Development of Sustainable Agro-Forestry in the Dominican Republic	150.0	100.0
Social development project in rural communities in Yemen	140.0	50.0
Subtotal	**540.0**	**350.0**
WHO:		
African Program for Onchocerciasis Control	700.0	300.0
Education and Training of Health Workers in Food Safety (Guatemala, Mozambique and Samoa)	105.0	55.0

	Approved	Disbursed
Guinea Worm Eradication Program	450.0	448.2
Onchocerciasis Control Program	2,700.0	2,700.0
Polio Eradication in African Countries Affected by Conflict	150.0	140.2
Rehabilitation of district health facilities in the Sudan	168.0	139.9
Rehabilitation of public health infrastructure in Lebanon	190.0	190.0
Special program for research and training in tropical diseases	1,090.0	1,090.0
Subtotal	**5,553.0**	**5,063.3**
OTHERS:		
ACDESS (African Center for Development and Strategic Studies)	150.0	150.0
ACORD Special Program for strengthening urban communities in Luanda, Angola	120.0	120.0
UNECA – African Development Forum 2000	200.0	199.9
African Fertilizer Development Center	500.0	500.0
Agency for the Safety of Aerial Navigation in Africa	1,000.0	1,000.0
CEAO – Solar Energy Regional Center in Mali	5,000.0	5,000.0
Chagas Disease Control Program – Bolivia	150.0	148.8
Chegutu Secondary School for the Disabled – Zimbabwe	100.0	90.0
Civil Aviation Training – the Maldives	50.0	50.0
Establishment of health care centers in rural areas of Peru	90.0	90.0
Noor Al-Hussein Foundation – Establishment of the Jubilee School Center for Excellence in Education in Jordan	320.0	320.0
FUNDACEA – Purchase of equipment for the Simon Bolivar University	100.0	100.0
GM-UNCCD – to combat desertification in West Asia	350.0	100.0
ICAO – Civil aviation school in Mogadishu, Somalia	50.0	0.0
ICIPE (International Center for Insect Physiology and Ecology)	670.0	670.0
ICOMP – Institutional development assistance program for Eastern and Southern Africa	50.0	50.0
IDE Market creation for the rural poor	200.0	0.0
IDEP (The African Institute for Economic Development & Planning) – Upgrading the training facilities	70.0	70.0
IMO (International Maritime Organization) – Upgrading maritime training institutes and programs in Asia	100.0	100.0
Institute for Natural Resources in Africa, through United Nations University	175.0	174.9
Institute of Applied Science and Technology, Guyana	83.0	82.6
INTERANDES – Development of Sustainable Agriculture at Lake Titicaca, Peru	50.0	20.0
International Cooperation for Development: Primary Health Care Services in Yemen	200.0	50.0
International Development Law Institute	359.0	356.8
JOHUD – Community-based approach to increase social productivity of the poor in Jordan	150.0	150.0
Kyrgyzstan – Rehabilitation of the Republican Psycho-Neurological Hospital	150.0	150.0
National Commission for Non-Formal Education: Literacy and Basic Integral Education for Young People and Adults in Honduras	150.0	50.0
National population census in Mauritania	200.0	200.0
OLADE (Latin American Energy Organization)	5,000.0	5,000.0
OPALS (Pan African Organization to Combat AIDS) – Daycare hospital in Brazzaville, the Congo	50.0	50.0
PAPFAM (Pan Arab Project for Family Health)	150.0	100.0
Refinery orientation program for refinery managers (Austria)	50.0	48.0
Second Control Program against AIDS in Chad	150.0	128.8
SELA – Technical and Economic Cooperation between Latin America, the Caribbean and Africa	150.0	146.7
South Center – Working Groups on Environment and Development	50.0	50.0
South Commission	100.0	100.0
Training of personnel of African development finance institutions (Egypt)	224.0	224.0
Training Program for Lebanese Civil Servants	115.0	115.0
TWNSO – Strengthening the Capacity of Developing Countries in Science and Technology	100.0	100.0
Subtotal	**16,926.0**	**16,055.5**
Total	**100,637.1**	**94,184.5***

* No account is taken of terminations and balances subsequent to original commitments. The terminations total $1,856,000 and balances amounted to $894,467.

Cumulative grants for research and similar activities as of December 31, 2002

(in thousands of dollars)

	Approved	Disbursed
African Haematology Forum	20.000	0.000
African Mathematical Union	10.000	10.000
African Regional Center for Technology	80.000	30.000
Arab Center for Medical Literature	30.000	15.000
Arab Cooperative Federation	30.000	30.000
Arab Federation of Chemical Fertilizer Producers	10.000	10.000
Arab Geologist Association – seismology seminar	5.000	0.000
Arab Organization for Agricultural Development – regional workshop	20.000	0.000
Arab Network of Non-Governmental Organizations – founding conference	100.000	100.000
ARCEDEM (African Regional Center for Engineering Design and Manufacturing)	75.000	75.000
Asian Institute for Technology (Thailand)	45.600	45.600
Association for the Development of Traditional African Urbanism and Architecture	40.000	38.642
ATPS (African Technology Policy Studies Network)	50.000	40.000
Bangladesh Welfare Association for the Disabled	10.000	10.000
Book in memory of Dr. Manuel Pérez-Guerrero	9.100	9.100
Bruno Kreisky Archives Foundation	25.000	25.000
CARE International – Mini-reservoirs research study in Mali	19.000	19.000
CARE International – Training program on income generating activities in Uganda	70.000	70.000
Caribbean Operational Hydrology Institute	25.000	19.123
CBLIT (Community-Based Libraries and Information Technology)	50.000	40.000
CENTROPEP (Center for OPEC Studies)	57.500	57.500
Center for Arab Unity Studies	35.000	35.000
Center for Research on the New International Economic Order	150.000	150.000
Columbo Plan for Cooperative Economic and Social Development in Asia and the Pacific – Workshop on Trade Policy	30.000	23.068
Coordination Unit for the Informal Study Group on Exchange of Development Information	5.000	5.000
COPAC (Committee for Promotion of Aid to Cooperatives)	23.000	23.000
DynMed Research Group	75.000	35.000
Eastern and Southern African Universities Research Program	67.000	64.456
ESCWA (United Nations Economic and Social Commission for Western Asia)	25.000	23.787
European Academy of Environmental Affairs	15.000	12.950
Exhibition of paintings from Ecuador (Austria)	14.000	14.000
FLACSO (Latin American Faculty for Social Sciences)	50.000	50.000
GM-UNCCD – West Asia and North Africa ministerial meeting	40.000	40.000
Hagar Project	100.000	70.000
Harvard University	49.000	25.000
HelpAge International	39.100	39.100
IAS (Islamic Academy of Sciences)	135.000	130.149

	Approved	Disbursed
ICOMP (International Committee on the Management of Population Programs)	36.500	36.500
ICPE (International Center for Public Enterprises in Developing Countries)	80.000	80.000
IDEP (African Institute for Economic Development and Planning)	70.000	70.000
IDLO (International Development Law Organisation)	99.000	99.000
IIASA/UNIDO/IAEA workshop on long-term energy projections	100.000	0.000
ILI (International Law Institute)	100.000	50.000
Independent Commission on International Development Issues (The Brandt Commission)	220.000	220.000
Independent World Commission on the Oceans	50.000	50.000
Institute for African Alternatives	16.500	14.979
Institute for Development Studies, University of Sussex	37.875	37.875
Inter-American Institute for Cooperation and Agriculture	50.000	50.000
Intergovernmental Council for Communication in Africa	20.000	20.000
Intergovernmental Group of Twenty-four (G-24)	200.000	184.339
International Center for Diarrhoeal Disease Research in Bangladesh	30.000	30.000
International Center for Economic Growth	7.000	7.000
International Center for Theoretical Physics	129.550	129.550
International Development Conference – Global Meeting of Generations	100.000	100.000
International Economic Association – Financing problems of developing countries	5.000	5.000
International Federation for Information Processing	10.000	0.000
International Institute for Advanced Studies, Caracas, Venezuela	70.000	70.000
International Ocean Institute	296.000	240.000
International Round Table for the Advancement of Counseling	9.000	9.000
IPS (Inter Press Service)	70.000	70.000
ITC (International Trypanotolerance Center)	70.000	35.000
Johns Hopkins University – Study of the non-profit sector in developing countries	50.000	50.000
Ljubljana Service for Technical Cooperation Support for Rehabilitation of Disabled Persons, Ljubljana, Slovenia	45.000	44.950
National Chamber Foundation	20.000	10.000
National Development Fund of Mauritania	20.000	20.000
Nepal – Opportunities for Women	5.000	5.000
Nigeria-Niger Joint Commission for Cooperation	15.000	0.000
North South Round Table	30.000	30.000
OPALC (Preinvestment Organization for Latin America and the Caribbean)	25.000	25.000
OPEC Fund/OPEC Secretariat/UNCTAD – Workshop on energy and development	30.000	30.000
OPEC Fund/OPEC Secretariat/UNCTAD – Second workshop on energy and development	50.000	0.000
OPEC Fund/OPEC Secretariat/UNIDO – Workshop on petrochemistry	30.000	22.828
Oxford Energy Seminar	37.000	32.984
Pan African News Agency	10.000	10.000

	Approved	Disbursed
People in Action – The Gambia	10.000	5.000
Regional Arab Federation of Associations for Voluntary Family Control	23.000	23.000
Regional Organization for the Protection of the Marine Environment	100.000	50.000
Research and Development Forum for Science-led Development in Africa	30.000	30.000
Scholarship Fund for Palestinian Women in Lebanon	100.000	50.000
Seminar on the financing of new and renewable sources of energy	20.000	14.197
Shelter-Afrique	15.000	15.000
Society for Austro-Arab Relations	120.000	120.000
Society of African Physicists and Mathematicians	55.000	55.000
South Center	100.000	40.000
South Commission	30.000	30.000
St. John's Ophthalmic Hospital, Jerusalem	50.000	50.000
Study – Energy Taxation and Economic Growth	90.000	74.470
Study – The Vanishing Greenhouse Effect	100.000	49.784
Study – The World Trade Organization and the Developing Countries	100.000	86.926
Third World Foundation (United Kingdom)	10.000	10.000
TRLC (Trans-Saharan Road Liaison Committee)	81.000	81.000
TWAS (Third World Academy of Sciences): Associate Membership Scheme at Centers of Excellence in the South	100.000	100.000
TWNSO (Third World Network of Scientific Organizations)	150.000	50.000
UNCTAD (United Nations Conference on Trade and Development)	30.000	30.000
UNESCO (United Nations Educational, Scientific and Cultural Organization)	50.000	30.000
UNICEF – Exhibition of children's art at UN headquarters in New York	27.500	27.500
University Children's Hospital, Vienna	75.000	30.000
UNRWA Commemorative Photo Album	5.000	5.000
United Nations Economic Commission for Africa	50.000	50.000
United Nations International Research and Training Institute for the Advancement of Women	10.000	10.000
University of Science and Technology in Kumasi, Ghana	10.000	10.000
Vienna Institute for Development	30.000	30.000
West African Health Community	10.000	10.000
West African Regional Remote Sensing Center	10.000	10.000
WHO – handbook on human resources development	7.500	0.000
World Meteorological Organization	15.000	13.850
Worldview International Foundation	40.000	40.000
Total	**5,530.725**	**4,504.207***

* No account is taken of terminations and balances subsequent to original commitments. These terminations total $242,000 and balances amount to $118,222.

Cumulative grants for emergency assistance as of December 31, 2002

(in thousands of dollars)

	Amount approved	Amount disbursed
Afghanistan	850.0	699.8
Algeria	446.0	45.7
Austria	200.0	200.0
Bangladesh	650.0	649.7
Bolivia	100.0	100.0
Bosnia and Herzegovina	2,720.0	2,719.7
Colombia	100.0	100.0
Congo, D.R.	100.0	100.0
Cuba	100.0	97.8
Djibouti	50.0	45.6
Ecuador	100.0	100.0
El Salvador	200.0	200.0
Emergency assistance to African countries	5,000.0	5,000.0
Emergency desert locust assistance	1,200.0	1,177.3
Ethiopia	600.0	596.8
Grasshopper control campaign in the Sahel	350.0	348.2
Great Lakes Region of Africa	500.0	498.4
Guatemala	100.0	100.0
Honduras	300.0	297.1
India	200.0	200.0
Indonesia	200.0	199.8
International Emergency Food Reserve	25,000.0	25,000.0
Iran, I.R.	900.0	695.0
Korea, D.P.R.	400.0	400.0
Kosovo	300.0	300.0
Madagascar	150.0	0.0
Maldives	50.0	50.0
Mongolia	100.0	99.9
Mozambique	200.0	200.0
Nicaragua	150.0	150.0
Palestine	1,360.0	836.7
Papua New Guinea	100.0	0.0
Rwanda	400.0	400.0
Somalia	1,150.0	1,149.9
Sudan, The	400.0	394.5
Tanzania (Zanzibar)	50.0	50.0
Tunisia	30.5	29.4
Turkey	250.0	250.0
Venezuela	600.0	600.0
Vietnam	120.0	120.0
Yemen	200.0	197.6
Total	**45,976.5**	**44,398.9***

* No account is taken of terminations and balances subsequent to original commitments; these terminations total $250,000 and balances amount to $26,253.

Appendix IX

Grants for Subscriptions to the Common Fund for Commodities, as of December 31, 2002

(in millions of dollars)

Country/region	Commitments	Disbursements
Benin	1.020	0.352
Botswana	1.020	0.352
Burkina Faso	1.020	0.352
Burundi	1.000	0.350
Cape Verde	1.000	0.350
Central African Republic	1.030	0.354
Chad	1.040	0.371
Comoros	1.000	0.350
Djibouti	1.000	1.000
Ethiopia	1.120	0.367
Gambia, The	1.030	0.354
Guinea	1.070	0.361
Guinea-Bissau	1.000	0.350
Lesotho	1.000	0.350
Malawi	1.040	0.357
Mali	1.040	0.357
Mauritania	1.120	0.396
Niger	1.020	0.352
Rwanda	1.040	0.357
Sierra Leone	1.040	0.357
Somalia	1.020	0.352
Sudan, The	1.360	0.401
Tanzania	1.190	0.378
Uganda	1.270	0.388
Africa	**25.490**	**9.308**
Afghanistan	1.070	–
Bangladesh	1.430	0.411
Bhutan	1.000	0.350
Lao, P.D.R.	1.010	–
Maldives	1.000	0.350
Myanmar	1.060	0.344
Nepal	1.010	0.352
Samoa	1.000	0.350
Yemen*	2.040	0.705
Asia	**10.620**	**2.863**
Haiti	1.050	0.357
The Caribbean	**1.050**	**0.357**
Total	**37.160**	**12.528**

* Prior to unification in 1990, separate grants were extended to Yemen A.R. and Yemen P.D.R.

Statement of contributions to the OPEC Fund by OPEC member countries as of December 31, 2002

(in dollars)

Pledged contributions to

Country	Fund direct operations	IFAD**	IMF Trust Fund	Total
Algeria	75,140,000	25,580,000		100,720,000
Ecuador*	5,120,000			5,120,000
Gabon	3,819,000	1,301,000		5,120,000
Indonesia	9,281,000	3,159,000		12,440,000
Iran, I.R. of	376,548,558	143,995,000		520,543,558
Iraq	110,101,000	51,099,000	17,308,831	178,508,831
Kuwait	270,359,000	92,041,000	10,348,175	372,748,175
G.S.P. Libyan A.J.	150,101,000	51,099,000	3,805,159	205,005,159
Nigeria	177,702,797	66,459,000		244,161,797
Qatar	67,500,000	22,980,000	3,155,497	93,635,497
Saudi Arabia	750,862,000	261,118,000	21,299,607	1,033,279,607
United Arab Emirates	123,900,000	42,180,000	2,366,623	168,446,623
Venezuela, B.R. of	342,711,000	104,489,000	52,436,941	499,636,941
Total	**2,463,145,355**	**865,500,000**	**110,720,833**	**3,439,366,188**

Paid-in contributions to

Country	Fund direct operations	IFAD**		IMF Trust Fund	Total
		Cash	Promissory notes		
Algeria	73,495,265	25,580,000			99,075,265
Ecuador*	4,115,684				4,115,684
Gabon	3,503,486	1,301,000			4,804,486
Indonesia	9,062,949	3,159,000			12,221,949
Iran, I.R. of	126,286,193	12,225,500	29,357,833		167,869,526
Iraq	18,605,407	6,283,200	44,815,800	17,308,831	87,013,238
Kuwait	264,393,091	92,041,000		10,348,175	366,782,266
G.S.P. Libyan A.J.	133,195,300	20,000,000		3,805,159	157,000,459
Nigeria	174,632,272	66,459,000			241,091,272
Qatar	65,199,160	15,963,277	7,016,723	3,155,497	91,334,657
Saudi Arabia	734,820,611	261,118,000		21,299,607	1,017,238,218
United Arab Emirates	121,170,490	42,180,000		2,366,623	165,717,113
Venezuela, B.R. of	338,340,934	104,489,000		52,436,941	495,266,875
Total	**2,066,820,842**	**650,798,977**	**81,190,356**	**110,720,833**	**2,909,531,008**

* Ecuador withdrew from the Fund as of December 1993.
** Only contributions made through the Fund, i.e. IFAD's initial resources and first replenishment.

*Publications issued by the OPEC Fund**

(in descending chronological order)

1. The Annual Report

Published since 1976 in Arabic, English, French and Spanish.

2. The OPEC Fund Newsletter

Published thrice annually since 1985; from 1983–84 quarterly.

3. Pamphlet Series and Authored Papers

OPEC Nations and the Global Dialogue on Sustainable Development, Statements from the *United Nations World Summit on Sustainable Development,* 2002.

Financing for Development: An OPEC Presence, Statements from the *United Nations International Conference on Financing for Development,* 2002.

Financing for Development, Proceedings of a *Workshop of the G-24* held at Nigeria House, New York, 2002.

Coherence or Dissonance in the International Framework: A Shifting Paradigm, Proceedings of a *Workshop of the G-24* held at the OPEC Fund for International Development, 2001.

The World Trade Organization and the Developing Countries by Rasheed Khalid, Philip Levy and Mohammad Saleem, 1999.

Energy Taxation and Economic Growth by Adam Seymour and Robert Mabro, 1994.

Africa and Economic Structural Adjustment: Case Studies of Ghana, Nigeria and Zambia by Bright E. Okogu, 1992.

Development and Resource-Based Industry: The Case of the Petroleum Economies by Abdelkader Sid-Ahmed, 1990.

Africa's External Debt: An Obstacle to Economic Recovery by Y. Seyyid Abdulai, 1990.

Three Decades of OPEC Aid: A Survey by Y. Seyyid Abdulai, 1987.

Accounting for "Wasting Assets:" Income Measurement for Oil and Mineral-Exporting Rentier States by Thomas R. Stauffer, 1984.

The OPEC Fund's Experience in Project Financing with Local Counterpart Funds (1976–82) by Mehdi M. Ali, 1983.

Concessional Flows to Developing Countries: A General Retrospective and Prospects for the Future by Ibrahim F.I. Shihata, 1983.

The Unique Experience of the OPEC Fund by Ibrahim F.I. Shihata, 1983.

New and Renewable Sources of Energy – Evaluating Selected Technologies by Andrew Mackillop and Salah Al-Shaikhly, 1982.

Cost Benefit or Technology Assessment by Alfredo de Valle, 1982.

Sub-Saharan Africa: The Need for Concerted Aid Strategy, 1982.

Strengthening the Transfer of Resources to Developing Countries by Mohamed A. El-Erian, 1982.

The OPEC Fund for International Development: The First Five Years by Ibrahim F.I. Shihata, 1981 (English and French).

Restoring Perspectives on the Energy Issues by Salah Al-Shaikhly and Mahbub ul Haq, 1981.

The OPEC Fund and the Least Developed Countries, 1981.

Oil Surplus Funds: The Impact of the Mode of Placement by Hazem El-Beblawi, 1981.

Financing the Energy Requirements of Developing Countries – The Role of OPEC Aid by Mehdi M. Ali, 1981.

OPEC as a Donor Group by Ibrahim F.I. Shihata, 1980/81 (Arabic, English, German and Spanish).

The Future of Arab Aid by Ibrahim F.I. Shihata, 1980/81 (Arabic, English, German and Spanish).

OPEC States and Third World Solidarity by Zuhair Mikdashi, 1980.

The UNCTAD Report on OPEC Aid: A Summary, 1980 (Arabic, English, French and Spanish).

* All publications are in the title languages, unless otherwise specified.

The OPEC Special Fund and the North-South Dialogue by Ibrahim F.I. Shihata, 1979.

Energy and the Developing Countries by Abbas Alnasrawi, 1979.

El Fondo Especial de la OPEP y sus operaciones en América Latina y el Caribe by Pablo Eleazar Linares, 1979.

The OPEC Aid Record by Ibrahim F.I. Shihata and Robert Mabro 1978 (Arabic, English and French).

Reactivating the North-South Dialogue by Mahbub ul Haq, 1978.

OPEC Aid, the OPEC Fund and Cooperation with Commercial Sources of Development Finance by Ibrahim F.I. Shihata, 1978.

The Pricing of Oil: The Basic Facts by Ali M. Jaidah, 1977.

The OPEC Special Fund: A New Approach to International Financial Assistance by Ibrahim F.I. Shihata, 1976.

4. Other Documents

Questions and Answers, 4th edition, 2001 (Arabic, English, French and Spanish)

Arab National and Regional Development Institutions: A Profile, 2002 (published biennially since 1999 in Arabic and English).

OPEC Aid Institutions: A Profile, 2000 (published biennially since 1998; from 1981–98, annually).

The Private Sector Facility, 2000.

The OPEC Fund: 25 Years of Development Cooperation, 2000 [Arabic, English, French and Spanish].

The OPEC Fund: A Regional Perspective, 2000.

The Agreement Establishing the OPEC Fund for International Development, reprint 2000.

The OPEC Fund: The First Twenty Years, 1996.

The OPEC Fund in Africa, 1992 (English and French).

The OPEC Fund in Asia, 1989.

The OPEC Fund in Latin America and the Caribbean, 1988 (English and Spanish).

Guidelines for Procurement under Loans Extended by the OPEC Fund for International Development, 1988 (English and French).

To Help People Help Themselves, 1986.

Disbursement Procedures, 1983.

The OPEC Fund in Africa, 1982 (English and French).

Rules of Procedure of the Ministerial Council, 1980.

Rules of Procedure of the Governing Board, 1978.

5. Books

The Misinterpreted Greenhouse Effect: Climate Changes – Causes and Consequences, edited by Helmut Metzer in *Energy & Environment,* Vol. 9, No. 6, Multi-Science Publishing Co. Ltd. Essex, U.K., 1998.

Hot Talk, Cold Science: Global Warming's Unfinished Debate by S. Fred Singer. Oakland, California (USA): The Independent Institute, 1997.

Development: The Unresolved Issues, Selected statements by Y. Seyyid Abdulai. Vienna: Bohmann Druck, 1990.

OPEC Aid and the Challenge of Development, edited by A. Benamara and S. Ifeagwu. London: Croom Helm, 1987.

The OPEC Fund for International Development: The Formative Years by Ibrahim F.I. Shihata and others. London: Croom Helm, 1983.

The Other Face of OPEC – Financial Assistance to the Third World by Ibrahim F.I. Shihata. London: Longman Group Ltd., 1982 (English, French and Spanish).

Fund missions and meetings and conferences attended in 2002

January

Kuwait, Kuwait.
Meeting on the Coordination Group Website.
Staff

Paris, France.
Conference of multilateral donors on Sierra Leone.
Staff

Safat, Kuwait.
Public sector project appraisal mission.
Staff

Accra, Ghana.
Public sector project appraisal mission.
Staff

Abu Dhabi, UAE.
Meeting of the Coordination Group of Arab/OPEC/Islamic Development Aid Institutions.
Director, Information and Economic Services

Paris, France.
IFC SME Working Group Meeting; visit to PROPARCO and commercial banks.
Assistant Director-General, Operations and staff

February

Khartoum, the Sudan.
Meeting with government ministers.
Director-General; Assistance Director-General, Operations; and staff.

Tunis, Tunisia.
Public sector project appraisal mission.
Staff

Rome, Italy.
Twenty-fifth session of the Governing Council of IFAD; meeting with government ministers.
Director-General

March

Amman, Jordan.
Meeting with government ministers.
General Counsel and staff

Tunis, Tunisia.
Investment presentation at the *Banque de Tunisie.*
Staff

Fortaleza, Brazil.
Forty-third annual meeting of the Board of Governors of the IDB and seventeenth annual meeting of the IIC.
Staff

Monterrey, Mexico.
UN International Conference on Financing for Development.
Chairman of the Governing Board; Director-General; Director, Information and Economic Services; and staff

Aleppo, Syria.
Meeting on the Development of a Regional Program for Sustainable Development in Rainfed Countries in the WANA region, organized by ICARDA.
Staff

Phnom Penh, Cambodia and Vientiane, Laos.
Public sector project appraisal missions.
Staff

Cairo, Egypt.
Private sector appraisal mission.
General Counsel and staff

April

Boston and New York, USA.
Meetings with portfolio managers.
Assistant Director-General, Finance

Amsterdam, the Netherlands.
Thirty-third Executive Board Meeting of the CFC.
General Counsel

Algiers, Algeria.
Thirty-first Annual Meeting of the Arab Fund.
Chairman of the Governing Board; Director-General; and Assistant Director-General, Operations

Washington, D.C., USA.
- Seventy-ninth meeting of the Deputies of the G-24.
- Sixty-seventh meeting of the Ministers of the G-24.
- Sixty-fifth meeting of the Development Committee (Joint Ministerial Committee of the Boards of Governors of the World Bank and the IMF on the Transfer of Real Resources to Developing Countries).

Chairman of the Governing Board and Director-General

Beirut, Lebanon.
Founding Conference of the Arab Network for NGOs.
Director, Information and Economic Services

Nouakchott, Mauritania.
Board of Directors and General Assembly Meetings of Mauritanie Leasing.
Staff

Abu Dhabi, UAE.
Twenty-seventh meeting of the Ministerial Council of the AOAD and twenty-seventh meeting of the AOAD General Assembly.
Director-General and staff

May

Pyongyang, Korea, D.P.R.
Meeting with government ministers; public sector project appraisal mission.
Director-General and staff

Shanghai, China.
Thirty-fifth Annual Meeting of the AsDB.
Director-General

Yamoussoukro, Côte d'Ivoire.
Summit Meeting of NEPAD/ECOWAS.
Director, Information and Economic Services

Bucharest, Romania.
Annual Meeting of the EBRD.
General Counsel

Abu Dhabi, UAE.
Meeting of the Coordination Group of Arab/OPEC/Islamic Aid Development Institutions.
Staff

Addis Ababa, Ethiopia.
Annual meetings of the AfDB and AfDF.
Director-General, General Counsel and staff

London, England.
Meetings with portfolio managers.
Assistant Director-General, Finance and staff

June

Washington, D.C., USA.
IFC Participants Conference and World Bank Round Table on Measuring and Monitoring.
Staff

London, England.
Business development meeting with EBRD.
Staff

Paris, France.
Meeting with portfolio manager and commercial banks.
Assistant Director-General, Finance

Dubai, UAE.
Meeting of the Coordination Group of Arab/OPEC/Islamic Development Aid Institutions.
Director, Information and Economic Services

Nouakchott, Mauritania.
Public sector project appraisal mission.
Staff

Geneva, Switzerland.
Signing of the agreement between the OPEC Fund and WHO on the OPEC Fund Initiative against HIV/AIDS in Africa.
Director-General and Director, Information and Economic Services

July

Tunis, Tunisia.
Donors' conference on Tunisia.
Director-General; Assistant Director-General, Operations and staff

Barcelona, Spain.
Fourteenth Annual AIDS conference.
Director-General and staff

Manchester, New Hampshire, USA.
Second International Conference on Information Technology and Economic Development.
Staff

Dakar, Senegal.
Opening ceremony of workshop sponsored by the African Regional Center for Technology; meeting with government officials.
Director-General

August

Freetown, Sierra Leone.
Meetings with commercial bank and government ministers.
Staff

Aleppo, Syria.
Private sector appraisal mission.
Staff

Johannesburg, South Africa.
World Summit on Sustainable Development.
Director-General; Director, Information and Economic Services; and staff

September

Riyadh, Saudi Arabia.
AGFUND's International Prize for Pioneering Development Projects committee meeting.
Director-General

Accra, Ghana.
African financial sector conference and private sector appraisal meeting.
Assistant Director-General, Operations and staff

Rome, Italy.
IFC SME Working Group Meeting.
Assistant Director-General, Operations and staff

San José, Costa Rica.
Association of Caribbean States – Third Business Forum of the Greater Caribbean.
Staff

Rome, Italy.
Meetings with commercial banks.
Assistant Director-General, Finance and staff

Washington, D.C., USA.
- Eightieth meeting of the Deputies of the G-24.
- Sixty-eighth meeting of the Ministers of the G-24.
- Sixty-sixth meeting of the Development Committee (Joint Ministerial Committee of the Boards of Governors of the World Bank and the IMF on the Transfer of Real Resources to Developing Countries).

Chairman of the Governing Board; Director-General; Assistant Director-General, Operations; and staff

October

Washington, D.C., USA
Meeting of the Multilateral Development Banks on the HIPC Initiative.
Staff

Tunis, Tunisia.
Private sector appraisal mission.
Staff

Luxembourg.
OCP/APOC donors' conference.
Staff

Sarajevo, Bosnia and Herzegovina.
Private and public sector project appraisal mission.
General Counsel

Washington, DC, USA.
Capital Guardian's 2002 Client Investment Workshop.
Director-General and Assistant Director-General, Finance

Boston and New York, USA.
Meetings with portfolio managers.
Assistant Director-General, Finance, and staff

Paris, France.
Donors' conference on Yemen.
Staff

Johannesburg, South Africa.
Conference of African Ministers of Finance and Ministers of Planning and Economic Development and Meeting of the Committee of Experts.
Director-General and staff

Ouagadougou, Burkina Faso.
IsDB Meeting.
Director-General and Assistant Director-General, Operations

Durban, South Africa.
International Bar Association conference.
General Counsel

Baku, Azerbaijan.
National Conference on State Program on Poverty Reduction and Economic Development; meetings with government ministers.
Staff

Harare, Zimbabwe.
Planning workshop for OPEC Fund/WHO Initiative against HIV/AIDS in Africa.
Staff

Niamey, Niger.
Public sector project appraisal mission.
Staff

Rai, Cape Verde.
Public sector project appraisal mission.
Staff

Beirut, Lebanon.
Board of Governors meeting on the Scholarship for Palestine Refugee Women in Lebanon.
Staff

November

Kigali, Rwanda.
Public sector project appraisal mission.
Staff

Jeddah, Saudi Arabia.
Meeting of the Coordination Group of Arab/OPEC/Islamic Development Aid Institutions.
Assistance Director-General, Finance; General Counsel and staff

Geneva, Switzerland.
Working meeting with IFRC regarding the OPEC Fund HIV/AIDS initiative to combat AIDS in the Asia-Pacific region.
Director-General, Director, Information and Economic Services

New York, USA.
Orientation meeting with UNFPA regarding the OPEC Fund/UNFPA HIV/AIDS initiative.
Staff

Brussels, Belgium.
Official launch of the OPEC Fund/UNFPA campaigns for HIV/AIDS prevention in the Arab and Central America and Caribbean regions.
Director-General and Director, Information and Economic Services

Paris, France.
Euromoney Institutional Investors' Hedge Fund Forum.
Assistance Director-General, Finance and staff

Leuven, Belgium.
Second International Conference on Globalization.
Director-General and staff.

December

London, England.
Meeting with law firms.
Staff

Addis Ababa, Ethiopia.
World Bank Consultative Group Meeting on Ethiopia.
Staff

Aleppo, Syria.
Private sector appraisal mission.
Staff

Paris, France.
Award ceremony of AGFUND's International Prize for Pioneering Development Projects.
Director-General

Santo Domingo, Dominican Republic.
Public sector project appraisal mission.
Staff

Havana, Cuba.
Meetings with government officials.
Director-General and staff

Abbreviations and Acronyms

Abu Dhabi Fund	Abu Dhabi Fund for Development
ACORD	Agency for Cooperation and Research in Development
AfDB	African Development Bank
AfDF	African Development Fund
AFRA	African Regional Cooperative Agreement for Research Development and Training Related to Nuclear Science and Technology
AGFUND	Arab Gulf Program for United Nations Development Organizations
AOAD	Arab Organization for Agricultural Development
AOSIS	Alliance of Small Island States
Arab Fund	Arab Fund for Economic and Social Development
ARCT	African Regional Center for Technology
AsDB	Asian Development Bank
BADEA	Arab Bank for Economic Development in Africa
BOAD	West African Development Bank
BOP	Balance of payments
CEAO	West African Economic Community
CFC	Common Fund for Commodities
CGIAR	Consultative Group on International Agricultural Research
CIAT	International Center for Tropical Agriculture
CIDA	Canadian International Development Agency
CIMMYT	International Center for Maize and Wheat Improvement
CIP	International Potato Center
CIS	Commonwealth of Independent States
DAPP	Development Aid from People to People
DFID	Department for International Development (UK)
EADB	East African Development Bank
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
ECRC	Early Childhood Research Center (Palestine)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FfD	International Conference on Financing for Development
FUNDACEA	Experimental Agricultural College Foundation
G-24	Inter-Governmental Group of Twenty-Four on International Monetary Affairs
GDP	Gross Domestic Product
GEF	Global Environment Facility
GM-UNCCD	Global Mechanism of the UN Convention to Combat Desertification
GNP	Gross National Product
HCCA	Hawwa Center for Culture and Arts (Palestine)
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunity Deficiency Syndrome
IAEA	International Atomic Energy Agency
IAS	Islamic Academy of Sciences
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICARDA	International Center for Agricultural Research in the Dry Areas
ICD	Islamic Corporation for the Development of the Private Sector
ICOMP	International Committee on the Management of Population Programs
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IDA	International Development Association
IDB	Inter-American Development Bank
IDLI	International Development Law Institute
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFRC	International Federation of Red Cross and Red Crescent Societies

IIASA	International Institute for Applied Systems Analysis
IITA	International Institute of Tropical Agriculture
ILCA	International Livestock Center for Africa
ILI	International Law Institute
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
IOI	International Ocean Institute
IRRI	International Rice Research Institute
IsDB	Islamic Development Bank
ISNAR	International Service for National Agricultural Research
ITC	International Trade Center
JOHUD	Jordanian Hashemite Fund for Human Development
Kuwait Fund	Kuwait Fund for Arab Economic Development
LDCs	Least developed countries
MSCI	Morgan Stanley Capital International Inc.
NEPAD	New Partnership for Africa's Development
NGDO	Non-Governmental Development Organization
NGO	Non-Governmental Organization
OAU	Organization of African Unity
OCP/APOC	Onchocerciasis Control Program/African Program for Onchocerciasis Control
OIC	Organization of the Islamic Conference
PAHO	Pan American Health Organization
PIU	Project Implementation Unit
PPU	Palestinian Polytechnic University
PROPARCO	*Agence française de développement* (France)
SADC	Southern African Development Community
Saudi Fund	Saudi Fund for Development
SELA	Latin American Economic System
TCDC	Technical Cooperation among Developing Countries
TWAS	Third World Academy of Sciences
TWNSO	Third World Network of Scientific Organizations
UNAIDS	Joint United Nations Program on HIV/AIDS
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEP	United Nations Environment Program
UNFPA	United Nations Fund for Population Activities
UNFSTD	United Nations Financing System for Science and Technology for Development
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WARDA	West Africa Rice Development Association
WFP	World Food Program
WHO	World Health Organization
World Bank	The World Bank Group
WTO	World Trade Organization

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