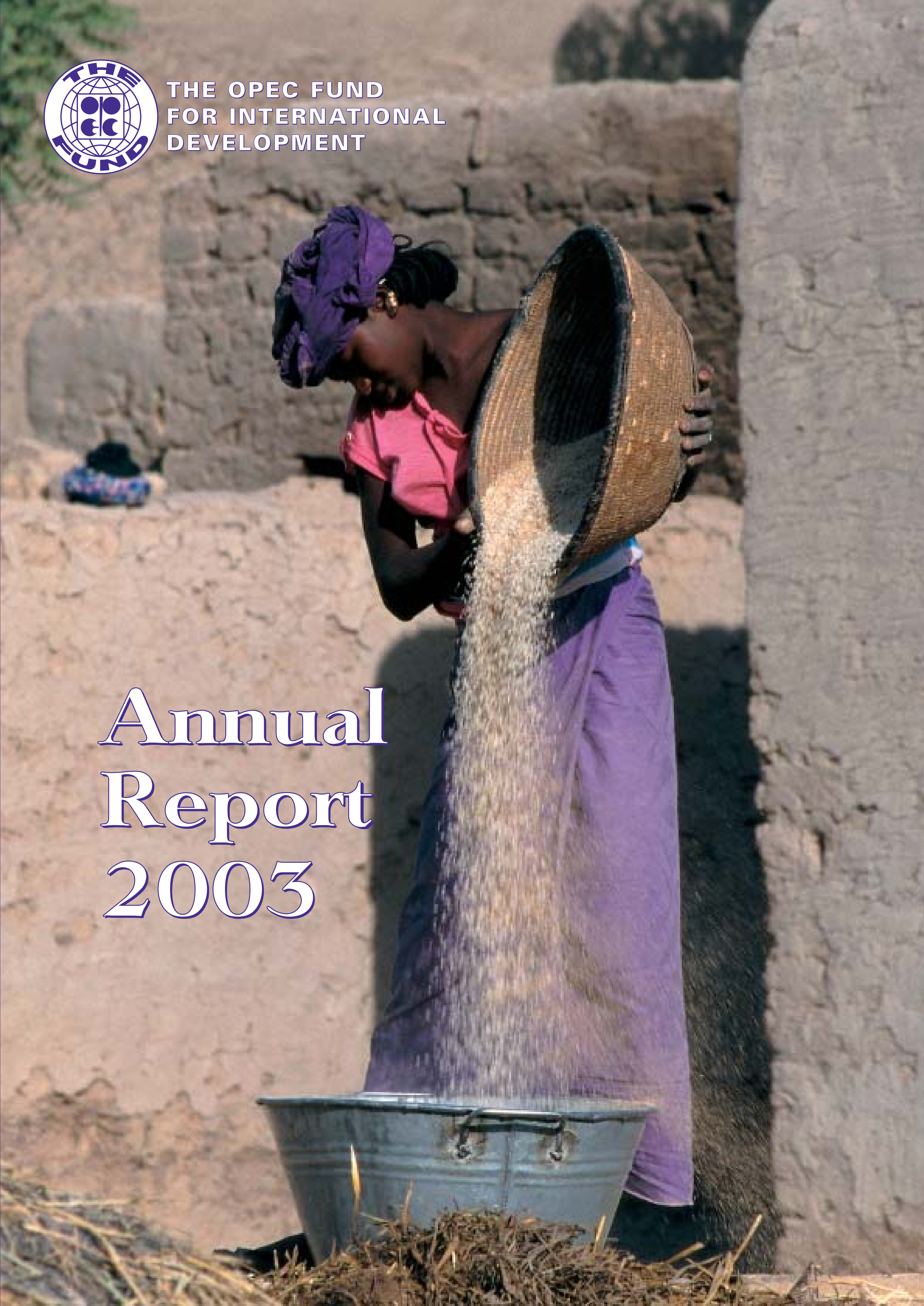
THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

Annual Report 2003



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

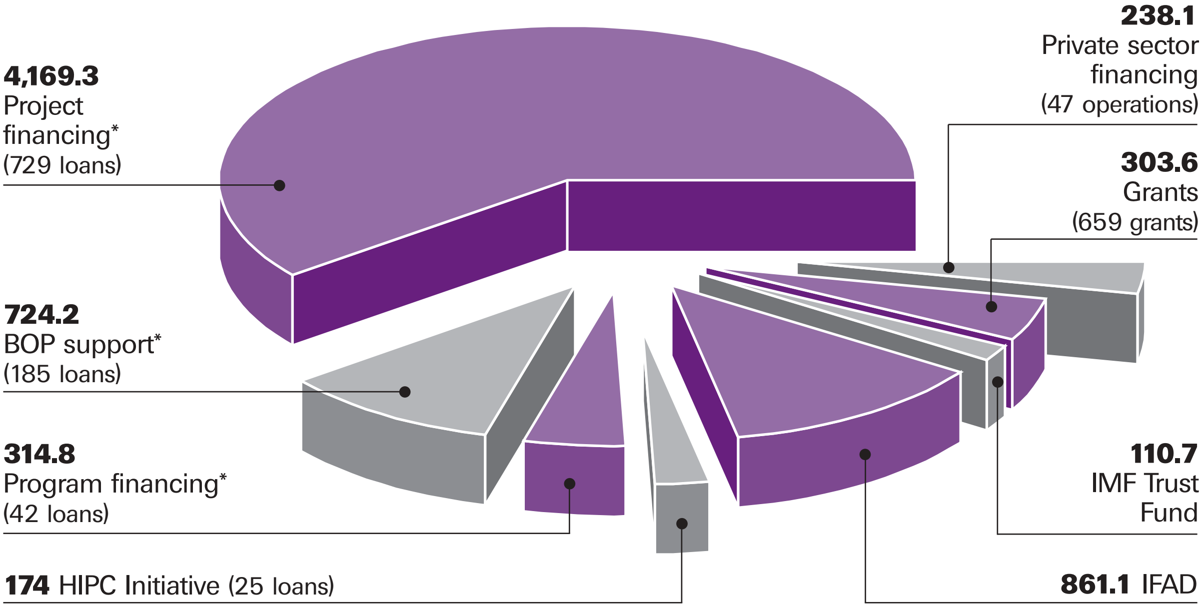
The Fund's resources consist of voluntary contributions made by OPEC member countries, and loan repayments, as well as the accumulated income derived from the Fund's investment and loans. At the close of the year 2003, contributions pledged to the Fund by its member countries totaled $3,435 million with some $2,920 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, 111 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 hundreds 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, 2003

(in millions of dollars)



* Public sector operations

Cover: Sepp Puchinger

Annual Report 2003

THE OPEC FUND
FOR INTERNATIONAL
DEVELOPMENT

Letter of Transmittal to the Ministerial Council

March 16, 2004

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, 2003.*

The Report contains a general review of the Fund's activities, a survey of its operations in 2003 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, 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 the* HIV/AIDS Special Account, *the* Special Grant Account for Palestine, *and the* Food Aid Special Grant Account. *A statement on contributions to the Fund by Member Countries, until the end of 2003, is also included.*

Yours sincerely

Jamal Nasser Lootah
Chairman of the Governing Board

Chairman of the Ministerial Council
The OPEC Fund for International Development

Photo: B. Babajide

The 24th annual session of the Ministerial Council, which was held in Abu Dhabi, was chaired by HE Dr. Mohamed Khalfan Bin Khirbash, Minister of State for Finance and Industrial Affairs of the United Arab Emirates.

Ministerial Council*

Algeria	HE Mr. Abdelatif Benachenhou[1]
Gabon	–
Indonesia	HE Mr. Boediono
Iran, IR of	HE Dr. Tahmasb Mazaheri
Iraq	HE Mr. Kamil Al-Gailani[2]
Kuwait	HE Mr. Mahmoud Abdelkhaliq Al-Nouri[3]
GSP Libyan AJ	HE Mr. Ageli Abdussalam Breni
Nigeria	HE Dr. (Mrs.) Ngozi N. Okonjo-Iweala[4]
Qatar	HE Mr. Yousef Hussain Kamal
Saudi Arabia	HE Dr. Ibrahim Al-Assaf
United Arab Emirates	HE Dr. Mohamed Khalfan Bin Khirbash (Chairman)
Venezuela, BR of	HE Dr. Jorge Giordani[5]

* As of December 31, 2003

1 Succeeded HE Mr. Mohamed Terbèche
2 Succeeded HE Mr. Hikmet M. Al Azawi
3 Succeeded HE Dr. Mohammad Sabah Al Salem Al Sabah and HE Dr. Yousef Hamad Al-Ebraheem
4 Succeeded HE Mallam Adamu Ciroma
5 Succeeded HE Dr. Nelson J. Merentes D.

Governing Board*

	Representatives	Alternates
Algeria	Mr. Hadji Babaammi	Mr. Ahcène Haddad[5]
Gabon	–	–
Indonesia	Dr. Darmin Nasution	Dr. Sahala Lumban Gaol
Iran, IR of	HE Mr. Mohammad Khazaee	Mr. Reza Amini
Iraq	HE Muhana Jassim Khalaf[1]	HE Mr. Mowaffaq G.Y. Attisha[6]
Kuwait	Mr. Abdul Wahab Ahmed Al-Bader	Mr. Fawzi Yousef Al-Hunaif
GSP Libyan AJ	Mr. Elboueshi M. Ellafi[2]	Mr. Mustafa Kashada[7]
Nigeria	HE Dr. H. U. Sanusi[3]	Mr. Alhaji Suleiman D. Kassim
Qatar	–	Mr. Ismail Omar Al-Daffa
Saudi Arabia	HE Dr. Saleh A. Al-Omair (Chairman)	HE Mr. Mohammed Abdullah Al-Kharashi
United Arab Emirates	HE Jamal Nasser Lootah[4]	Mr. Nasser K. Al Suwaidi[8]
Venezuela, BR of	HE Dr. Nelson J. Merentes D.	–

Photo: B. Babajide

Chairman Dr. Al-Omair, (right), and Dr. Y. Seyyid Abdulai, then Director-General of the Fund, at the 103rd meeting of the Governing Board. During the June 2003 session, the Board approved a total of $31 million in public sector loans and $3.32 million in grants.

* As of December 31, 2003

1 Succeeded HE Mr. Bustam Abood Al-Janabi
2 Succeeded Mr. Ahmed Mohammad Saad
3 Succeeded HE Mrs. T. A. Iremiren
4 Succeeded Mr. Nasser K. Al Suwaidi
5 Succeeded Mr. Mohamed Benmeradi
6 Succeeded Mr. Sabih H. Ali
7 Succeeded Mr. Ayad Mohamed Shetwi
8 Succeeded Mr. Abdullah Jamal Al-Gaizi

Contents

Text Boxes

Charts

Appendices

Abbreviations and Acronyms

- 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 as well as in PDF format for downloading on the Fund's website at www.opecfund.org.

Foreword

Contributing to restoring global balance

The year 2003 has witnessed a process of continued global change set in motion by several ongoing trends, including rapid globalization and increased interdependency, scientific and technological progress, and demographic changes. This process has not always been smooth and balanced, as evidenced by several developments during the year.

The world economy progressively recovered from its sharp downturn in 2001, supported by a strong rebound in the United States and a gradual easing of geo-political tensions. The recovery, however, remained moderate and uneven, reflecting overdependence on the American economy, the impact of SARS on growth in Asia, and the need to address outstanding imbalances and vulnerabilities. The protracted weakness in the world economy reverberated on multilateral trade negotiations, which stalled due to a lack of commitment to the Doha Development Agenda, depriving the world economy from the boost to market expansion that would have followed a successful round. In the area of financing for development, official development assistance (ODA) and debt were outpaced by foreign direct investment and workers' remittances as external sources of financing for development, highlighting the importance of raising the level of ODA to meet the growing needs.

Photo: B. Babajide

The developments in 2003 weakened prospects for improving living conditions in the world's least developed countries (LDCs) – the focus of the Fund's assistance – which tend to suffer most in times of macro-economic weakness. Despite rapid technological progress, poverty amidst plenty and the widening gap between rich and poor remain the world's greatest challenges. The percentage of overweight children and adolescents has more than doubled since the 1970s in some parts of the developed world, while about 800 million people in the developing countries still go to bed hungry every night. More than a billion people live in extreme poverty, surviving on less than $1 a day, and almost three billion people – around half the world's population – have to cope on less than $2 a day.

To counterbalance some of the negative trends observed in 2003, several encouraging initiatives were taken to restore confidence in international governance and create common ground. A breakthrough was reached within the World Trade Organization (WTO) on enhancing access to cheap generic versions of patented drugs for poor countries facing public health emergencies emanating from pandemics such as HIV/AIDS, in recognition of the fundamental human right to treatment for such diseases. In October 2003, the UN General Assembly adopted the first *UN Convention against Corruption,* an insidious practice with a wide range of corrosive effects on institutional efficiency and poverty alleviation efforts. Progress was also made towards establishing and maintaining a more solid and stable international financial architecture, and in encouraging participation by the South in this endeavor.

Against this challenging international background, the OPEC Fund worked assiduously to help create a more inclusive world order based on core human values and principles by ensuring that better opportunities for employment, education, health, food and shelter were made available to the world's poor. First, the Fund continued to make available a stable and predictable flow of concessional and untied financing for development under its *15th Lending Program,* which covers the three-year period 2002–2004. Operations under the Program have been spread to over around 86 countries, some 60 of which are low-income countries, which receive priority. Second, the Fund contributed its share to the *Heavily Indebted Poor Countries Debt Relief (HIPC) Initiative,* bringing to 24 the total number of countries in Africa and Latin America to benefit from the Fund's relief since the launch of the Initiative.

In addition, the Fund hosted in October 2003 the *24th Semi-annual Meeting of Multilateral Development Banks* on the HIPC Initiative, an event which made important headway towards improving debt reporting systems and debt sustainability in eligible countries.

Recognizing the growing importance of the private sector in employment creation, growth and poverty alleviation in its constituencies, the Fund complemented its lending to the public sector by continued support to the private sector. Under its *Private Sector Facility,* the Fund worked to encourage the development of small- and medium-size enterprises in its beneficiary countries in collaboration with other international financing institutions. A number of new projects were approved during the year and several others are in the pipeline. The Fund also hosted a meeting of the *IFI/SME Working Group* at its headquarters in Vienna in April 2003 to facilitate the exchange of experiences and best practices in the field.

As for the Fund's activities in the area of grant financing, our institution stepped up its involvement in the worldwide campaign to help control HIV/AIDS, which is unraveling hard-won economic and social gains, particularly in the poorest and most vulnerable parts of the world. The Fund allocated additional financial resources during the year to provide care and support to communities and individuals affected by this mounting human tragedy.

In sub-Saharan Africa, existing problems of food insecurity and declining agricultural output as a result of HIV/AIDS were compounded by exceptionally dry weather. The OPEC Fund responded to calls for international assistance by establishing a *Special Food Aid Grant Account* to help African countries address this crisis. Distribution and delivery of the assistance, which began in June, was observed by the Fund in four separate missions, meeting with representatives from implementing agencies and recipients at various levels.

Throughout 2003, the Fund continued to sponsor projects under its *Special Account for Palestine,* which was established in late 2002 to help alleviate hardship and mitigate the impact of the economic and social crisis in the Palestinian territories. Working in collaboration with other members of the donor community, including sister institutions, activities supported in 2003 included rehabilitation and reconstruction, humanitarian assistance, health and capacity building.

The OPEC Fund could not have performed its development assistance role during the year without the continued and generous support provided by its member countries as part of their wider efforts to enhance world peace and prosperity. Their sense of social responsibility and South-South solidarity, which led to the establishment of the OPEC Fund 27 years ago, was again manifest in the active contribution several OPEC member states made to endeavors aimed at establishing a *New Global Human Order* at the 13th Meeting of the Non-Aligned Movement, in Kuala Lumpur, Malaysia, in February 2003.

As for the institution's internal management, an important change during the year in review has been the handover of authority from the Fund's former Chief Executive Officer, Dr. Seyyid Abdulai, as of November 1st, 2003. I wish to take this opportunity to thank Dr. Abdulai for his efforts and valuable contributions to realizing the Fund's vision during his many years of service. I would also like to express my sincere appreciation to Fund Staff for their continued loyalty, support, and dedication in pursuit of our endeavors. Having survived the upheavals of the eighties and the nineties through my long engagement with OPEC, I am confident to guide the OPEC Fund along the same path while exploring new avenues in light of the many challenges ahead. Driven by strong determination, and building upon more than a quarter century of experience in development cooperation, the Fund shall continue to work in partnership to help restore global balance by actively pursuing its noble mission of taming poverty and under-development.

Suleiman Jasir Al-Herbish
Director-General

The world economy in 2003

An overview

In 2002, the world economy showed further signs of strength, adding to expectations that the cyclical downturn which started in 2001 was coming to an end. Recovery was most noticeable in the United States and Asia, with the Euro Area lagging somewhat behind. World growth accelerated by 0.3% to 3.3%, underpinned in the second half of the year by the easing of geopolitical tensions, the diminishing threat of a global epidemic of Severe Acute Respiratory Syndrome (SARS), and the effect of stimuli provided by economic policy in major industrial countries. As a result, consumer spending and business investment picked up in an increasing number of countries, and the earlier risk of global deflation subsided. Despite stronger demand, improvements in labor markets remained insignificant.

Advanced Economies

The *advanced economies* grew by 2%, a pace slightly faster than the 1.8% registered in 2002. Recovery, however, was not uniform. The United States, and to a lesser extent Japan, outpaced earlier expectations. By contrast, Western Europe continued to suffer from weak domestic demand, although signs of recovery emerged towards the year's end. Meanwhile, *inflation* remained below 2% for the second year in succession

The economy of the *United States* showed a significant recovery in the second half year, boosting the annual growth rate by 0.9% to 3.1%. Growth benefited from the continuation of accommodating policies, which provided support to business and household spending. Military expenditures also supported demand. Despite the strong rebound in the latter half year, unemployment remained little changed, suggesting that most of the growth was induced by a surge in productivity. Inflation remained low at less than 2.5% despite the depreciation of the dollar against other major currencies.

In *Japan,* the economy showed unexpected strength in the second half of 2003, causing growth to accelerate from –0.4% to 2.2%. Recovery was maintained by stronger private investment and booming exports to China. However, the economy continued to suffer from weak domestic demand and deflation, reflecting the lack of decisive action to deal with structural impediments in the banking and corporate sectors.

Meanwhile, the *Euro Area* economies remained weak, falling short of expectations. GDP grew by only by 0.6% as compared to 0.9% in the previous year. The appreciation of the euro damaged exports and private investment, while doing little to stimulate private consumption. The core inflation rate declined below 2% and is expected to fall further in 2004, while unemployment edged up slightly. Moreover, public finances deteriorated in most member countries, highlighting the difficulties associated with maintaining budgetary discipline under the Stability and Growth Pact (SGP). The *German* economy, which accounts for about 30% of the Euro Area, was stagnant for the third year in a row, as exports declined sharply and domestic demand continued to be weak. The general government deficit exceeded 4% of GDP. The fiscal position, however, is expected to improve as a number of important steps were taken during the year towards implementing a reform agenda on labor market and social spending.

The *United Kingdom's* economy continued to show greater resilience than most other European economies. Led by household and public consumption and, to a lesser extent, by fixed investment, GDP growth was little changed at 1.9%. Inflation and unemployment remained low by regional standards.

The *Canadian* economy, which has outpaced that of the US since 1998, slowed down from 3.3% to 2% following a series of shocks and a sharp appreciation of the national currency. Inflation was up slightly at 2.5%.

In *Australia* and *New Zealand* growth moderated in 2003 to 2.6% and 2.5%, respectively. Strong domestic demand, originating from rising housing prices and the continued flow of immigration, was offset by a steep fall in exports due to currency appreciation and the impact of adverse drought conditions on agricultural output.

In the *Newly Industrialized Asian Economies,* growth slackened from 4.8% to 2.6%. Among the major causes for the slowdown was the spread of the SARS epidemic, which adversely affected tourism, transportation and retail sales. Korea, moreover, was negatively affected by a number of domestic factors, including rising consumer debt and the subsequent credit tightening by the central bank, labor unrest and the North Korean crisis. GDP contracted from 6.3% to 2.5%.

Countries in Transition

Transition countries registered another year of solid growth, led by Russia and the Ukraine, and the *Central and Eastern European* countries (CEE). GDP growth went up from 4.2% to 4.9%, while inflation dropped to less than 10%.

Output growth in the *CEE* picked up from 3% to 3.4%, benefiting from strong private consumption and direct investment inflows in the wake of progress achieved towards accession to the European Union.[1] The strengthening of the euro since February 2002 caused real effective appreciation of the currency in those countries and was one of the main impediments to stronger expansion.

The economies of the *Commonwealth of Independent States* (CIS) remained resilient to the global slowdown, achieving a better recovery than expected. GDP growth climbed by about one percentage point to 5.8%, owing to continued strong growth among energy exporters such as Russia, Kazakhstan and Azerbaijan. Inflation rates across the region continued to decline, averaging 13.5% in 2003. In *Russia,* rising domestic demand aided by improved wages, favorable liquidity conditions and increased access to international capital markets, helped to accelerate growth from 4.3% to 6%.

Developing Countries

In *Developing Countries,* aggregate growth continued to improve for the second consecutive year, rising from 4.6% to 5.0%. Inflation, meanwhile, remained low by historical standards at about 5%. The sustained recovery was in line with an improvement in the external environment, notably trade and financial market confidence, and primary commodity prices.

Africa

The aggregate output growth rate in *Africa* improved modestly from 3.1% to 3.7%. Growth in *sub-Saharan Africa,* (excluding South Africa) maintained a positive pace of 3.6% owing to improved macroeconomic policies, rising commodity prices and debt relief under the *Heavily Indebted Poor Countries* (HIPC) Initiative. Positive factors, however, were partly offset by continued political instability and adverse weather conditions which led to food shortages in the Horn of Africa and Southern Africa. With the exception of a few countries like Zimbabwe and Angola, inflation and government budget deficits remained under control.

In *South Africa,* GDP growth rate declined from 3% to 2%. The slowdown was partly triggered by monetary tightening earlier in the year amid concerns of rising inflation. Later, the easing of inflationary pressures, aided by a rebound in the rand and declining food prices, led to a downward adjustment in interest rates.

GDP growth picked up in the *Maghreb* region to 5.7% in comparison to 3.3% in 2002, reflecting better weather conditions, expansionary fiscal policies (particularly in Algeria) and economic reforms. Growth acceleration was pronounced in Tunisia with GDP expanding by about four percentage points to 5.5% owing to a rebound in the agricultural sector, continued structural reforms and accommodative macro-economic policies.

Developing Asia

The economies of *Developing Asia* maintained robust growth despite the temporary set-back caused by the spread of SARS earlier in the year. Growth, estimated at 6.5%, was driven by export demand, both global and from within the region, particularly from China. Inflation, meanwhile, edged up slightly to 2.5%.

China's robust economic expansion continued in 2003 at about 8.5%, underscoring rapid growth in consumer credit and strong investment. Growth was also little changed in the *ASEAN-4* at about 4.2%. However, within the sub-group, performance varied: growth improved slightly in Indonesia, was slightly up in Malaysia and Thailand to 4.1%, 4.6% and 6.0%, respectively, but worsened in the Philippines from 4.4% to 3.7%. Performance in *South Asia*[2] was boosted by favorable weather conditions and stronger external and domestic demand. The *South Asian* economies expanded at the rate of 5.8% compared to 4.6% in the previous year. Inflation remained moderate in the sub-region at about 4% while the current account balance weakened slightly to less than 1%.

[1] Towards the end of 2002, EU accession negotiations were concluded with ten candidate countries, eight of which were from the CEE block (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia). The other two were Malta and Cyprus.
[2] Bangladesh, India, Maldives, Nepal, Pakistan, and Sri Lanka.

Middle East

In the *Middle East,* buoyant oil markets and the ending of the conflict in Iraq boosted confidence, causing the aggregate growth rate to rise from 3.9% to 5.1%. The bulk of growth occurred in *oil exporting countries*[3], whose aggregate GDP increased to 6% compared to 4.5% in the previous year. Growth in the *Mashreq*[4] picked up at a more moderate rate of 2.5% – compared to 2.3% in 2002 – in part reflecting political tension in the region. Output growth in *Jordan* deteriorated from 4.9% to 3%. In *Egypt,* growth witnessed a marginal improvement to 2.8%, owing to a pick up in tourism and a currency depreciation early in the year.

Latin America

Growth in *Latin America* resumed in 2003 at a modest rate of 1.5%, following the sharp downturn of 2002. Recovery was boosted by the increase in exports, aided by the global upturn and real exchange rate depreciations, as well as by improved external confidence in the region, which reflected favorably on borrowing conditions.

In *Mercosur*[5] countries, the political transitions in *Brazil* and *Argentina* helped calm the financial turbulence and provided support for growth in the region as a whole. *Argentina,* in particular, experienced a remarkable comeback with growth turning positive to 7%, from about –11% in 2002, and inflation falling from 26% to 16%.

Economic performance in the *Andean region*[6] was undermined by political instability and military conflicts: growth fell further from –0.6% to –2.9%, and inflation rose from 10% to 13%. Among this group, only *Colombia* achieved a slight increase in growth to 2.5% owing to improved external confidence in the new government.

In *Mexico, Central America* and the *Caribbean,* growth continued at a slow pace, increasing marginally by 0.4% to about 1.5%. Most of the countries in the region witnessed very little change in their economic situation. Among the few exceptions were the *Dominican Republic* and *Costa Rica.* The former registered a sharp reversal in growth to –3% due to financial sector instability. Costa Rica, on the other hand, saw a year of solid growth at 4.6%, spurred by a healthy inflow of foreign direct investment (FDI) and strong tourism.

OPEC Fund member states

GDP growth in the *OPEC member countries* expanded by 2.5% compared to 1.7% in 2002, as political instability contributed to a firmer world oil market and higher export and fiscal revenues. Aggregate oil output increased by about 6% to 26.9 million barrels per day, while the average spot price for OPEC reference basket crude went up to about $28 per barrel, causing the value of OPEC members' petroleum exports to rise by more than 25% to about $258.6 billion.

A serious earthquake hit *Algeria* in May, causing material damage valued at $5 billion. Despite the devastation, growth in 2003 strengthened by about two percentage points to 6%, owing to strong agricultural output, as well as surging demand in the construction sector. Higher oil prices helped to increase the current account balance surplus to 12.2% of GDP. Among the reforms introduced during the year were major legislation opening up nearly all economic sectors (except hydrocarbons) to private and foreign investment and competition; wide-scale privatization and a major public sector re-structuring program; and, further liberalization of the trade regime along with the signing of an Association Agreement with the EU. Similarly, an official stock exchange was established, as was a foreign investment promotion agency.

In the wake of diminishing oil production over the past six years, *Gabon's* economy continued to face a number of challenges, including a high debt burden, stagnant growth and rising unemployment and poverty. Growth in 2003 improved slightly to 1% in comparison to 0.2% in the previous year, and inflation remained subdued at less than 2%.

In *Indonesia,* improved consumer and business sentiment and stronger external demand helped the economy to weather the adverse implications

[3] Bahrain, Islamic Republic of Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and United Arab Emirates.
[4] Egypt, Jordan, Lebanon, and Syrian Arab Republic.
[5] Argentina, Brazil, Paraguay, and Uruguay, together with Bolivia and Chile (associate members of Mercosur).
[6] Bolivia, Colombia, Ecuador, Peru and Venezuela.

of the SARS epidemic. GDP growth improved slightly to 4.1%, while inflation eased from about 12% to 7%. Growth was spurred largely by private consumption, with investment remaining somewhat sluggish, prompting the government later in the year to shift its focus to strengthening the investment climate. Meanwhile, the budget deficit narrowed, owing to the partial lifting of subsidies, the decline in domestic interest rates and higher fiscal revenues.

The Islamic Republic of Iran maintained a robust growth of 6.0%, in comparison to 6.7% in 2002. The strong performance – for the third consecutive year – reflected progress in implementing economic reforms and favorable exogenous factors, including good weather conditions and higher oil revenues. Unemployment eased further to 15%, while inflation rose slightly to about 17%. Equity and real estate prices continued to strengthen rapidly in response to economic liberalization measures, the high growth in liquidity and the relatively stable exchange rate. Gross official reserves increased to about seven months of imports. During the year, structural reforms were introduced in the areas of trade, financial services, foreign direct investment regulations and privatization.

Iraq's economic conditions improved progressively after the swift end of the war in April. Property prices rose, salaries increased and consumer goods became more abundant. Meanwhile, oil output gradually resumed, while electricity output trebled. The Iraqi Central Bank began re-structuring the country's financial sector and introduced new currency banknotes in mid-October. A national budget of $13 billion was drawn up for 2004, and efforts were made to modernize the public finance system and bring in a modern legal and regulatory framework that could serve as a backbone for the development of the private sector. In line with UN Security Council Resolution 1483 passed in May, a fund financed by oil revenues was created to bankroll reconstruction activities. The fund is overseen by a board made up of experts from the IMF, the World Bank, the UN and the Arab Fund for Social and Economic Development. In October, an international donors' conference in Madrid secured $13 billion (in addition to the $18.6 billion already pledged by the US) to help rebuild Iraq.

With oil prices remaining firm and the end of the war in Iraq, *Kuwait's* economy showed significant signs of improvement in 2003. GDP growth rose from –0.4% to 9.9%, inflation remained low at less than 2%, and the current account achieved a healthy surplus of about 19% of GDP. The private sector activity that began recovery in 2002 benefited from increased demand for logistical supplies and support services by the coalition forces in Iraq. Besides the pick up in business activities, the public sector continued to be an important driver of growth as well. Increasing confidence in the economic outlook of the country reflected positively on the local equities index, which increased by a staggering 102%.

Economic conditions for the *GSP Libyan AJ* became more favorable in 2003. The growth rate stood at 2.8%, compared to –0.2% in the previous year. Inflation remained subdued at less than 2%, despite devaluation of the national currency earlier in the year. Fiscal and external current account surpluses improved significantly, and official reserves climbed to about 24 months of imports. The suspension of the UN sanctions provided a fresh impetus for the Government to embark on a major program of economic liberalization and reform. Libya also took fresh steps towards joining the WTO, including the removal of many trade restrictions.

Nigeria's economic performance improved in 2003. Growth picked up from 3.2% to 3.5% owing to oil market developments and their impact on the non-oil sectors. Higher oil prices, together with peaceful elections and a more market-oriented exchange rate policy, helped to narrow the current account deficit to about 1% of GDP and improve the international reserves position. The fiscal position also witnessed a significant improvement, helped by higher oil revenues and better public expenditure management. Inflation edged down from 13.7% to about 12% in line with the improved fiscal position.

Qatar's economy, which had experienced an impressive expansion following the launch of a gas liquefaction project a few years ago, continued its robust performance. GDP increased by about 8%, compared to 3% in 2002. Exports increased by 18% to nearly $13 billion, while imports increased by only 9% to around $4 billion, hence bolstering the current account surplus to about 28% of GDP. Qatar's public finance also showed a surplus for the third year in a row. Among the main stated fiscal objectives in the current budget are the strengthening of the State's reserves, the reduction of public debt, continued investment in the energy sector, the development of infrastructure and the privatization of some key industries.

The macro-economic position of *Saudi Arabia* improved significantly in 2003. GDP is estimated to have grown by 6.4% in constant prices while the private sector maintained a considerably rate of growth at 3.4%. The current account surplus rose to 12.9% of the GDP. A number of factors enhanced confidence in the Saudi economy during the year. Among these factors were the signed and upcoming agreements on natural gas exploration; the passing of the capital markets law and the subsequent establishment of the Saudi Securities Commission; the privatization of a number of public bodies; the easing of foreign investment rules; the customs union among the members of the Gulf Corporation Council; and the sovereign credit rating by Standard and Poor's.

Despite the resumption of oil production following the disruptive strike that ended in February, real GDP in the *Bolivarian Republic of Venezuela* declined by 8.5% in 2003, a slight improvement over the 8.9% contraction in 2002. Meanwhile, the unresolved budget deficit left inflation virtually unchanged at about 30%. Despite these negative developments, the current account balance maintained a healthy surplus of about 11% of GDP. Externally, rating agencies gave Venezuela an upgrade on account of resumed oil production and debt servicing performance. During the year, the government completed a major re-structuring of the national oil company PDVSA with the aim of improving cost efficiency and effectiveness.

The economy of the *United Arab Emirates (UAE)* expanded by 5.2%, compared to 1.5% in the previous year. Inflation remained modest at about 3%. The UAE economy also benefited from the continued boom in tourism and the hosting of a number of international events such as the annual IMF/World Bank meetings in Dubai.

Financial and Foreign Exchange Markets

Official *short-term interest rates* have, for the most part, leveled off, leading to increased expectations about hitting a trough in 2003. In the United States, the target for the federal funds rate was lowered only once, in June, by a quarter of a point to 1%. In Canada, the overnight rate was raised by 50 basis points early in the year amid inflation concerns, but the increase was fully reversed in the third quarter. In the United Kingdom, the base rate was cut twice during the first six months by a quarter of a point each time, but was partially raised again to 3.75% towards the end of the year.

Expectations of economic recovery and increased public sector financing needs caused *long-term interest rates* in the advanced economies to climb after bottoming out in the second quarter. By year-end, the rates on US and Euro Area 10-year bonds had climbed by some 30 basis points to about 4.2% and 4.3%, respectively. In Japan, starting from very low levels, the benchmark yield climbed more than one percentage point to about 1.4%.

Long-term interest rates in developing countries witnessed a sharp decline as a result of significant compression in average spreads. Benchmark spreads on emerging markets dropped from a peak of 869 basis points in September 2002 to 500 basis points by mid-year. In Latin America, borrowing conditions witnessed a spectacular improvement, particularly towards Argentina, Brazil and Uruguay, which saw their borrowing spreads declining by 1,700, 1,300 and 700 basis points, respectively, over the period.

Global *equity markets* recorded their best single-year performance in 17 years, with the MSCI World Index increasing by about 27%. Among different country groupings, emerging markets saw the biggest rise, with the All Emerging Markets Index rising by 64% in dollar terms. Markets in Latin America shot up by 62% and Asian markets by 34%. Gains in the *developed countries' equity markets,* though less spectacular, were also significant, particularly in the technology sector. Major equity markets – shunned by investors as a result of three successive years of decline – staged a strong recovery beginning in the second quarter. The rally was sustained by favorable data on corporate earnings, an easing of geopolitical tensions and the attractive valuation of stocks relative to other asset classes. By year-end, the Dow Jones Industrial and Nikkei 225 Averages were up by about 25% each. In comparison, gains in Europe were more modest, with the FTSE Euro Top-300 Index increasing by only 11.7%. Among different European markets, Frankfurt's DAX shot up by 38% after more than three years of extensive losses.

In *foreign exchange markets,* the US dollar continued to slide against other major currencies – after peaking in early 2002 – reflecting the effects of relatively low interest rates and investors' concerns about the large US current account deficit. The dollar's slide – down 13% on a trade-weighted basis – saw the euro reach lifetime highs against the US currency, rising nearly 20% in 2003. Also noteworthy was the dollar's weakening against the yen and the pound sterling (down 10–11% in each case), the Canadian dollar (down 21.3%), and the Australian dollar (down 34%).

Major currencies in Latin America – and to a lesser extent in East Asia – firmed up against the dollar. After October 2002, the dollar depreciated against several Latin American currencies, most importantly the Brazilian real and Argentine peso (20–25% appreciation). Currency appreciation in Latin America, while negatively affecting exports, was welcomed because of the favorable impact it would have on reducing inflationary pressures and domestic demand.

World trade

World trade, having declined sharply in 2001, continued to recover at a moderate pace for the second successive year. World trade volume grew by 4.6% in 2003 compared to 3.0% in the previous year. This growth, however, fell short of earlier projections of 6.2%. Demand was hindered by general weaknesses in the automotive, air travel and technology sectors along with slackening domestic demand in the OECD countries. Euro Area exports, in particular, went through sharp compression. Although trade volume is expected to further strengthen in 2004, it is unlikely to witness an early return to the level experienced during the 1990s, which was sustained by global trade liberalization and the surge in capital inflows.

Developing countries' merchandise exports continued to outpace those of high income countries. Led by East Asia, exports volume growth in 2003 was 10% for developing countries as compared to 4.6% for advanced high income countries. The strength of East Asia's trade performance reflects to a large extent the growing interregional trade momentum. China, in particular, has become a major market for regional producers, with its nominal imports (excluding oil) growing at a compound rate of 12.2% since 1995, and much of the demand being met by regional producers.

External payments and debt

Despite the significant depreciation of the US dollar, the US *current account deficit* continued to widen, reaching more than 5% of GDP in 2003. This unprecedented deficit reflected a number of factors including the fast growth of US domestic demand relative to other industrial economies, the impact of fuller integration with other NAFTA economies, and the continuing export-oriented strategy of the Emerging Asian economies.

For *EU countries,* the aggregate current account balance remained unchanged registering a small surplus of less than 1% of GDP. The balance varied widely among EU member countries, ranging from more than 10% surplus for Luxemburg to 7% deficit for Greece. In the *EU accession areas,* external current accounts were predominantly in deficit and, in some cases, very large, underpinned by the strong increase in domestic demand as a source of growth.

On the other hand, the *Asia Pacific* region countries continued, for the most part, to show strong surpluses in their current accounts, raising concerns about the need to introduce more currency flexibility and refocus efforts on stimulating domestic demand. *Newly Industrialized Asian Economies,* in particular, topped the list of surplus economies, with Singapore registering a current account surplus of 24% of GDP.

In *sub-Saharan Africa,* external current account deficits, despite improved commodity markets, remained relatively high in most countries, reflecting high debt-servicing payments, weak demand for exports in Europe, and structural impediments to economic diversification. Among the few exceptions were Algeria, Libya and Côte d'Ivoire, which maintained strong current accounts surpluses owing to buoyant markets for their major commodity exports.

Net private capital flows to emerging markets rose by 34% to about $162 billion. The pick up was aided by low global interest rates and improved sentiment towards a number of key emerging markets, leading to better borrowing terms and an increased supply of funds. The increase was most significant in the Western Hemisphere (especially Brazil) and Developing Asia. Among the different instruments, debt financing through bonds more than doubled to $32 billion. Other private flows, such as bank loans and portfolio flows also showed an increase. FDI flows declined as a result of the slowdown in corporate restructuring and the winding down of privatization in some countries.

The overall *debt* situation of developing countries witnessed a noticeable improvement in 2003. The external debt ratio to GDP shrank from 41% in 2002 to 38%. Among the developing countries, the most significant improvement occurred in *sub-Saharan Africa,* where total external debt (in terms of GDP) and debt service payments (in terms of exports) dropped from 64% to 52%, and from 10% to about 6%, respectively. Also noteworthy was the decrease in external debt for the Middle East and Turkey region from 63% to 55%, mainly because of strong growth in output. The improved debt situation was aided by the pick up in growth, further debt relief operations among the HIPC countries, and a general slowdown in contracting new debt. The latter reflected a stronger tendency to live with less debt among many countries (especially in East Asia), including even those with improved financing conditions.

The prices of *non-energy commodities* continued a second year of sustained recovery, with the World Bank price index rising by more than 9% in real terms. Advances were most pronounced in the raw materials category (including timber, cotton, wool and rubber), which rose in real terms by more than 16%. Metals and minerals also witnessed a solid growth of about 11%. Meanwhile, agricultural commodities rose by about 9%, supported by improvements in the prices of grains, coffee and vegetable oils, which had witnessed severe declines from 1997 to 2001. Most other agricultural commodity prices showed modest gains, however, because of high stock levels and excess production capacity.

Outlook

With confidence improving, the world economy is expected to revive at a modest rate of about 4.2% in 2004 as compared to 3.5% in 2003. As in the past, the *United States* will provide support for the global upturn with its GDP growth accelerating to 4.2% in 2004. *Europe* and *Japan* are also expected to undergo progressive, albeit moderate, recovery rates of 2% and 1.8%, respectively, leading to a gradual reduction in unemployment.

The outlook for *developing countries* continues to be driven – to differing degrees – by developments in industrial countries, external financing conditions, geopolitical factors and country-specific developments. Improved world trade, coupled with an acceleration of growth in advanced economies led by the United States, should further boost export-led recovery in the emerging markets of *Latin America* and *East Asia*. Output growth in Latin America is to strengthen to 3.6%, while growth in *developing Asia* should be sustained at 6.5%. *Africa's* economic performance, notwithstanding political and weather uncertainties, is forecast to continue to improve with wide divergence among individual countries. The economies of *Chad* and *Equatorial Guinea* will be among the fastest growing in the world, both benefiting from rising oil wealth. The economy of *Zimbabwe,* on the other hand, is expected to shrink by nearly 9%. In the *Middle East,* the outcome in 2004 is expected to remain little changed at about 5%, helped primarily by a rebound in non-oil producers in response to the recovery of external demand, including tourism.

Despite the optimistic outlook for the world economy in 2004, a number of *risk factors* could undermine the prospects of recovery. The large twin deficits in the *United States* could lead to a rapid depreciation of the dollar, hence stifling the prospects of European recovery. Among the other risk factors is the high level of household debt in a number of countries including the *US,* the *United Kingdom* and *Australia,* which could deteriorate further if interest rates were to increase suddenly. In developing countries, a number of nations such as *Argentina, Brazil* and *Turkey* are still in the early stages of recovery and remain vulnerable to high levels of external debt and a reversal of investors' confidence. ●

The data in "The World Economy in 2003" has been compiled from the following sources: *The World Economic Outlook*, IMF, Sept. 2003; *The OECD Economic Outlook*, OECD, Vol. 2003/2; *Global Economic Prospects*, World Bank, 2004; Bloomberg Online; the OPEC Secretariat; and various others.

Saudi Arabia's Al-Herbish is new Director-General of the OPEC Fund

Mr. Suleiman Jasir Al-Herbish, former Governor for Saudi Arabia at OPEC and Chairman of several Saudi firms, including the National Shipping and the Arabian Drilling companies, assumed office November 1, 2003 as Director-General (DG) and Chief Executive Officer of the OPEC Fund. He replaced Dr. Y. Seyyid Abdulai, who had led the institution through the preceding 20 years.

Mr. Al-Herbish was appointed DG at the June, 2003, *24th Annual Session* of the Ministerial Council of the OPEC Fund in Abu Dhabi. The Council is the Fund's highest policy-making body.

Photo: B. Babajide

Mr. Suleiman Jasir Al-Herbish (left), is congratulated on his appointment as Director-General and Chief Executive Officer of the OPEC Fund by his predecessor, Dr. Y. Seyyid Abdulai.

In his acceptance statement, Mr. Al-Herbish said he would maintain the Fund's high standards of professionalism. He said the Kingdom of Saudi Arabia took a keen interest in the progress of developing countries, which explained why he came to the OPEC Fund. Saudi Arabia holds membership in several international development finance institutions and has a bilateral aid agency of its own, the *Saudi Fund for Development*.

Mr. Al-Herbish moved quickly to establish contact with member countries, their embassies in Austria (the host-country) and officials of the Austrian government. In a first visit to Gulf Member States of the OPEC Fund late December, he discussed ways of strengthening cooperation and expressed the wish for greater support and more contributions to augment Fund resources. He said the Fund would like to do more, if it had more resources.

Earlier in Vienna, Mr. Al-Herbish had declared an intention to work to raise the international profile of the OPEC Fund. He asked Fund staff to continue with the much appreciated work they were doing and said he saw an overriding challenge of striking a balance between the provisions of the mandate of the OPEC Fund and policies to ensure its sustainability into the future. Mr. Al-Herbish views his new role and responsibility as Fund DG as a challenge; one that would be in furtherance of his commitment to the objectives of OPEC as a multilateral institution.

At a formal reception to welcome him to the Fund, Mr. Al-Herbish pledged to give his best to ensure the growth and progressive development of "this prestigious institution," and expressed delight at coming to reside in Vienna, a city he knew well and had long admired. The reception was attended by ranking government officials, members of the diplomatic corps, OPEC Governors (meeting at the time in Vienna), representatives of the media and other guests.

Mr. Al-Herbish, 61, has served OPEC countries for more than 30 years in various capacities. Apart from Governor for Saudi Arabia at OPEC for 13 years and chairmanship of diverse Saudi concerns, including the *Saudi Arabian Texaco Inc.*, he has been an assistant deputy minister and director of various other companies such as the *Saline Water Conversion Corporation* and the *Saudi Company for Precious Metals*. He has headed many official Saudi delegations to key international conferences and represented the Kingdom in committees to establish OPEC policies and strategies on such issues as market share, production and price level stability. Mr. Al-Herbish is married and has four children. He studied economics in Egypt and the United States. ●

Summary of Cumulative Operations

As of December 31, 2003, the level of cumulative development assistance extended by the OPEC Fund stood as follows:

Public sector lending

A total of 981 loans worth $5,382.4 million had been approved. The loans fell into the following categories:

Project: 729 loans worth $4,169.3 million

BOP Support: 185 loans amounting to $724.2 million

Program: 42 loans valued at $314.8 million

HIPC Initiative: 25 loans totaling $174 million

Disbursement of loans

By the end of 2003 a total of 613 public sector loans had been fully disbursed, 239 had been partially disbursed, and a further 39 were still to become effective. An additional 90 loans had been canceled subsequent to original commitments. Total loan disbursements amounted to $3,455.5 million.

Regional distribution

Geographically, public sector loans approved through December 31, 2003 were distributed as follows:

Africa: 562 loans, valued at $2,711.8 million, provided to 46 countries

Asia: 261 loans, worth $1,967.2 million, extended to 29 countries

Latin America and the Caribbean: 151 loans, totaling $665.1 million, provided to 22 countries

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

Table 1

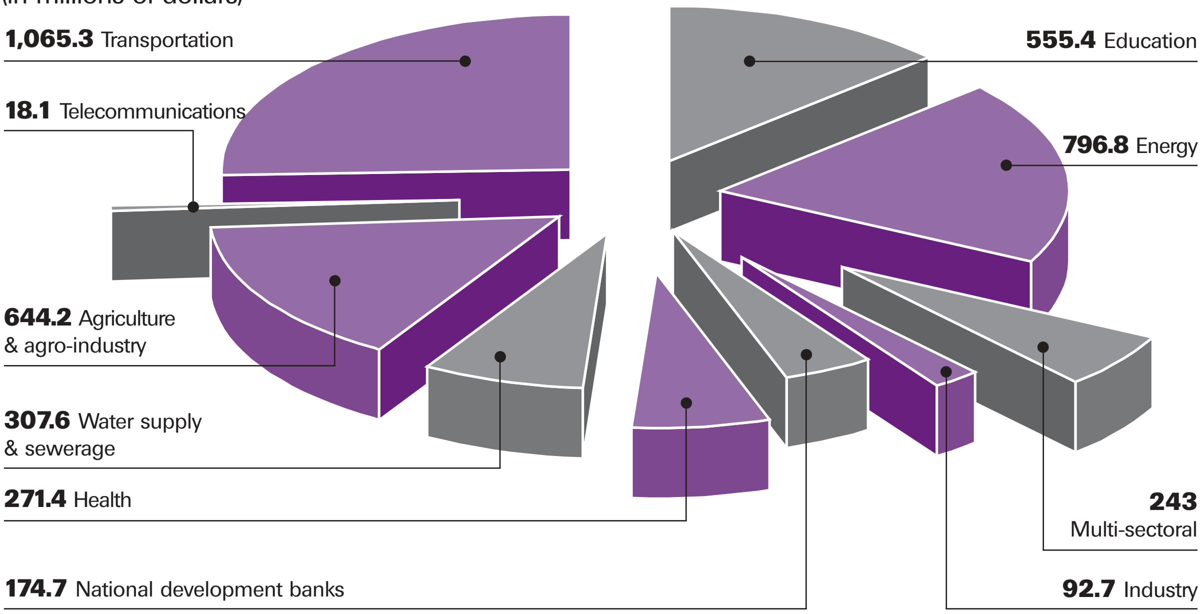
Total commitments and disbursements as of December 31, 2003
(in millions of dollars)

	Commitments	Disbursements
1. Public sector lending operations		
– Project financing	4,169.300	2,364.693
– BOP support	724.230	713.930
– Program financing	314.796	275.491
– HIPC Initiative financing	174.030	101.430
Subtotal	**5,382.356**	**3,455.544**
2. Private sector operations	**238.090**	**84.327**
3. Grant program		
– Technical assistance	104.217	96.126
– Special contribution to IFAD	20.000	20.000
– Research and similar activities	6.533	5.082
– Emergency aid	47.227	45.828
– HIV/AIDS Special Account	14.610	7.660
– Food Aid Special Grant Account	20.000	16.907
– Special Grant Account for Palestine	7.500	2.000
– Common Fund for Commodities	83.560	11.915
Subtotal	**303.647**	**205.518**
4. IFAD	861.100	732.000
5. IMF Trust Fund	110.721	110.721
Total	**6,895.914**	**4,588.110**

Chart 1

Sectoral distribution of public sector project loans as of December 31, 2003

(in millions of dollars)



Categories of recipient countries

By the end of 2003, the world's least developed countries had received $3,026.8 million, or 56% of the Fund's total public sector lending commitments, while other developing countries had benefited from loans worth $2,355.5 million, or 44% of the total.

Categories of loans

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

Project loans: $1,972.4 million to Africa; $1,727 million to Asia; $431.6 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 million to Latin America and the Caribbean.

Program loans: $176.1 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 $41.2 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: $1,065.3 million, or 25.6%

Energy: $796.8 million, or 19.1%

Agriculture and agro-industry: $644.2 million, or 15.5%

Education: $555.4 million, or 13.3%

Water supply and sewerage: $307.6 million, or 7.4%

Health: $271.4 million, or 6.5%

Multisectoral: $243.0 million, or 5.8%

National development banks: $174.7 million, or 4.2%

Industry: $92.7 million, or 2.2%

Telecommunications: $18.1 million, or 0.4%

(See Appendix I for full details.)

Private sector financing

Through its private sector window and by the end of 2003, the Fund had approved financing worth a total of $238 million in 47 operations in support of private sector entities in Africa, Asia, Latin America, the Caribbean and Europe.

Grants

By December 31, 2003, the Fund had committed a total of 658 grants worth $303.6 million.

Of this amount, $104.2 million was extended as technical assistance, often in cooperation with United Nations agencies and a number of other international development organizations; $47.2 million was made available in support of emergency relief operations; $6.5 million sponsored research and similar activities; $14.6 million was given to finance projects within the framework of the HIV/AIDS Special Grant Account; $7.5 million was approved from the Special Grant Account for Palestine; $20 million was given to the Food Aid Special Grant Account; 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 2003, agreements for CFC grants totaling $35.1 million had been signed by the OPEC Fund with 33 of these countries; $11.915 million had been disbursed.

IFAD

Established in 1977, IFAD is a specialized agency of the United Nations with the mandate to mobilize concessional resources for agricultural development in the 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, $731.9 million ($647.5 million in cash and $84.4 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, $184.0 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, $119.4 million ($111.6 million in cash and $7.8 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 $36.9 million has been paid in, and they committed $51.1 million to the fifth, of which $21.1 million has been paid in ($15.4 million in cash and $5.7 million in promissory notes). For the sixth replenishment, $23.9 million has been pledged, of which $11 million has been paid 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 committed $50 million to the Trust and has paid out the full amount. ●

The OPEC Fund in 2003

1. Year in Brief

In 2003, the OPEC Fund approved a total of 26 project loans worth $216.74 million to the public sector. Also approved was one loan valued at $9.5 million to finance a commodity imports program, and another of $10 million 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 57 grants valued at $31.637 million, of which $3.580 million went to finance technical assistance schemes, $300,000 supported projects within the framework of the HIV/AIDS Special Account; $20 million went to the Food Aid Special Grant Account; $5.5 million was committed from the Special Grant Account for Palestine; $1.007 million helped fund research and similar activities; and $1.25 million was extended to provide emergency humanitarian aid.

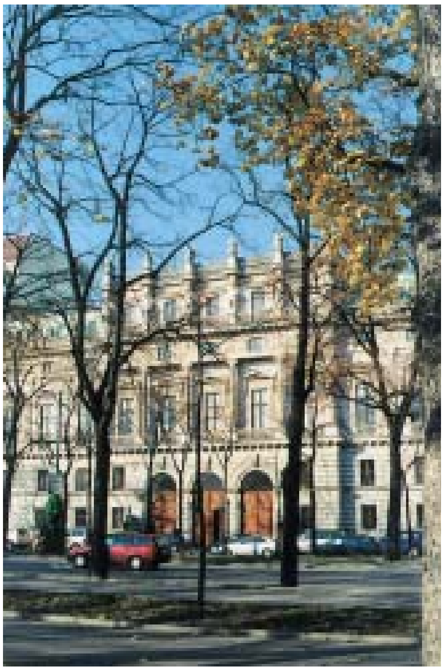


Photo: L. Cechura

The sum thus committed through the Fund's traditional windows for loan and grant operations in 2003 amounted to $267.877 million.

Approvals during 2003 through the Fund's private sector window, comprised investments totaling $47.95 million and concerned six operations in Africa, Asia, Central America and the Middle East.

Disbursements for the year totaled $258.499 million. ●

Table 2

Commitments and disbursements in 2003

(in millions of dollars)

	Commitments	Disbursements
1. Public sector lending operations		
– Project financing	216.740	132.644
– Program financing	9.500	–
– HIPC Initiative financing	10.000	43.100
Subtotal	**236.240**	**175.744**
2. Private sector operations	**47.950**	**56.609**
3. Grant program		
– Technical assistance	3.580	1.941
– Research and similar activities	1.007	0.583
– Emergency aid	1.250	1.428
– HIV/AIDS Special Account	0.300	2.900
– Special Grant Account for Palestine	5.500	2.000
– Food Aid Special Grant Account	20.000	16.907
– Common Fund for Commodities	–	0.387
Subtotal	**31.637**	**26.146**
Total	**315.827**	**258.499**

2. Public Sector Lending

One of the project loans approved during 2003 will co-finance an agricultural project in Cuba that aims to install 125 electrically-powered, low pressure irrigation systems.

Photo: Michael Wessely

As has become customary, the Fund continued to direct a large share of its commitments to the world's least developed countries (LDCs) during 2003. Handicapped by structural weaknesses and low levels of external earnings, these 49 countries suffer severe impediments to growth and are becoming increasingly marginalized from the mainstream of the world economy. Physical and social infrastructure is generally inadequate, health indicators are poor, and literacy and nutritional levels a major concern. To make matters worse, many LDCs must contend with ongoing political strife that exacerbates difficulties through the destruction of infrastructure and the displacement of large numbers of people from their livelihoods and homes.

In line with its commitments to accord LDCs special treatment, the Fund approved loans totaling $98.12 million to 11 LDCs during the course of 2003. This represented 41.5% of the Fund's overall lending commitments for the year, while 17 other low- and middle-income countries received lending in the amount of $138.12 million. Cumulatively, the LDCs have attracted 56% of the OPEC Fund's total loan commitments, with the remainder going to other developing countries.

Project Lending

Project loans approved in 2003 by the OPEC Fund numbered 26 and amounted to $216.74 million. The loans were extended to finance operations in 26 developing countries, and helped support projects in the sectors of transportation, agriculture, education, energy, health and water supply and sewerage, as well as operations of a multi-sectoral nature. For the sixth consecutive year, transportation attracted the lion's share of lending with a substantial 41.5% of commitments. Multi-sectoral projects attracted 23.7%, followed by education with 10.8%. The remainder was divided among agriculture (10.2%), energy (6.1%), health (5.9%) and water supply and sewerage (1.8%).

Loans to the **transportation** sector benefited 11 countries and totaled $90.0 million. The focus for many beneficiaries was on strategic arterial routes: Azerbaijan obtained $6 million to upgrade a section of the Europe–Caucasus–Asia Transport corridor; Burkina Faso received $7 million to bitumize the Kaya–Dori National Road, part of a major regional route linking to Côte d'Ivoire and Niger; Lebanon obtained $15 million to upgrade and build new sections of a road that connects Beirut with the Syrian border; Ethiopia acquired $15 million to re-surface a 180 km portion of the Trans African Highway network; and, Malawi obtained $5 million to pave part of the east-west Karonga–Lufilya corridor. For other recipient countries, Botswana ($10 million) and Tajikistan ($6 million), the priority was improving access to remote areas by upgrading

Table 3

Public sector lending to the Least Developed Countries (LDCs)

(in millions of dollars)

Type of operation in 2003	LDCs	Other developing countries	Total
Project loans	88.620	128.120	216.740
Program loans	9.500	–	9.500
HIPC Initiative loans	–	10.000	10.000
Total	**98.120**	**138.120**	**236.240**
(Percentage of total loan commitments)	(41.5)	(58.5)	(100.0)
Cumulative to the end of 2003			
Project loans	2,241.331	1,927.919	4,169.250
BOP support loans	465.680	258.550	724.230
Program loans	192.970	121.826	314.796
HIPC Initiative loans	126.830	47.200	174.030
Total	**3,026.811**	**2,355.495**	**5,382.306**
(Percentage of total loan commitments)	(56.2)	(43.8)	(100.0)

rural roads. Cambodia received $10 million to improve two important national roads and repair 95 worn bridges; and Sierra Leone will resurface the Tokeh-Lumley Road, which will help boost incomes for fishing communities that provide Freetown with most of its fish products. In the railways sub sector, Ghana took $5 million to recommission the Accra–Tema rail line in order to reduce urban traffic congestion; and, in the area of shipping, Papua New Guinea will use a $4 million loan to restore dilapidated marine transport infrastructure and provide isolated islands with affordable water transport opportunities.

Six **multi-sectoral loans** were approved in 2003: to Madagascar ($7.7 million), Guatemala ($10 million) and Vietnam ($9 million) for the development of rural infrastructure in needy areas and implementation of capacity-building and institution-strengthening measures, while Guinea received a $1.82 million supplementary loan to expand the scope of a rural development project to additional underserved areas. Turkey secured $9.9 million to provide technical assistance to cooperatives and producers' groups and create training schemes in two impoverished provinces in Central Anatolia, while Yemen obtained $13 million to finance sub-projects implemented by the Social Fund for Development in the areas of education, water supply, health and social protection and rural/feeder roads.

Resources valued at $23.32 million were committed for **education** projects in three countries. Tertiary education is the focus in Namibia ($6.62 million) and Tunisia ($12 million), with loans supporting the construction and upgrading of facilities, the training of teaching staff and the procurement of materials and equipment. Seychelles will use its $4.7 million to build a new primary school on the island of Praslin, including a school meals center and classrooms devoted to special needs children.

Chart 2

Public sector lending to LDCs

(in percent)

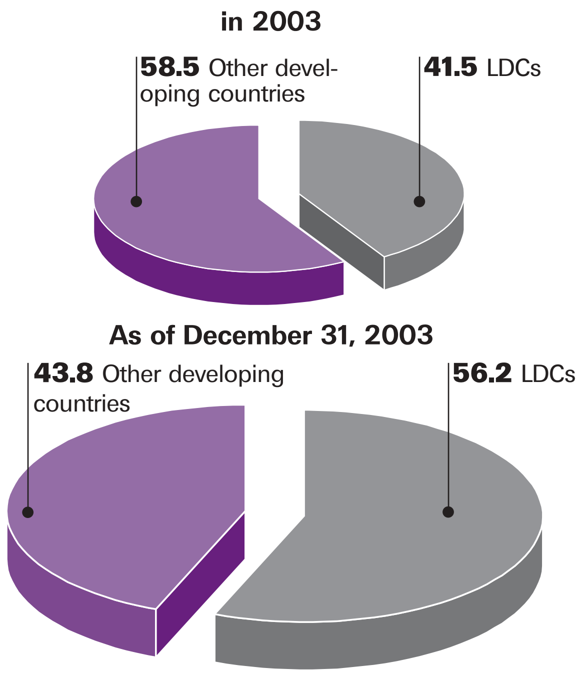


Table 4

Public sector project loans approved in 2003 – geographical and sectoral distribution

(in millions of dollars)

Country/region	Agriculture and agro-industry	Education	Energy	Health	Multi-sectoral	Transpor-tation	Water supply and sewerage	Total
Botswana						10.000		10.000
Burkina Faso						7.000		7.000
Cameroon				6.700				6.700
Cape Verde				6.100				6.100
Ethiopia						15.000		15.000
Ghana						5.000		5.000
Guinea					1.820			1.820
Lesotho							4.000	4.000
Madagascar					7.700			7.700
Malawi						5.000		5.000
Namibia		6.620						6.620
Seychelles		4.700						4.700
Sierra Leone						7.000		7.000
Sudan	12.000							12.000
Tunisia		12.000						12.000
Africa	**12.000**	**23.320**		**12.800**	**9.520**	**49.000**	**4.000**	**110.640**
Azerbaijan						6.000		6.000
Cambodia						10.000		10.000
Lebanon						15.000		15.000
Papua New Guinea						4.000		4.000
Syria			13.200					13.200
Tajikistan						6.000		6.000
Turkey					9.900			9.900
Vietnam					9.000			9.000
Yemen					13.000			13.000
Asia			**13.200**		**31.900**	**41.000**		**86.100**
Cuba	10.000							10.000
Guatemala					10.000			10.000
Latin America & the Caribbean	**10.000**				**10.000**			**20.000**
Total	**22.000**	**23.320**	**13.200**	**12.800**	**51.420**	**90.000**	**4.000**	**216.740**
(percentage)	(10.2)	(10.8)	(6.1)	(5.9)	(23.7)	(41.5)	(1.8)	(100.0)

Biking home in Cambodia. In 2003, road-building projects in Asian countries accounted for $41 million, or nearly 48% of the total project lending to that region.

Photo: Sepp Puchinger

For **agriculture and agro-industry,** two loans valued at $22 million were secured in 2003. Cuba obtained $10 million to replace obsolete hydraulically-driven, diesel-combustion irrigation schemes with electrically-driven, low-pressure systems in two key agricultural provinces; and the Sudan plans on using its $12 million loan to undertake a full-scale rehabilitation of five deep sluice gates at the Roseires Dam, which serves a number of large and small-scale irrigation networks.

One loan of $13.2 million in the **energy** sector was approved to Syria for replacing the cooling system at the Mehardeh Power Plant to help the country conserve water and reduce operating costs.

Two countries obtained loans for **health** sector projects: Cameroon ($6.7 million) plans on constructing a new 100-bed, fully-equipped referral hospital in Sangmelima town, while Cape Verde ($6.1 million) will replace four health centers and rehabilitate another on the islands of Boa Vista, Maio, Fogo and Santiago.

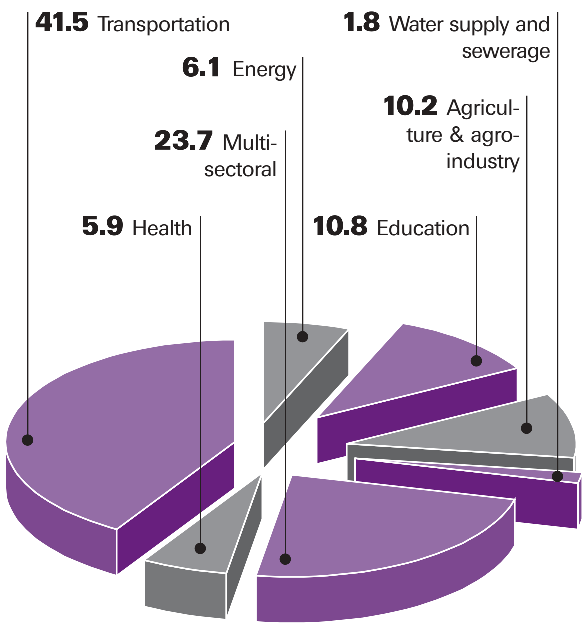
In the **water supply and sewerage** sector, Lesotho will use a $4 million loan to connect over 3,000 homes in Maseru's peri-urban areas to the water-supply network, and to construct storage reservoirs and pumping stations.

Program Lending

One program loan of $9.5 million was approved by the Fund in 2003. This went to Sierra Leone to finance the importation of petroleum products, food and medical supplies. ●

Chart 3

Sectoral distribution of public sector project loans in 2003
(in percent)



3. Private Sector Operations

The Fund's *Private Sector Facility* aims at promoting economic development by encouraging the growth of productive private enterprise in developing countries and by supporting the development of local capital markets. Established in 1998 and endowed with its own resources, the Facility complements the larger and more established programs of the Fund in the public sector and is now an integral part of Fund operations. As an alternative financing window, it has been in general positively received by governments in the Fund's traditional countries of operation. The focus of the Facility is on achieving maximum development impact together with satisfactory financial returns relative to the risks taken.

Photo: Michael Wessely

A roadside "call-center." Although the telecommunications boom is just getting started in most developing countries, it is already generating new businesses, including some small private ones.

During 2003, a successful five-year review of the Facility resulted in the Ministerial Council's pledging substantial additional resources to support the growing demand for risk capital and long-term financing from developing countries.

Development of the Fund's private sector legal framework continues to be an area of major importance. With the institution operating in certain countries for the first time, an assessment of local legislation and regulations as they pertain to private sector activity is essential. As a precondition for making any investments, the Fund requires the conclusion 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, 2003 investment protection agreements had been concluded with 53 countries, and of these 34 have entered into force. These include countries in regions across Central and South America, Eastern Europe and Central Asia, the Middle-East, Africa, the Far East and Indian Subcontinent, and Island States. As a matter of protocol, the Fund will only finance a project which enjoys the support of the host country's government.

Since the inception of the Facility, the Fund has emphasized the importance of institution-building activities. This has resulted in creating solid foundations to support the Facility as it expands. The policy and procedural framework encom-

Table 5

Private sector financing approved in 2003 – geographical distribution
(in millions of dollars)

Country	Recipient	Type of finance	Amount
Swaziland	Swaziland Development Finance Corporation	Line of Credit	3.00
Tunisia	Orascom Telecom Tunisie	Loan	9.20
Africa			**12.20**
Pakistan	Container Terminal Project in Karachi Port	Loan	7.75
Syria	Byblos Bank Syria	Equity	3.00
Syria	SpaceTel Syria	Loan	10.00
Asia			**20.75**
Regional – Guatemala, El Salvador, Honduras, Nicaragua & Costa Rica	Central American Bank for Economic Integration	Line of Credit	15.00
Latin America & the Caribbean			**15.00**
Total			**47.95**

passes operational, legal and financial processes. In addition, policy papers have been prepared addressing risk management and risk-rating systems, information technology, credit review processes, portfolio management, multi-currency lending, loan-pricing and provisioning issues. A private sector operations manual has been compiled for use by existing and new staff and for training requirements. Rolling three-year strategy papers are also prepared to ensure the Facility is expanded in line with the Corporate Plan objectives. Reporting structures include the preparation of progress reports to the governing bodies, portfolio and monitoring reports and annual business plans. This reporting serves to ensure the Facility is regularly reviewed and that it is evolving broadly in line with the policy framework and guidelines issued by the Ministerial Council and Governing Board.

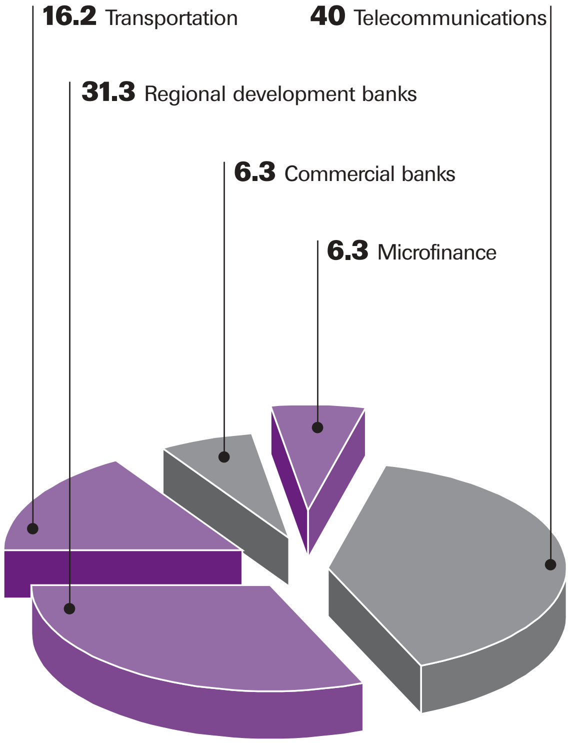
To date, the financing available through the private sector window has consisted mainly of loans and minority holding equity investments. Long-term loans are provided to finance small and medium-scale enterprises through financial intermediaries or directly to real-economy projects. The pricing of loans reflects components of country risk and project risk. New products recently introduced include leasing and quasi-equity.

Photo: Monica Ladurner

Maria sells delicious fruit juices in Dakar, Senegal. Sometimes a micro-loan is all a would-be entrepreneur needs to turn a good idea – or a great recipe – into a prospering mini-business.

Chart 4

Sectoral distribution of private sector financing in 2003
(in percent)



As the Fund is solely Vienna-based, it seeks to work closely with other international development finance institutions and regional and local banks. Projects have thus been co-financed with EBRD, IFC, PROPARCO and ICD among others. Formal cooperation agreements are in place with EBRD and PROPARCO. During 2004, the Fund will seek to strengthen these existing ties. It will also seek to collaborate further with sister organizations and develop new relationships with other institutions, including commercial banks and private sector organizations that finance projects in developing countries.

The main focus of the Facility in the formative years has involved the financing of small, medium and micro enterprises through lines of credit to financial intermediaries including micro-finance institutions, regional and national development banks, leasing companies and commercial banks. This early stage strategy has introduced the Fund to a number of leading financial institutions, several of which are now co-financing projects with the Fund.

Consistent with its longer-term objective of supporting a broader range of private sector operations and creating a more balanced portfolio, the Fund has been increasing its participation in non-financial sector projects. Preparation of selected sector papers during 2004 will assist with the business development objective of achieving a sector-related pipeline.

As of December 31, 2003, cumulative approvals for private sector operations amounted to $238 million. For 2003 private sector project approvals amounted to US$47.9 million across a broad range of sectors (see Chart 4).

A line of credit was provided to Swaziland Industrial Development Corporation (FINCORP) to assist with its term-lending program to its client base of micro-finance cooperatives and other micro and small businesses. A line of credit was also provided to the Central American Bank for Economic Integration (CABEI) to assist it with its private sector lending programs in member countries. An equity investment in a new commercial bank in Syria was also undertaken, as were two projects in the telecommunications sectors in Syria and Tunisia and a transport sector project in Pakistan.

Private sector financing guidelines and eligibility criteria 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, P.O. Box 995
A-1011 Vienna, Austria
Tel. (+43-1) 515 64-0
Fax (+43-1) 513 92 38
Email: administrator@opecfund.org

4. Grant Operations

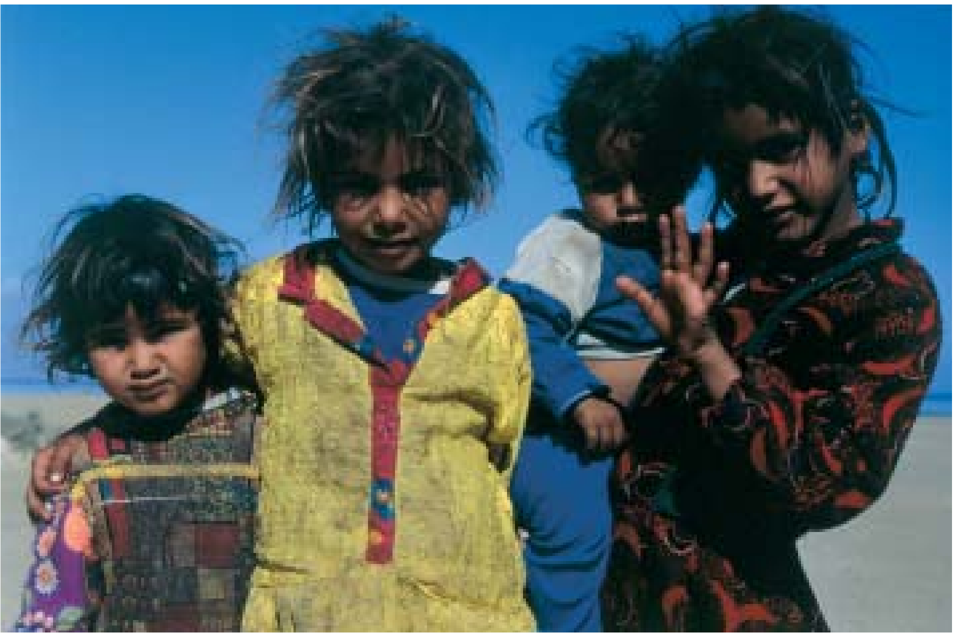


Photo: Peter Brunner

Although Fund grants are extended to a large variety of causes, many grants focus on providing the basic needs of the poorest and most vulnerable in developing countries: the children.

Through its grant window, the Fund channels greatly-needed resources into a wide range of schemes and activities for which loan assistance is usually not an option. These are extended in the form of technical assistance including support to micro and small-scale enterprises and deserving social causes, as sponsorship for research studies and, when occasion demands, as emergency relief for social and natural disasters. Grant activities have recently widened through the establishment of three Special Accounts; one that is dedicated solely to HIV/AIDS mitigation efforts, a second that co-sponsors relief and reconstruction efforts in Palestine, and the most recent, a Food Aid Account, which was set to help combat the hunger crisis pervading much of the African continent.

In 2003, 57 grants worth a total of $31.637 million were approved by the Fund. Of these, 23 were extended for technical assistance, nine supported research and similar activities, and two helped finance emergency aid operations. One initiative was sponsored from the HIV/AIDS Special Account, thirteen grants were drawn from the Special Account for Palestine, and nine grants totaling $20 million were used to distribute food rations through the Food Aid Special Grant Account.

In the sphere of **technical assistance,** resources amounting to $3.58 million were allocated to a variety of worthy causes. Support went to the AOAD to co-finance a Foot and Mouth control initiative in 14 Arab countries; to an AGFUND-supported scheme, launched in cooperation with UNESCO, to establish a computer network that offers e-learning for the blind and visually impaired in 21 Arab countries; to ICBA to sponsor a research project to identify salt-tolerant varieties of sorghum and pearl millet; to the IAEA to help finance tsetse fly eradication efforts in Ethiopia; and to the CGIAR to co-finance agricultural research schemes at seven CGIAR research centers. Funds were also extended to UNICEF to help boost the quality of primary education in Kenya; to UNODC in support of an ongoing drug abuse preventive education and health promotion project in Bolivian schools; to the FAO to co-finance three operations within the *Special Program for Food Security* in Cambodia, Haiti and the Sudan, and to GM-UNCCD to help protect dry-land areas in the WANA region. Other technical assistance grants helped finance the expansion of a women's vocational training center in Paraguay; supported the construction of a surgical unit at a

Chart 5

Sectoral distribution of grants in 2003
(in percent)

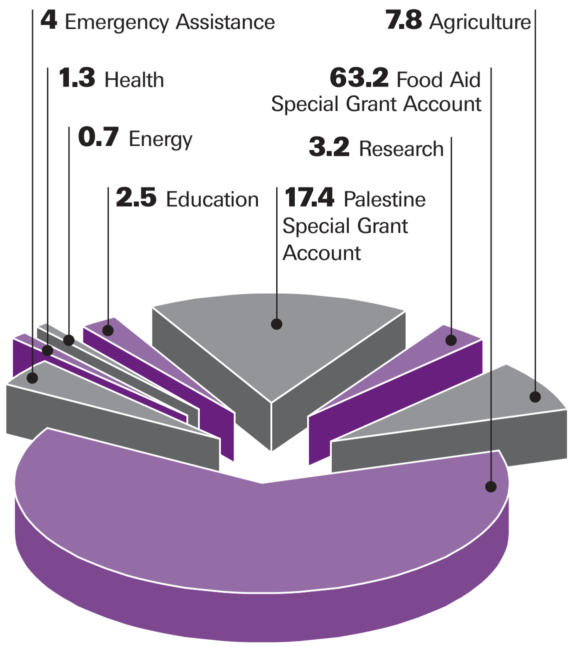


Table 6

Grants approved in 2003

(in thousands of dollars)

I. Technical Assistance	Commitments
AOAD: Control of Foot and Mouth Disease in the Arab Region (Phase I)	300.0
CIAT: Increasing Efficiency of Legume Cover Crops Use in Selected Benchmark Sites in Eastern Africa	70.0
CIMMYT: Improving the Resistance to Streak Virus of Lowland Tropical Maize in Eastern Africa	100.0
CIP: Integrated Crop Management (ICM) for Improving Food Security and Competitiveness of Resource-poor Potato Growers	100.0
FAO: Expansion of the Food Security Program	250.0
FAO: Partnership for National Food Security and Sustainable Natural Resources Management	250.0
FAO: Special Project for Food Security in North Kordofan	200.0
GM-UNCCD: Sustainable Development of the Drylands of West Asia and North Africa (WANA)	300.0
IACD: School-based Telecenters in Rural Guatemala	100.0
IAEA: Tsetse Fly-Free Zone for Poverty Reduction in Ethiopia	200.0
ICARDA: Community-Based Research for Agricultural Development and Sustainable Resource Management in Afghanistan	100.0
ICARDA: Decentralization of Barley Breeding with Farmers' Participation in WANA Region	100.0
ICBA: Development of Salinity-tolerant Sorghum and Pearl Millet Varieties for Saline Lands	200.0
ICRISAT: Harnessing Technology for Sustainable Development: Economic Empowerment of Poor Groundnut Farmers in Asia	100.0
ISNAR: Tuned in to Farmers: Linking Agricultural Research and Rural Radio in Sub-Saharan Africa	100.0
IWMI: Sustainable Use of Groundwater for Agricultural Production in Asia and Africa	100.0
OHFOM: Extension of a Surgical Unit to the District Hospital of Elavagnon, Togo	100.0
PROMU: Expansion of the EFAES Vocational School in the suburbs of Asunción, Paraguay	150.0
UNDP*: Formulation and incorporation of a national policy for renewable energy and energy efficiency into National Energy Policy of Honduras	100.0
UNDP*: Removing barriers to the development of renewable energy projects in Haiti	110.0
UNESCO: E-Learning for the Blind in the Arab Region	200.0
UNICEF: Free and Compulsory Primary Education in Kenya	200.0
UNODC: Drug Abuse Preventive Education and Health Promotion in Schools in Bolivia	150.0
Subtotal	**3,580.0**
II. Research and Similar Activities	
ACDESS: The Search for Sustainable Peace and Good Governance in Africa: Comprehending and Mastering African Conflicts – Phase II	100.0
BERDO: Disability and Development Project by the Community in Barisal District in Bangladesh	20.0
Colombo Plan: Regional E-Service Network	50.0
DPR Korea: Medical Equipment Training Program	37.0
Establishment of The Ibrahim Shihata Memorial LL.M. Degree Program in the International and Comparative Law in the Arab World	300.0
FLAME: Community School in Lusaka, Zambia	50.0
Islamic Community in Austria: Establishment of an Islamic Cemetery in Vienna	250.0
LRBT: Shapur Saddar Hospital	100.0
WPC: The Fifth World Parks Congress 2003	100.0
Subtotal	**1,007.0**

Table 6

III. Emergency Assistance	Commitments
Algeria	500.0
Iran, IR of	750.0
Subtotal	**1,250.0**
IV. HIV/AIDS Special Account	
UNECA: Commission for HIV/AIDS and Governance in Africa (CHGA)	300.0
Subtotal	**300.0**
V. Special Grant Account for Palestine	
Open Windows Youth House in Bethlehem	50.0
Development of Psychological Services for the Disabled Palestinians	50.0
Emergency Medical Equipment for Palestinian Hospitals and Medical Centers	2,000.0
Empowerment of Farmers and Women to Serve their Communities in the West Bank and Gaza Strip	200.0
Empowerment of Palestinian Women	30.0
Establishment of a Vocational Training Program for the Disabled	120.0
Establishment of the Kana'ni House	150.0
Improving the Quality of Palestinian Education	150.0
Increasing the Operational Capacity of the Abu Raya Rehabilitation Center	200.0
In-Service Teacher Training and Capacity Building Program	150.0
Rehabilitation and Reconstruction of Damaged Houses and Properties in Palestine (Phase II)	2,000.0
Supporting Farmers Affected by the "Separation Wall"	250.0
Upgrading the Vocational Training Courses at the Society	150.0
Subtotal	**5,500.0**
VI. Food Aid Special Grant Account	
DPPC/WFP: Eritrea, Ethiopia, Lesotho, Malawi, Mauritania, Mozambique, Swaziland, Zambia and Zimbabwe	20,000.0
Subtotal	**20,000.0**
Total	**31,637.0**

* The grant was drawn from the $6 million allocated by the OPEC Fund in 1980 to the UNDP Energy Account.

hospital in Togo, and assisted a scheme to establish school-based telecenters in Guatemala. Additionally, two grants were drawn from the UNDP Energy account to co-finance projects in Haiti and Honduras.

Research activities supported by the Fund drew grants totaling $1.007 million in 2003. This amount supported operations carried out by organizations such the *African Center for Development and Strategic Studies*, the *Colombo Plan Secretariat* and the *World Conservation Union*. The account also helped finance construction of an ophthalmology hospital in Pakistan, funded a training program for technicians at the *Pyongnam Area Hospital* in Korea DPR, and purchased supplies for a community school and orphanage in Zambia. Grants were also committed to help establish an Islamic Cemetery in Austria, and to set up an advanced law degree program for the Arab World in the name of former OPEC Fund Director-General, Dr. Ibrahim Shihata.

Emergency assistance in the total amount of $1.25 million was given to Algeria ($500,000) and IR Iran ($750,000), which were hit by severe earthquakes.

In 2003, $300,000 was committed from the **HIV/AIDS Special Grant Account** to support the Commission for HIV/AIDS and Governance in Africa, a UN policy-making body.

Thirteen projects totaling $5.5 million were approved from the **Special Grant Account for Palestine.** The sum of $2 million was used to repair and rebuild damaged and destroyed homes and public buildings; $2 million helped finance the delivery of medical equipment and replacement parts to hospitals and clinics; $930,000 supported seven social projects that addressed some of the most urgent needs of communities in the West Bank and Gaza Strip; and $570,000 went towards four capacity-building projects in the West Bank.

A **Food Aid Special Grant Account** was established in 2003 in response to the widespread famine across the African continent. Food rations and other supplies worth $20 million were distributed to nine seriously affected countries. ●

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. Previously, debtor countries had negotiated separately, and at great cost, with sets of bilateral, multilateral or private creditors. HIPC was initiated after the international community recognized that the high debt level in these countries was 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, reducing multilateral debt, and helping countries exit from endless debt restructuring to lasting debt relief. The Initiative adopted a strategy of fully proportional burden sharing among all official creditors.

By late 1998, it had become clear that the original HIPC Initiative would not achieve the stated objective of providing lasting debt relief for the target countries. As a result, the Initiative was revised, leading to the Enhanced HIPC Initiative, which incorporated three new key features. The first is deeper and broader debt relief aimed at providing more than twice the relief provided under the original framework. When completed in combination with traditional debt relief, the enhanced initiative will cut the outstanding debt of about 40 countries by more than two-thirds, thus bringing the average percentage of total debt to GDP from about 58% to less than 30%. The second feature is faster debt relief. It calls for participating creditors to provide debt relief beginning immediately or soon after the decision point. Finally, the third feature provides a stronger link between debt relief and poverty reduction, with freed-up resources set aside to support poverty reduction strategies, developed with civil society participation.

By December 31, 2003, 27 countries (23 in Africa and 4 in Latin America) had qualified to receive relief amounting to more than $51 billion (about $31 billion in net present value terms). Among the qualified countries, eight have already reached the completion point, while another 19 have passed the decision point but have not fully received their debt relief entitlement (completion point). Of the latter group, seven to 13 countries are expected to reach the completion point in 2004, with most of the remainder achieving this in 2005. A further 11 countries have not yet reached the decision point, largely because of political and economic difficulties which prevent them from making the required reforms.

The OPEC Fund has, from the very beginning, expressed its support of the Initiative and participated actively in its design. During 2003, the Fund added, within the framework of the Enhanced HIPC Initiative, another $10 million in new commitments (to Nicaragua) bringing the total amount to $174 million. Disbursements

Photo: Michael Wessely

Like a worker straining to push an impossibly heavy load, many developing countries are struggling with an enormous burden of debt. The HIPC Initiative seeks to reduce such debt to a manageable level.

made in 2003 amounted to $43.1 million, adding to the existing $58.3 million. So far, of the 24 HIPC countries for which the OPEC Fund has approved debt relief, 13 have received partial or full disbursement (see Appendix IV for the full list). ●

6. Cooperation with Other Organizations

To optimize the impact of its contribution to the international development effort, the OPEC Fund remains highly conscious of the benefits to be gained from collaborating closely with like-minded institutions in the development arena. In particular, these include 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, manpower and skills and helps avoid wasteful duplication of effort, which, in turn, strengthens the delivery of development aid.

The Fund continued its long-established policy of cooperation in 2003 by co-financing 17 public sector projects in collaboration with other external donors. These included OPEC aid agencies – 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, AsDB, BOAD, ECOWAS and IFAD. A total of $148.42 million was contributed by the Fund to these projects whose combined cost amounted to $782.27 million. (The sectoral breakdown of co-financed projects is illustrated in Table 7 below.) A further nine projects, costing a total of $83.94 million, were financed in conjunc-

In 2003, the largest single amount approved by the Fund was a grant of $20 million in support of the international campaign to alleviate hunger in Africa, which was led by the World Food Program.

Photo: WFP/Tessa Rintala

tion with the governments of the recipient countries and sponsored by the OPEC Fund to the value of $68.32 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 2003, these included ICD, IFC, Byblos Lebanon and the Standard Bank of London.

The majority of grant-financed operations also received support from external donors including, among others, AGFUND, AOAD, the Arab Monetary Fund, BADEA, SIDA, DANIDA, FAO, IAEA, ICBA, ICRISAT, IFAD, IFRC, IsDB, Saudi Fund, UNDP, UNESCO, UNICEF and the WFP.

Further details on co-financiers of Fund operations in 2003 may be found in Part Two of this Annual Report. Meetings and conferences attended by the Fund are listed in Appendix XII. ●

Table 7

Public sector projects co-financed with other external donors in 2003
(in millions of dollars)

Sector	OPEC Fund loans	Total cost of projects
Agriculture and agro-industry	12.00	17.70
Education	6.62	14.69
Energy	13.20	57.90
Multi-sectoral	27.60	106.29
Transportation	85.00	574.44
Water supply and sewerage	4.00	11.25
Total	**148.42**	**782.27**

Fund co-hosts Arab Aid Symposium

As part of the official side-events of the World Bank and IMF annual meetings in Dubai, UAE, at the end of September, the OPEC Fund, along with other financial institutions of the eight-member *Coordination Group of Arab National and Regional Development Institutions,* hosted a high profile *Symposium on Arab Development Aid*. The aim of the meeting was to enhance international awareness of Arab aid and to engage in dialogue with other key players in the global development arena.

The event, which was the first of its kind, was attended by a host of distinguished participants, including senior government ministers and high-ranking officials from the World Bank, IMF, United Nations agencies and regional development banks. Also present were private sector chief executive officers, representatives from leading non-governmental organizations and the media. Followed by a reception which allowed for networking and further discussion, the event was an outstanding success.

The symposium was moderated by Mr. Abdlatif Al-Hamad, Director-General and Chairman of the Board of Directors of the Arab Fund, and included a keynote address by HRH Prince Talal bin Abdul Aziz Al Saud, founder and President of AGFUND (see box), as well as interventions from a panel of eminent regional speakers.

Arab donors – unique aid record

In his opening speech, Mr. Al-Hamad noted that Arab development assistance was an "important source of development financing" and that it was both "welcomed and appreciated" by beneficiary countries. He went on to disclose that over the years the member institutions of the Coordination Group had collectively provided over $76 billion in development assistance to more than 140 developing countries. He cited the Group's "no strings attached" approach and its record of efficient delivery as two of the main reasons behind its standing as one of the largest and most successful providers of development aid.

Mr. Al-Hamad paid tribute to the "ideals of cooperation and partnership" practised by the Arab donors. "By pooling resources, coordinating efforts and drawing on the combined skills and expertise of its members, they [the Arab aid institutions] have succeeded to a measurable degree in eliminating duplication and waste," he declared. He noted also the Group's "special affinity" with its beneficiary countries. Coming from developing nations themselves, he said, the Arab aid institutions had a unique perspective on the problems

Photo: Bates Pangulf

At the first Arab Aid Symposium (left to right): Mr. Abdlatif Al-Hamad, Arab Fund Chairman of the Board and Director-General, Mr. Moeen Qureshi, former Prime Minister of Pakistan, HRH Prince Talal bin Abdul Aziz Al Saud, AGFUND President and founder, Dr. Omar Davies, Jamaican Minister of Finance and Planning, and Mr. Famara L. Jatta, Secretary of State for Finance and Economic Affairs, The Gambia.

associated with development and were particularly attuned to the needs of their partners. Alliances with cooperating countries, he noted, were therefore "built on foundations of solidarity and equality."

Elaborating on the relationship between the Arab donors and the countries they help, Mr. Al-Hamad emphasized the Group's commitment to the growing shift away from donor-driven development policies towards participatory processes and procedures. "This principle – that beneficiaries should ultimately own and be responsible for the implementation of their own development strategies – has always been central to the Group's policies," he stressed. Moreover, it was an approach that had only recently been recognized by the international donor community.

Regional perspectives

The three guest speakers, Mr. Famara L. Jatta, Secretary of State for Finance and Economic Affairs of The Gambia, Mr. Moeen Qreshi, former Prime Minister of Pakistan, and Dr. Omar Davies, Minister of Finance and Planning of Jamaica, described the contribution of Arab Aid to their respective regions, noting its constant re-positioning to accommodate the changing priorities of beneficiary countries.

By year-end 2002, Africa had received Arab aid amounting to almost $38 billion, a sum representing close to half of the total commitments channelled through the Coordination Group Institutions. Asia and the Middle East had attracted $36 billion in assistance to 36 nations, while countries in Latin America and the Caribbean had received financing totalling $1 billion.

Each speaker also explored avenues of future cooperation between the Arab donors and the rest of the developing world. Mr. Jatta noted with satisfaction the Coordination Group's approval of NEPAD, the New Partnership for Africa's Development, and its members' commitment to re-aligning their lending policies and operational strategies to best support the initiative. Both Mr. Qreshi and Dr. Davies highlighted a need to

Prince Talal urges greater cooperation and commitment from aid donors

In an outspoken keynote address at the Symposium, HRH Prince Talal bin Abdul Aziz Al Saud of AGFUND called on Western donors to face up to their responsibilities and honor their promise to help the world's poor.

Painting a harsh picture of poverty and destitution, starvation and disease, inequality and marginalization, Prince Talal said, "more than 800 million people suffer from hunger; thousands perish daily from preventable diseases; and vast numbers of children – the future custodians of our society – are growing up unable to read or write."

He condemned the "deplorable excess and waste" which had become "all too common" in the wealthy countries. "It would seem that more than ever before we are living in a world starkly divided into the 'haves' and 'have-nots.' That such polarized disparity continues to persist in what is, after all, a time of unprecedented prosperity, is indeed shameful," Prince Talal declared.

The AGFUND President was also highly critical of the 2000 UN Millennium Summit at which 150 world leaders signed a declaration committing them to achieving several important development goals by the year 2015, including cutting poverty by half.

"Subsequently, there has certainly been no shortage of dialogue, or of lofty promises and noble resolutions. And are we delivering? Obviously not. Here we are, almost a quarter of the way through the proposed time frame, and still with very little in the way of concrete achievements to show for our efforts," he challenged.

Prince Talal noted that the Arab aid track record was better than that of the richer, industrialized nations. With 0.85% of their gross national product offered in official development assistance, Arab donors had "consistently outstripped" the 0.3% provided by OECD countries and were well above the internationally set target of 0.7%. "Given their own domestic economic difficulties, this contribution is more than generous – it is a *true sacrifice,* because these resources could equally well be spent at home," he declared.

Highlighting the global nature of Arab aid, Prince Talal stated that it reached "far beyond enhance the role of the private sector in their regions, while maintaining support to poverty alleviation efforts and basic needs initiatives.

The Coordination Group

The Coordination Group is a collective body of three bilateral and five multilateral agencies set up to provide greater cohesion and effectiveness in the delivery of Arab aid, especially in regard to large-scale projects and programs that are beyond the capacity of any single member institution. Its members are the Abu Dhabi Fund for Development, the Arab Bank for Economic Development in Africa (BADEA), the Arab Fund for Economic and Social Development, the Arab Gulf Program for United Nations Development Organizations (AGFUND), the Islamic Development Bank, the Kuwait Fund for Arab Economic Development, the OPEC Fund for International Development and the Saudi Fund for Development.

Established in 1975, the Group meets twice a year at the level of Director of Operations to share initiatives, synchronize programs, and harmonize approaches and best practices. By year-end 2002, the Group's members had jointly delivered more than $76 billion in development assistance to 147 poor countries in all corners of the globe. This sum has supported projects across a wide spectrum of sectors, from agriculture and transportation to telecommunications and industry. Significant funding has also gone to the social sectors. Trade financing too is becoming an important part of the portfolio of these agencies as are lending to and equity investment in private sector enterprises. ●

HRH Prince Talal delivering the keynote address.

Photo: Bates Pangulf

immediate neighbors" to countries as far flung as Papua New Guinea, Honduras, Grenada and Belize – nations with little in the way of religious, cultural, economic or political ties with the donor group.

Prince Talal noted that over the years Arab aid had been both consistent and timely: "They [the Arab donors] have moved with the times, adapting and responding swiftly to new concerns and initiatives." Arab aid, he said, would continue to flow. "No-one can deny that the oil resources of Arab donors are finite and subject to depletion; but Arab aid is here to stay. Countries in need can count on a predictable and continuous flow of Arab development financing for years to come."

It was the primary concern of the Arab aid institutions, Prince Talal said, that their contribution remained "relevant" and continued to address the areas of greatest need. "Today the development agenda is dominated by the issues of debt relief, HIV/AIDS, the private sector, NEPAD and the Millennium Goals. Tomorrow we could be facing a completely new set of challenges."

Prince Talal urged the international donor community to come together and form a united front in the battle against poverty. "The Arab aid institutions are ready and willing to play their part, and welcome a deepening of cooperation with other bilateral and multilateral agencies, the United Nations development organizations and, of course, recipient countries," he concluded. ●

Public Sector Lending in 2003*

1. Africa

Botswana

Sector: Transportation
Project: Middlepits–Bokspits Road
Amount: $10 million
Terms:** Interest rate of 3.25% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Ministry of Works, Transport and Communication
Co-financiers: BADEA, government of Botswana
Loan administrator: OPEC Fund
Total cost: $35 million

Botswana, a landlocked, semi-arid country in central Southern Africa, has one of the lowest population densities on the continent. Agriculture is the mainstay of the economy, particularly cattle farming, as more than three-quarters of the beef processed is exported. Given the country's size and widely scattered population, road transport is vital for economic development. The 153 km-long, earth-surfaced Middlepits–Bokspits Road is situated in the Kgalagadi province and passes through a number of small towns, cattle posts and farms. The area is so remote that roads represent the sole means of transport for surrounding villages, where poverty levels are high and livestock trade comprises the key income-generating activity. Under the project, the Middlepits–Bokspits route and approximately 4 km of village access roads will be upgraded to all-weather standard. Traffic signs, drainage works and fencing will be installed, and careful measures undertaken to insure the protection of the surrounding environment. With the new road, villages in Kgalagadi will be able to enjoy improved access to the district capital Tsabong. The project will also help create employment opportunities for local non-skilled workers during the civil works phase.

Burkina Faso

Sector: Transportation
Project: Kaya–Dori National Road
Amount: $7 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: General Directorate of Roads, Ministry of Infrastructure, Transport and Urbanization

A roadside barbershop in Botswana. In Kgalagadi province, one of the remotest areas in this thinly populated country, a road will be upgraded to "shorten distances" to markets and social services.

Photo: Herbert Rathgeb

* All public sector lending operations in 2003 concerned development project financing, except for one program loan to Sierra Leone for commodity imports.

** There is a service charge on all Fund loans of 1% per annum on amounts withdrawn and outstanding.

Mortality rates for mothers and young children are high in Cameroon, where healthcare facilities are few and far between in rural areas. A new hospital in Sangmélima will provide medical services for 100,000 people.

Photo: A. Tarter

Co-financiers: ECOWAS Regional Development Fund, BOAD, IsDB, government of Burkina Faso
Loan administrator: OPEC Fund
Total cost: $34.28 million

The 163 km-long Kaya–Dori road, situated in northeast Burkina Faso, plays an integral role in the country's road network, as it makes up part of an important regional corridor that links Burkina Faso to Côte d'Ivoire and Niger. Classified as a "modern earth road" and surfaced with gravel, it is well over a decade old and has become extremely worn. Flooding is frequent during the rainy season, resulting in road closures that hamper income generation for the surrounding villages whose livelihoods depend on agriculture and animal husbandry. The road will be upgraded to double bitumen standard and designed to accommodate vehicles weighing up to 13 tons and traveling at speeds of 100 km/hour. Since the stretch passes over two earth dams that have deteriorated from the constant flooding, the dams themselves will be fully reconstructed, which will benefit both travelers and the farms that draw irrigation water from these sources. Once completed, some one million inhabitants living in and around the project area will enjoy advantages such as easier transport of produce and inputs, and enhanced access to markets, social services and jobs.

Cameroon

Sector: Health
Project: Sangmélima District Hospital
Amount: $6.7 million
Terms: Interest rate of 1.25% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: Ministry of Public Health
Co-financier: Government of Cameroon
Loan administrator: OPEC Fund
Total cost: $7.5 million

Healthcare services in Cameroon are of great concern, with infant/maternal mortality rates high and the incidence of malaria, HIV/AIDS, tuberculosis and other diseases rising. Only around 15% of the population has access to medical services, and existing facilities are often understaffed and lack essential medications and equipment. Rural areas are particularly under-served. Such is the case in the southern district of Sangmélima, home to around 100,000 people, where the nearest provincial hospital is located 120 km west of Sangmélima town in Ebolowa, and patients needing more specialized treatment must be transferred to hospitals in the capital Yaoundé, some 160 km north of Sangmélima. The project will construct a 100-bed referral hospital, capable of handling 200 in- and out-patients per day, in Sangmélima town. Works will comprise the construction of a hospital complex with operating theaters and wards for emergency care and general medicine, as well as for specialties such as obstetrics, pediatrics, orthopedics, ophthalmology and radiology. In addition to appropriate equipment, an initial stock of essential drugs will be provided for the hospital's first year of operation. As well as serving the Sangmélima district, the new hospital is expected to attract patients from neighboring countries, where health services are also limited.

Cape Verde

Sector: Health
Project: Health Centers
Amount: $6.1 million
Terms: Interest rate of 2.25% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agencies: Ministry of Health, Ministry of Infrastructure and Transport
Co-financier: Government of Cape Verde
Loan administrator: OPEC Fund
Total cost: $6.764 million

Cape Verde is an archipelago of 10 islands located in the Atlantic Ocean some 600 km west of Senegal. Although government has made impressive gains in improving health indicators, coverage remains unbalanced, due in part to the uneven distribution of the population. Many health care services are available only on the two larger islands; Santiago, where half of the country's 460,000 inhabitants lives, and São Vincente. As a result, facilities are frequently overcrowded and remote communities left underserved. To address this issue, the project will replace four existing health clinics with new, up-to-date facilities on the islands of Boa Vista, Maio, Fogo and Santiago. Each will be around

1,500 m² in size and built on sites that can accommodate future expansion. The clinics will provide round-the-clock emergency services, preventative and curative care, and be able to accommodate in-patients. Appropriate equipment, supplies and furniture will also be purchased. Additionally, a medical center on Santiago Island will be extensively rehabilitated. The new facilities are expected to directly benefit at least 80,000 people through the provision of accessible and affordable health care.

Ethiopia

Sector: Transportation
Project: Azezo–Metema Road
Amount: $15 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Ethiopian Roads Authority
Co-financiers: BADEA, Saudi Fund, government of Ethiopia
Loan administrator: BADEA
Total cost: $54.12 million

Ethiopia's poor road transport infrastructure has been a major obstacle to the country's socio-economic development, and jeopardizes food security as the movement of agricultural goods is slow and expensive. Road density is among the lowest in Africa, and it is estimated that around three-quarters of the population must travel for more than half a day simply to reach a road. Government has thus accorded high priority to the expansion and rehabilitation of the network as part of its poverty alleviation strategy. Situated in the northwest, the 180 km-long Azezo–Metema road provides an important trade link to the Sudan, and makes up part of the Trans African Highway Network that runs from Cairo, Egypt to Cape Town, South Africa. Under the project, this stretch, which passes through rich agricultural land, will be resurfaced to asphalt standard, have drainage structures installed, and safety features such as road signs and markings provided. On completion, the population will enjoy improved access to social services, and less expensive transport of inputs and produce. Throughout the project's implementation, thousands of unskilled workers will be hired, which will provide a welcome source of income for many families.

Photo: UNOPS/Diop

A new bridge in Guinea, where a multi-faceted project involves not only road-building, but also land development and borehole drilling, as well as construction of schools and health centers.

Ghana

Sector: Transportation
Project: Rehabilitation of Accra–Tema Rail
Amount: $5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Ghana Railways Company Limited
Co-financier: Government of Ghana
Loan administrator: OPEC Fund
Total cost: $5.5 million

Ghana's urban population, especially in the capital Accra, has burgeoned, with annual growth rates estimated as high as 4%. The corresponding rise in vehicle transport has caused major traffic congestion and excessive wear and tear on the road network. Road travel – whether motorized or non-motorized – has thus become virtually impossible, a difficulty that places considerable hardship on the urban poor. To rectify this situation, government aims at providing an affordable and reliable transport alternative by re-commissioning the city's rail-based transit system. This project will rehabilitate the abandoned 31.7 km-long Accra–Tema rail line. Works will include refurbishment of rails, sleepers and railway cars, and modernization of signaling and telecommunication equipment and railway stations. A stock of replacement parts and tools will also be procured. The renovated railway system will save commuters a vast amount of travel time, as the bus journey from Accra to Tema during peak traffic hours can take up to two hours – a trip only 30 minutes long by rail. It is estimated that some 4.1 million passengers per year will use the train service, which will help reduce traffic congestion, accidents and pollution.

Guinea

Sector: Multi-sectoral
Project: North Lower Guinea Small Farmers Development – II
Amount: $1.82 million (supplementary loan)

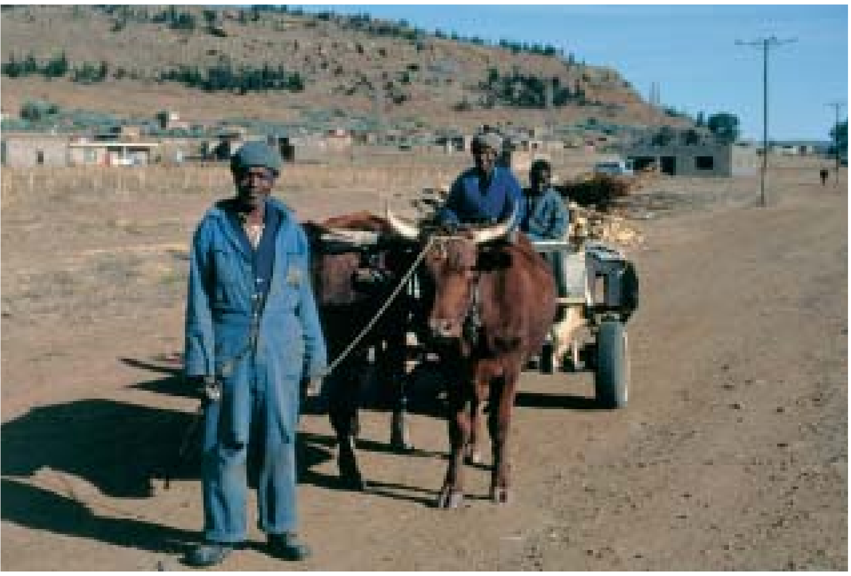


Photo: Michael Wessely

In Lesotho, only 12% of the land can be farmed. More and more rural inhabitants are migrating to Maseru in search of jobs. This development is putting severe pressure on the water supply system and other infrastructure.

Terms: Interest rate of 1.25% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Ministry of Agriculture and Livestock
Co-financier: Government of Guinea
Loan administrator: UNOPS
Total cost: $2.31 million

Guinea is endowed with fertile soils and a favorable climate for the cultivation of 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, compromising food security. This supplementary loan will co-finance completion of a project originally launched in 1997 to foster sustainable agricultural systems. It has since been expanded to encompass the prefectures of Telimele, Dubreka, Fria, Boka and Boffa, home to around 700,000 people. In consultation with the concerned communities, which have identified the areas of need, the project will construct/upgrade some 178 km of feeder roads and 12 bridges, and develop over 120 ha of lowland territory to expand rice-cropping activities. Water supplies will be enhanced through the drilling of boreholes, installation of pumps, and rehabilitation of village springs. Additionally, vital infrastructure such as schools, health centers, warehouses, dispensaries and a cultural center will be built and appropriately equipped and furnished. Training for the beneficiary population will also be provided in order to insure the sustainability of the initiative.

Lesotho

Sector: Water Supply and Sewerage
Project: Maseru Water Supply
Amount: $4 million
Terms: Interest rate of 1.25% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Water and Sewerage Authority
Co-financiers: BADEA, government of Lesotho
Loan administrator: BADEA
Total cost: $11.25 million

Lesotho's urban population has surged in recent years, particularly in the capital Maseru, due primarily to an enormous increase in the number of people migrating from rural areas to seek jobs. This situation has overtaxed available resources, especially in the water supply and sanitation sector. At present, only around one-half of Maseru's residents has an adequate supply of drinking water, while others must resort to purchasing water from vendors at over-inflated prices, or waiting in long queues at public water points. In light of this situation, government successfully implemented Phase I of a scheme to bring water to Maseru's peri-urban areas through the installation of pumping stations and transmission pipelines. This loan will co-finance Phase II, which aims to extend the network to encompass the north- and southwest zones of Maseru that presently lack a piped-in water supply. Around 150 km of pipelines will be installed, along with house connections and meters for around 3,000 homes. Two new reservoirs will be built with a total storage capacity of approximately 3,750 m^3, and two existing ones enlarged. Two pumping stations will be constructed, while another situated in the northwest zone will be completely upgraded. Additionally, some 13,000 meters of ductile iron main pipeline will be installed connecting the pumping stations to nearby reservoirs.

Madagascar

Sector: Multi-sectoral
Project: Rural Income Promotion
Amount: $7.7 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Ministry of Agriculture, Livestock and Fisheries
Co-financiers: IFAD, beneficiaries, government of Madagascar
Loan administrator: UNOPS
Total cost: $28.25 million

Agriculture is an important contributor to Madagascar's GDP and provides employment for almost three-quarters of the population. Rural poverty, however, is pervasive, due to the combination of dilapidated infrastructure, limited use of fer-


Photo: IFAD/ Arijaona Voahangy

Despite good growing conditions, most people in Toamasima province in Madagascar are subsistence farmers living below the poverty line. A new project will build rural infrastructure and provide agricultural training and small loans.

tilizers and pesticides, and a lack of credit facilities. The situation is especially acute in the province of Toamasima, where almost 90% of the inhabitants live below the poverty line. Objectives of this multifaceted project are to boost small farmers' incomes and insure food security by undertaking institutional strengthening and capacity-building measures across producer groups, commercial operators, local governance organizations and rural finance institutions. In addition, infrastructure such as roads, irrigation schemes and small plantations will be rehabilitated. Support will be extended to microfinance institutions in order to lift constraints that smallholders often face when applying for financial assistance. Small farmers will also be able to participate in literacy classes and agricultural advisory services. In order to facilitate rural populations' access to market places, some 25 market centers will be established, each varying in purpose and including collection centers for crops, agricultural processing centers and village granaries.

Malawi

Sector: Transportation
Project: Karonga–Lufilya Road
Amount: $5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: National Road Authority
Co-financiers: AfDB, government of Malawi
Loan administrator: AfDB
Total cost: $27 million

Malawi's tropical climate and fertile soils provide not only an ideal growing environment for cash crops, but also cater to the food needs of its 11.6 million-strong population. Since Malawi is a landlocked country, road transportation plays a vital role in the movement of both domestic supplies and exports. The quality of the 15,500 km-long road network, however, is poor, as only around 3,600 km of all roads are paved. As a result, transport efficiency has become severely limited, compromising the livelihoods of numerous agricultural communities and leaving many areas isolated. The Karonga–Lufilya corridor in the north of the country provides a strategically important east-west link to the Tanzanian and Zambian borders. Although the road runs through rich agricultural areas, only around half of the land is cultivated because most of this gravel stretch becomes easily flooded during the rainy season, thus hindering the transport of inputs and produce. Under the project, the 46 km-long road will be upgraded to bitumen standard, and drainage structures and bridges built. In addition, five rural secondary and tertiary roads with a total length of 200 km will be re-graded and reshaped, and culverts repaired or replaced. Once completed, these improvements will benefit both urban and rural populations by facilitating the international and interregional exchange of goods.

Namibia

Sector: Education
Project: Entrepreneurship and Skills Development

Amount: $6.62 million
Terms: Interest rate of 2.5% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Ministry of Higher Education, Training and Employment Creation
Co-financiers: Nigerian Trust Fund (administered by the AfDB), government of Namibia
Loan administrator: AfDB
Total cost: $14.69 million

Namibia possesses a number of post-secondary education institutions, including four *Vocational Training Centers* (VTCs), which offer specialty training in areas such as construction and electrical, mechanical and automotive engineering, and *Community Skills Development Centers* (COSDECs) that provide instruction in welding, bricklaying, computer skills and needlework/dressmaking. Although the centers' course curricula are constantly being updated, they have not kept pace with the requirements of the current job market. Government has thus empowered the Ministry of Education to create a *National Center for Innovation, Entrepreneurship and Technology* (CIET), which will be responsible for implementing capacity-building and institution-strengthening measures for all centers. A 4,000 m^2 main CIET facility will be built in the northern town of Tsumeb, which lies near five of the poorest and most heavily populated regions in Namibia. Four branch offices will be built in various parts of the country to insure services are equally distributed. A new, fully equipped and furnished VTC with boarding facilities will also be constructed, and training programs will be provided to some 30 teachers and VTC directors.

Such "remote control" vehicles are a frequent sight in Africa. Namibia is working to develop Vocational Training Centers where would-be auto mechanics, electricians and construction engineers can be trained for future jobs.

Photo: Hubert Neubauer

Seychelles

Sector: Education
Project: Baie St. Anne School Complex Construction
Amount: $4.7 million
Terms: Interest rate of 4% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Ministry of Education and Youth
Co-financier: Government of Seychelles
Loan administrator: OPEC Fund
Total cost: $5.25 million

Seychelles, an archipelago located in the Indian Ocean, consists of 115 islands. Praslin, the second largest island, is populated by around 6,500 people and divided into two districts, *Baie St. Anne* and *Grand Anse,* each with a primary school. The island's only secondary school is situated in Grand Anse, where the school meals center is also located. The Baie St. Anne Primary School was built over 50 years ago, however, and has fallen into disrepair. Classrooms at the Grand Anse School are becoming crowded, and the meal center is no longer able to meet the growing needs of the island. Under the project, the Baie St. Anne School will be torn down and rebuilt at a better location. The new 4,600 m^2, three-story facility will be fully fitted out with teaching aids, books and furniture, including two classrooms devoted to children with special needs. The complex will also house a modernized school meals center to replace the existing one in Grand Anse. Once completed, the new school will be able to accommodate 650 primary school pupils and provide crèche facilities for some 200 children.

Sierra Leone 1.

Sector: Multi-sectoral
Project: Commodity Imports Program
Amount: $9.5 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: Treasury Department of the Ministry of Finance/Bank of Sierra Leone
Loan administrator: OPEC Fund
Total cost: $26 million

After more than a decade of civil strife, Sierra Leone remains one of the poorest countries in the world, despite its relative abundance of mineral resources such as diamonds, gold and bauxite. Basic social infrastructure such as schools, hospitals

Photo: A. Benkhalef

In addition to new primary and secondary schools, the Fund is helping finance a school meals center on Praslin Island, the second largest island in the Seychelles.

and water supply systems has been destroyed, and more than two million inhabitants have been left homeless or internally displaced. This loan will help finance a commodity imports program, which will provide the country with much-needed foreign currency to help release funds for debt servicing and to support government's aim to promote socio-economic development. The Fund loan will contribute to Sierra Leone's yearly commodity imports. Since this scheme is of a multi-sectoral nature and designed to meet the country's reconstruction requirements, no emphasis will be placed on any particular item, although petroleum products, food and medical supplies have been earmarked by government as priorities. Other eligible goods include textiles, building and industrial materials, processing machinery, insecticides and replacement parts.

2.

Sector: Transportation
Project: Tokeh–Lumley Road
Amount: $7 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Sierra Leone Roads Authority
Co-financiers: Kuwait Fund, government of Sierra Leone
Loan administrator: Kuwait Fund
Total cost: $16.6 million

The combination of inadequate maintenance and more than a decade of civil strife has taken its toll on Sierra Leone's roads. Barely 900 km of the 11,300 km network is paved, and most roads are classified as being in poor condition. This situation perpetuates poverty for thousands of families who rely on agriculture for income-generation and subsistence. The Fund loan will help finance an upgrading of the 21 km-long Tokeh–Lumley road, an important section of the Waterloo–Lumley Road, which runs along the west coast and provides a key link to the capital Freetown. Works will entail the widening, re-aligning and upgrading of the gravel-surfaced road to all-weather standard, and the installation of drainage structures to prevent flooding. Two new bridges and 8 km of village access roads will also be built. A 300 meter-long stone reinforcement wall to protect the road from sea erosion is also envisaged. As the newly rehabilitated stretch passes through numerous fishing communities that provide Freetown with over half of its needs for fish products, economic activity will receive a considerable boost. Additionally, previously isolated villages will also be able to enjoy access to services such as health clinics, schools and marketplaces.

Sudan, The

Sector: Agriculture
Project: Roseires Dam Rehabilitation
Amount: $12 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: June 11, 2003
Executing agency: PIU, Ministry of Irrigation and Water Resources
Co-financiers: IsDB, government of the Sudan
Loan administrator: IsDB
Total cost: $17.7 million

One of the Sudan's greatest assets is a rich agricultural potential, with some 17 million ha of land planted with rain-fed or irrigated crops. The Roseires Dam diverts water from the Blue Nile to large- and small-scale irrigation schemes extending from Roseires town to Khartoum. In addition, the dam serves a nearby hydropower station that provides the Sudan with around 40% of its electricity. Water is released from the dam by means of high- and low-level gated outlets, the most important of which are five deep-sluice gates that prevent silt accumulation and control water flow. A series of inspections has revealed that the stainless steel-clad liners of the sluices have eroded considerably. Although a number of temporary repairs has taken place, none has provided a long-term solution. This loan will co-finance full-scale rehabilitation of the sluices to prevent breakdowns which could have detrimental consequences on agricultural production and compromise the delivery of electricity. The steel liners on all five sluices will be replaced and grouted, and all unprotected concrete surfaces refaced. The materials used will help insure 25 years of service without the need for major repairs. In order to insure the reliability and safety of the entire deep sluice installation, the hydro-mechanical plant and all associated equipment will be extensively refurbished.

Tunisia

Sector: Education
Project: Beja Higher Institute of Technology
Amount: $12 million
Terms: Interest rate of 2.75% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: Ministry of Higher Education, Scientific Research and Technology
Co-financier: Government of Tunisia
Loan administrator: OPEC Fund
Total cost: $15.07 million

Since the 1980s, Tunisia's government has initiated a number of reforms to strengthen the higher education sector, with steps taken to develop curricula relevant to the current job market and to accommodate burgeoning enrolment levels. In addition to 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, 12 such institutes have been set up successfully, and there are plans to establish a further 12 to give coverage in each of the country's 24 governorates. The new ISETs will contain a new component, a Management Training Center, to address the needs of small- and medium-scale enterprises. The current initiative will build an ISET in the governorate of Beja, situated some 80 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 also be built, and all associated computer equipment, didactic materials and furniture provided. Upon completion, the project will help spur the growth of small businesses in Beja, and meet the demand for more highly skilled labor. ●

A loan to the Sudan will co-finance an extensive rehabilitation of the Roseires Dam, which provides not only vital water for crop irrigation but also 40% of the huge country's electricity.

Photo: Ministry of Irrigation and Water Resources, the Sudan

Fund delivers food aid to Africa

An eyewitness account

In 2003 the African continent was hit by some of the worst food shortages in living memory. In an emergency triggered by drought and exacerbated by the HIV/AIDS pandemic, tens of millions of people found themselves on the brink of starvation. The OPEC Fund responded to the crisis by providing $20 million in humanitarian aid to help rush urgently needed supplies to the most severely affected countries.

At the end of August, Edwin Gutierrez, Acting Director of the Fund's Information and Economic Services Department, traveled to Southern Africa, the region worst hit by the famine, to oversee distribution of the Fund's food aid. He was accompanied throughout the trip by officials of the World Food Program (WFP), the UN agency responsible for channeling the Fund's assistance. The following are excerpts from his diary:

Scenes from a WFP center in Swaziland. Sacks of high-protein corn-soya blend stand ready for the day's first recipients, already queuing in the shade.

Photos: WFP/Tessa Rintala

August 25

After a long overnight flight from Vienna via Johannesburg, I arrive in Maputo, Mozambique in the late afternoon. I am met by WFP Regional Coordinator Deborah Saidy and country manager for Mozambique and Swaziland Angela Van Rynbach. Angela briefs me on the situation in Mozambique. Around 590,000 people are at risk of starvation. It is a crisis exacerbated, she informs me, by the heavy prevalence of HIV/AIDS. I learn that the infection rate among adults stands at 20% and that, bizarrely, attending AIDS-related funerals has become a regular social event. Angela explains how HIV/AIDS is an important link contributing to food insecurity, a message that is to hit home forcibly in the days ahead.

August 26

The day starts with a full briefing on Mozambique's food emergency at WFP offices. The logistics of tackling the crisis in a country as big as Mozambique are complex. In addition to large reception warehouses in the main ports of Maputo, Beira and Nacala, there are a further 50 secondary warehouses managed by some 40 NGOs. These same NGOs have established up to 20 final food distribution points per district countrywide.

Later in the day, I hold meetings with officials from the Ministry of Foreign Affairs, the Ministry of Finance and the National Institute for Disaster Management (NIDM). All are effusive in their thanks to the OPEC Fund for its timely assistance. The meeting with NIDM Director, Gumercindo Langa, is especially instructive. He explains that the food problems of Mozambique, like many other poor

Many recipients walked long distances, carrying small children and pushing wheelbarrows they needed to transport the heavy loads home.

While other recipients waited patiently for their rations, some men collected fallen kernels. When the need is great, there is nothing to waste!

Photos: E. Gutierrez; WFP/Tessa Rintala; WFP/Richard Lee

nations, tend to follow a repetitive pattern. Droughts, cyclones and floods lead year after year to poor harvests and inevitably to major food shortages.

Next, Angela takes me to meet representatives of UNICEF and FAO. UNICEF briefs me on the food status of children, emphasizing the effects of poverty, malnutrition and, the by now familiar, HIV/AIDS. I am disheartened to hear about the grim prospects for Mozambique's youngest generation and cannot help but wonder what this means for the future of the country. The FAO briefing concentrates on the negative effect of erratic weather patterns on food production. I learn that Mozambique has neither the financial capacity nor the storage facilities to keep emergency food stocks of its own. Little wonder the food crisis is ongoing.

August 27

My last day in Mozambique consists of a field trip to the interior of the country. We set off at 5 a.m. in a convoy of four-wheel-drive vehicles. Destination: a remote Food-for-Work project some four hours away. Here, the community is being encouraged to build agricultural assets in return for OPEC Fund food rations. A simple idea, but one I'm pleased to see seems to work rather well. Our next stop is at a final food distribution point. I watch as a steady stream of women from vulnerable households turns up to collect food for their families, many with babies strapped to their backs. I'm told that the majority have walked for up to two hours to reach the center. The journey home takes a similar effort, but with the added burden of the grain sacks. Our final stop is at a training camp where women are receiving instruction on how to prepare the high-protein, corn-Soya-blend provided by the Fund. The population is illiterate, so training is hands-on. I'm informed that this kind of program is called Food for Training as the local trainers are paid with food rations.

August 28

Angela, Deborah and I leave Maputo at 8 a.m. headed for Swaziland by road. En route, Angela gives me an introductory briefing on the country's food situation. The number of people at risk of starvation is estimated at 270,000. Once again HIV raises its ugly head. Angela tells me that the rate of infection in the adult population stands at a staggering 38%. Suddenly, Mozambique's situation no longer seems so bad.

We arrive in Mbabane by midday, just in time for my first appointment with the Chairman of the National Disaster Task Force (NDTF). I am left speechless by his incredible assertion that the rapid spread of AIDS is threatening to wipe out the 1.1 million population of the Kingdom of Swaziland. The pandemic has become the country's biggest threat to food security, so the Fund's food aid is going to households affected by the disease. My second appointment is with the Deputy Prime Minister, who thanks the Fund for the food aid. At the same time, he confides in me his country's longing for food self-sufficiency. With more financial help from the international donor community, he says, Swaziland could boost its agriculture sector and provide for its own citizens. I am humbled by his dignity. The day ends with briefings from UNAIDS and the coordinator of the UN system in Swaziland.

Photo: WFP/Tessa Rintala

A nutritious meal. Food purchased with a Fund donation was distributed in eight African countries by the WFP, which also operates a food distribution network for schools and orphanages.

August 29

Another field day. Again, Angela, Deborah and I head for the remote areas of the country. Our first port of call is a rural clinic for pregnant women and infant nutrition. Here, babies are checked for malnutrition and mothers are given Fund food rations for themselves and their infants. Next we visit a rural community care point (CCP) for orphans and abandoned children. The CCP is caring for about 80 small children with the help of volunteers. The facilities are in a sorry state – a four-room, roofless mud hut without running water or electricity. There are no tables, chairs or eating utensils. The children sit on the muddy floor, eat with their hands and drink water from a used plastic gasoline container. They receive just one meal a day – from the food aid provided by the Fund. As someone used to home comforts and three square meals a day, I find the experience overwhelming. My sense of hopelessness mounts when I learn that all of the children are HIV-infected and, in all probability, have just a few years left to live.

August 30

Returning to Johannesburg I am struck anew by the city's modern architecture and advanced infrastructure and services. It is a stark contrast to Maputo and Mbabane and makes me wonder if the general view of Africa as a backward and lost continent is really all that accurate.

August 31

Deborah and I fly to Maseru, Lesotho, where 650,000 people are at risk of starvation. Lesotho suffers from recurrent drought and soil erosion, which drastically reduces agricultural production. The high prevalence of AIDS (31% of the adults) also conspires against food security by reducing the number of farmers. An exodus of professional personnel seeking better prospects in South Africa exacerbates labor shortages.

By comparing the rates of HIV infection in Lesotho and Swaziland, I feel somewhat positive about the situation in Lesotho. The Minister of Agriculture soon dispels this illusion. The pandemic, he tells me, has had four severe outcomes. Firstly, the extended family system is overstretched, unable to cope with the growing number of orphans. This has led to a new social phenomenon – the abandonment of children: around 120,000 to date. Secondly, HIV/AIDS works as a breeding ground for other infections, preying on the weakened immune systems of the infected population. Tuberculosis, for example, is becoming a common and direct cause of death. Third, the pandemic is undermining the generational transfer of agricultural know-how. And fourth, livestock herds are becoming depleted due to the frequency of funerals, where it is the custom to slaughter an animal and cook it for the people attending. The meeting ends with a grim prediction by the Agriculture Minister when he expresses the view that the 2.1 million population of Lesotho risks extinction. My mind wrestles with the difficult concept of the map of Africa with two gaping holes in it.

September 1

Today is dedicated to field visits in outlying districts. First on the itinerary is a rural clinic. My first impression is one of disbelief at its extreme state of dilapidation. A concrete supporting beam has broken, leaving the roof listing precariously overhead. Only an improvised wooden pillar is preventing it from collapsing. The situation is brought to the attention of WFP officials. At another clinic, makeshift partitions subdivide the rooms, creating cramped examination areas that are almost impossible to work in. I ask Deborah about the long lines of people waiting to be seen and she tells me that many of them will be turned away and asked to return the next day. She adds that it may take two or three days of queuing before they finally get seen. I wonder at their patience, especially at that of mothers with sick children.

At the second clinic, an odd sight catches my eye – row upon row of wheelbarrows. Deborah explains that the clinics are also food distribution points and that many people bring wheelbarrows to transport their rations home. The walk is often long and over mountainous terrain. Donkeys and mules too are pressed into service to carry food to remote, inaccessible areas.

Towards the end of my visit, a man stops me to read a speech of thanks. Only afterwards do I realize that he has tuberculosis [as a result of AIDS], and I find myself forcing down feelings of anxiety at the risk to my own health. My admiration for the WFP fieldworkers rises to new heights.

In the afternoon, I meet with Lesotho's Minister of Agriculture. Expressing thanks to the Fund for its humanitarian support, the Minister comments wryly, "You do not check the teeth of a horse when it is given as a gift." He goes on to echo the words of Swaziland's Deputy Prime Minister, stressing the need to move away from humanitarian-based relief into a phase of proper economic development. With the help of institutions like the OPEC Fund, he says, Lesotho could unlock its agricultural potential and banish for good the ubiquitous problem of food insecurity. His comments bring to mind the medical analogy about treating not the symptoms but the disease and I wonder if we should not be doing more to tackle the root of Africa's problems.

September 2

My mission draws to a close. It has been a long and tiring 11 days. I have witnessed first-hand the devastating effects of the combined calamities of famine and AIDS. During the flight home, I reflect on this sobering experience. It is clearer to me than ever before that the problems of Africa are multiple and complex. There is a long way to go to lift the millions out of poverty and sickness. But the potential is there, as are the resources – not least of which are the proud and resilient people. I resolve that the OPEC Fund must continue doing what it can to support the continent's quest for a better tomorrow. ●

The OPEC Fund, a friend to the hungry

The OPEC Fund has a long history of supplying large-scale food aid to Africa. In 1981, when many parts of the continent were struck by prolonged drought and famine, the Fund contributed $25 million to the International Food Reserve. When famine hit again in 1984, many countries donated food, but there was a shortage of transport to distribute it. On this occasion the Fund provided $5 million for the purchase of vehicles to speed up the delivery of food supplies to affected areas.

Through its latest intervention, the Food Aid Special Grant Account, the Fund distributed 43,000 metric tons of food rations to starving communities in Eritrea, Ethiopia, Lesotho, Malawi, Mauritania, Mozambique, Swaziland, Zambia and Zimbabwe. The aid was provided in the form of wheat grain, maize, corn-Soya-blend, vegetable oils and pulses. ●

During the 1984 famine, when food distribution stalled for lack of transport, the Fund dispatched 179 robust trucks to 13 African countries.

2. Asia

Azerbaijan

Sector: Transportation
Project: Udjar–Yevlakh Road
Amount: $6 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Road Transport Services Department under the Ministry of Transport
Co-financiers: IsDB, government of Azerbaijan
Loan administrator: OPEC Fund
Total cost: $31 million

Azerbaijan possesses some 25,000 km of highways and rural roads, of which only around half is paved, and the majority is classified as being in poor condition. One particularly important stretch is the 444 km-long east-west link which forms part of the Europe–Caucasus–Asia Transport Corridor. A portion of this route, the 53 km-long Udjar–Yevlakh road, crosses the upper flood plain of the Kura River and passes through productive agricultural land and urban centers. Much of the road, however, has fallen into disrepair. In line with government's long-term aim to rehabilitate the entire east-west corridor, this project will upgrade a 44.5 km stretch of the Udjar–Yevlakh road to form half of a four-lane highway that will be completed under a future scheme. The remaining 8.5 km section will be converted into a four-lane dual carriageway. Drainage structures will be improved, culverts rehabilitated and bridges replaced or rebuilt. It is anticipated that the project will contribute substantially to poverty reduction through easier, cheaper and safer travel, and through enhanced access to income-generating opportunities, markets and social services.

Cambodia

Sector: Transportation
Project: Road Improvement
Amount: $10 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agency: Ministry of Public Works and Transport
Co-financiers: AsDB, government of Cambodia
Loan administrator: AsDB
Total cost: $73.8 million

Decades of civil strife have taken a toll on Cambodia's infrastructure, particular the transportation network, a situation that is particularly acute in the impoverished northwest region. Two important national roads that pass through the area are the NR5 and NR6, which connect three major towns: Siem Reap and Sisophon, provincial capitals that

Cambodia wants to rehabilitate 45 dilapidated bridges and upgrade 150 km of roads in its remote and impoverished northwest, a region with great agricultural promise.

Photo: Herbert Rathgeb

Photo: Council for Development and Reconstruction (Lebanon)

Lebanon aims to upgrade 26 km of the Pan Arab Highway and to construct 36 km of new roads to improve transport conditions between Beirut and Masna'a on the Syrian border.

provide linkages to the capital Phnom Penh and South Vietnam, and Poipet, a primary border crossing to Thailand. The stretches are presently in very poor condition and become easily flooded, and the associated bridges either need replacing or extensive repairs. The project will address these problems by widening and paving 150 km of the NR5 and NR6 with asphalt. Drainage structures will be installed, embankments raised to counteract flooding, and 45 bridges rehabilitated. Additionally, some 50 bridges along the Sisophon–Samrong–Kralanh route (NR56 and NR68), a region with enormous agricultural potential, will be reconstructed. Weigh stations will be built in high traffic areas in an effort to prevent excessive wear and tear. Once completed, the improved roads will help relieve the isolation of remote rural regions, and as the project area has a number of temples and other attractions, the country's tourism is expected to increase.

Lebanon

Sector: Transportation
Project: Pan Arab Highway
Amount: $15 million
Terms: Interest rate of 4% per annum; 20-year maturity, including a 5-year grace period
Approved: April 16, 2003
Executing agencies: CDR, Ministry of Public Works
Co-financiers: Arab Fund, Kuwait Fund, Saudi Fund, government of Lebanon
Loan administrator: OPEC Fund
Total cost: $246.3 million

Lebanon's roads play an almost exclusive role in the transportation of goods and people, and provide important linkages between urban and rural areas. Although the majority of the roads is paved, many sections are over 60 years old and require extensive rehabilitation. The 62 km stretch joining Beirut to Masna'a, which lies directly on the Syrian border, passes through key agricultural territory and popular tourist areas. The road, however, can no longer safely accommodate increased traffic loads. Under the project, a 26 km-long section of the Beirut–Damascus Road connecting Hazmieh (a Beirut suburb) to the town of Saoufar will be widened and upgraded to a divided, six-lane dual carriageway, including lighting and traffic signs. Three new sections totaling 36.5 km and connecting Saoufar to Masna'a will be constructed and paved with bitumen. Other related works entail the construction of overpasses, viaducts, drainage structures, interchanges and concrete barriers. The highway sections will be designed with a 20-year life span, with the built-in potential to extend the useful life by another 20–25 years. Once completed, the project will facilitate the transport of goods for export, improve economic activity and encourage trade opportunities between Lebanon and Syria.

Papua New Guinea

Sector: Transportation
Project: Community Water Transport
Amount: $4 million
Terms: Interest rate of 1.5% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Department of Transport
Co-financiers: AsDB, government of Papua New Guinea
Loan administrator: AsDB
Total cost: $26.84 million

Situated east of Indonesia, Papua New Guinea comprises the eastern half of New Guinea and numerous smaller islands and atolls in the Pacific. Although heavily dependent on its water transport system, marine infrastructure is deficient across much of the country, placing remote, rural communities at a particular disadvantage, with an estimated 500,000 individuals lacking a reliable and affordable means of transport. The project will address this issue by setting up a *Community Water Transport Fund* to provide transport subsidies to impoverished communities, and by restoring dilapidated infrastructure at 40 selected maritime transport facilities. Safety will be enhanced through the introduction of formal marine accident reporting and investigation; preparation of safety guidelines; development of a boat registration and licensing system and establishment of a country-wide marine radio network. Community extension services will be offered in isolated areas to enable the population to take advantage of potential rural development opportunities that will open up as a result of the improved transport services. To ensure sustainability of the scheme, all small-scale projects will be developed in collaboration with community stakeholders and village councils.

Syria

Sector: Energy
Project: Mehardeh Power Plant Cooling System
Amount: $13.2 million
Terms: Interest rate of 2.25% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: Public Establishment for Electricity Generation and Transmission
Co-financiers: IsDB, government of Syria
Loan administrator: OPEC Fund
Total cost: $57.9 million

Constructed in the late 1970s, the Hama province's Mehardeh power plant is driven by steam produced from expensive, highly purified water. The steam then reverts to water via the plant's *wet type* cooling system. Water used in the cooling process is drawn from the lake at nearby Mehardeh Dam, which often reaches critically low levels, especially during the irrigation season, causing interruptions in service, a problem exacerbated by Syria's growing demand for electrical power. Under the project, the plant's wet type system will be converted to a dry type cooling system. Works will include the installation of two cooling towers and all related equipment, along with an auxiliary system comprising four evaporative cooling towers. Instrumentation and control systems and a two-year's supply of spare parts will be provided to insure the continuous running of the installation. The "closed" nature of the new cooling system will prevent the evaporation of the costly purified water. The modernized system will also require less water from Mehardeh Dam for cooling, which will help conserve a vital resource in this arid country.

Tajikistan

Sector: Transportation
Project: Dushanbe–Kyrgyz Border Road
Amount: $6 million
Terms: Interest rate of 1% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Ministry of Transportation
Co-financiers: AsDB, government of Tajikistan
Loan administrator: AsDB
Total cost: $29.5 million

For landlocked, mountainous Tajikistan, its 26,000 km road network is the most important mode of transport, supporting the movement of agricultural goods and providing the rural population with access to commercial centers and mar-

Photo: AsDB

Rugged terrain, harsh climate and frequent landslides exacerbate road conditions in Tajikistan, where a major road rehabilitation project will be co-financed with a Fund loan.

A multi-sectoral project in Turkey will improve food security and raise incomes in two particularly poor areas by supporting investments to boost crop and livestock production.

kets. Although the majority of the roads are paved, most are over 30 years old and badly deteriorated, a problem aggravated by the country's harsh climate, recurring natural disasters and inadequate maintenance. Such is the case with Tajikistan's key transport corridor which links the capital Dushanbe to Darband on the Kyrgyz border. Built in the 1950s and last rehabilitated in the early 1970s, the road has deteriorated substantially. Unless urgent renovation measures are taken, the percentage of the population living in poverty in the surrounding area, which is now estimated at 91%, will increase. The Fund co-financed project will conduct extensive rehabilitation works on approximately 150 km of the two-lane highway. It will also include the repair and strengthening of embankments, and the installation of bridge protection structures against avalanches and landslides, as well as drainage systems and road safety features. Some 77 km of rural feeder roads will also be improved. The newly renovated roads will bring numerous benefits to the rural poor by facilitating access to social services and marketplaces.

Turkey

Sector: Multi-sectoral
Project: Sivas-Erzincan Development
Amount: $9.9 million
Terms: Interest rate of 3% per annum; 20-year maturity, including a 5-year grace period
Approved: September 16, 2003
Executing agency: Ministry of Agriculture and Rural Affairs
Co-financiers: IFAD, beneficiaries, government of Turkey
Loan administrator: UNDP Office for Project Services
Total cost: $30.04 million

Situated in the eastern half of central Anatolia, Erzincan and Sivas are two of Turkey's most impoverished provinces. The aim of the Fund co-financed scheme is to increase incomes and boost food security, while promoting the sustainable management of natural resources, among some 50,000 people whose livelihoods rely on agriculture. Activities will range from the creation of training programs and the provision of technical assistance to cooperatives and producer groups, to the planting of trees and fodder plants and the building of water-harvesting structures. The loan will specifically co-finance the establishment of a *Community and Cooperative Initiatives* (CCI) *Fund* that will support viable socio-economic projects put forward by the communities. The CCI Fund will allocate a one-time, low-interest seed capital loan to each cooperative, which will be used to cover investments in areas such as crop and livestock production/processing and marketing. Agricultural development will be promoted through the transfer of simple, low-cost technologies for enhancing crop production. Farmers who learn these new skills will train farmers from other villages. Also envisaged is the formation of 250 groups that will receive training in processing milk and honey, with the necessary equipment purchased via the CCI Fund.

Vietnam

Sector: Multi-sectoral
Project: Multipurpose Poverty Reduction
Amount: $9 million
Terms: Interest rate of 1.25% per annum; 20-year maturity, including a 5-year grace period
Approved: June 11, 2003
Executing agency: Provincial People's Committee Ha Tinh Province
Co-financier: Government of Vietnam
Loan administrator: OPEC Fund
Total cost: $11 million

Vietnam's Ha Tinh Province, home to around 1.27 million people, is one of the poorest areas in the country, with many villages lacking basic infrastructure. Most of the population depends on agriculture for subsistence and income-generation. Farming, however, is often made exceptionally difficult due to the region's harsh weather conditions, frequent droughts and water shortages, a situation that is particularly acute in remote, mountainous areas. To address some of these issues, the project will carry out works across a wide range of sectors. Some 192.6 km of rural roads will be upgraded, bridges rehabilitated and reinforced concrete bridges constructed. Education will be strengthened through the construction and refurbishment of some 484 primary and secondary school classrooms. The installation of small-scale irrigation schemes will increase irrigable land almost six-fold, and water shortages will be curbed by increasing the storage capacity of

Ha Tinh province is the focus of a project that will rehabilitate roads and bridges, construct a water reservoir, install irrigation networks and carry out rural electrification.

Photo: Rural Project Management Unit

the present reservoir system. Measures will also be introduced to extend the province's local power grid system to communes and villages. In addition, livelihoods will receive a much needed boost through the construction of a new, 15,000 m^2 marketplace in the Vu Quang district, which will accommodate around 200 small merchants.

Yemen

Sector: Multi-sectoral
Project: Social Fund for Development (Phase III)
Amount: $13 million
Terms: Interest rate of 1.25% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Social Fund for Development
Co-financiers: Government of Yemen, beneficiaries
Loan administrator: OPEC Fund
Total cost: $15.2 million

Institutional capacity in Yemen is weak, and an effective, efficient means of delivering social services remains a challenge. Established in 1997, the Social Fund for Development (SFD) is mandated to raise incomes and improve living standards among the poorer segments of Yemen's population by creating employment opportunities and expanding access to social services. The SFD has since carried out two successful interventions that provided investment in key social sectors. After identifying existing deficiencies, the SFD is embarking on the third phase of its operations in 20 governorates throughout Yemen. The focus will remain on sub-projects in the areas of education, water supply and environment, health and social protection and rural/feeder roads. As well as the construction/rehabilitation of infrastructure, institutional-strengthening and capacity-building measures will be implemented across all sectors. In addition, a social protection component will target special needs groups such as the handicapped, women, children and the mentally disabled. Phase III of the project is expected to have a long lasting effect and to promote the well-being of thousands of families by bettering educational prospects, improving health and sanitation services, and boosting household incomes. ●

3. Latin America and the Caribbean

Cuba

Sector: Agriculture
Project: Irrigation Systems Modernization
Amount: $10 million
Terms: Interest rate of 2.75% per annum; 20-year maturity, including a 5-year grace period
Approved: June 11, 2003
Executing agency: Ministry of Agriculture
Cofinancier: Government of Cuba
Loan administrator: OPEC Fund
Total cost: $15.35 million

Although heavily dependent on irrigated agriculture, many of Cuba's irrigation schemes are powered by hydraulically-driven, diesel combustion systems that after over 20 years in operation have deteriorated considerably and experience frequent breakdowns. Almost one-quarter of the country's irrigable land is concentrated in the provinces of *Matanzas* and *Ciego de Avila,* home to over one million people. The vast amount of land now under irrigation has out-stripped the capacity of the old systems, and it is now necessary to replace the entire network. This will be undertaken by installing a total of 125 electrically-driven, low-pressure irrigation systems in both provinces. The equipment will allow for a simultaneous application of fertilizers and pesticides, thus causing less soil disturbance and helping reduce erosion. Maintenance equipment such as cranes, mobile workshops and tools will also be provided to insure the smooth running of the network. The anticipated increase in agricultural yields will create more jobs and help make basic foodstuffs less expensive. Additionally, the electrically-driven system will reduce Cuba's need to purchase diesel fuel, thereby enabling the country to divert more resources to other areas such as health and education.

In Guatemala's northwestern highlands, a rural development project will provide inhabitants with the training and infrastructure they need to raise farm production and start small businesses.

Photo: Monica Ladurner

Guatemala

Sector: Multi-sectoral
Project: Western Region Rural Development
Amount: $10 million
Terms: Interest rate of 2.25% per annum; 20-year maturity, including a 5-year grace period
Approved: December 2, 2003
Executing agency: Ministry of Agriculture, Livestock and Nutrition
Cofinanciers: IFAD, beneficiaries, government of Guatemala
Loan administrator: UNOPS
Total cost: $48 million

Rural poverty is widespread in Guatemala, particularly in areas with the highest concentration of indigenous people. Many of these natives are landless or subsistence farmers who must supplement their household income by selling handicrafts or doing seasonal work on commercial farms. This multi-faceted project aims to develop the country's agricultural sector and reduce rural poverty levels in the Western Region. As well as institution strengthening and capacity building measures, a large number of sub-components will be carried out with a focus on encouraging the participation of women and indigenous populations. Activities will include teaching youth basic labor skills and offering training in management and marketing to small and micro-enterprise owners. A *Social Investment Fund* will finance community-based projects such as the rehabilitation of schools and clinics, and the construction of child care centers, water treatment systems and electrification structures. In addition, a *Productive Capitalization Fund* will be set up to help implement micro and small-scale schemes, including irrigation systems, small dams and wells, and the construction of farming terraces, fences, greenhouses and handicraft workshops. By supporting income-generating activities and agricultural growth and diversification, as well as providing better access to local and external markets, the project will give the economy of the Western Region a substantial boost. ●

Nutritional innovation in Cambodia

Soya milk factory brings protein to the poor

For the *Hagar Project,* a Swiss NGO based in the southeast Asian Kingdom of Cambodia, December 2003 marked the fulfillment of an ambitious dream that had been three years in the making – the inauguration of the *Hagar Soya Company Limited* (HSL), Cambodia's first large-scale soya milk producer. Thanks to financing from a host of donors, including the OPEC Fund, the new product, *So! Soya,* a wholesome, tasty and affordable form of protein, is now available to poor and undernourished families countrywide.

Since 1994, the Hagar Project has devoted itself to helping destitute Cambodian women and children by providing them with temporary homes, schools, counseling and literacy classes. As most of the women have been widowed or abandoned by their husbands, and often come from abusive situations, Hagar's schemes give them the chance to rebuild their self-esteem by learning new skills that enable them to earn an income and support their families.

From little acorns...

It was back in 1998 that Hagar first set up a small soya milk-producing enterprise staffed by a number of women from its shelters. The milk was sold to schools and the general public, and proved to be an excellent means of boosting nutritional levels in a country where malnutrition is rife. Just twelve months later, the scheme was operating at a profit and Hagar was able to start plowing the revenue back into its other activities. The milk, however, had a short shelf-life and required refrigeration, a rare luxury in an impoverished country with sweltering summers and little temperature variation between seasons. Hagar therefore had the vision of expanding business operations and developing a longer-lasting product, with the goal of becoming self-supporting and easing dependence on donor assistance

Support was sought from the *Mekong Financial Project Development Facility* (MPDF), a multi-donor initiative that specializes in assisting small- and medium-scale enterprises in Cambodia, Laos and Vietnam. MPDF recognized the enormous potential of the scheme and set the wheels in motion by drawing up a business plan, creating marketing strategies and helping Hagar access sources of funding. Specialists were also brought in to work out a factory design, provide expertise in food processing and packaging, and to help forecast costs and staff needs.

...great oaks grow

These painstaking efforts finally brought the idea to fruition, and *Hagar Soya Limited* was born. The new factory, situated in the suburbs of Phnom Penh, has graduated from being a micro-enterprise, producing 500 liters of soya milk per day to a $1.2 million facility that turns out 12,000 liters daily. Half of the workers are mothers and young women from the Hagar Project's shelters and foster homes. *So! Soya* possesses numerous advantages – it is the first soya milk product created using *ultra-high temperature processing,* which gives it a long shelf life and no need for cooling. It is also packaged in recyclable *Tetra Pak* cartons, using a technology that adheres to the most rigid hygienic requirements and keeps the milk fresh-tasting.

Although Hagar Soya is now a legally registered company independent of Hagar, it has by no means lost its connection with its founder. As a majority shareholder in HSL, the Hagar Project is able to channel its share of the dividends back into its many social programs. Rural farmers also benefit as the

So! Soya is a true success story – even Her Majesty Queen Norodom Minineath Sihanouk drinks it! Hagar Soya has grown from a micro-enterprise to a profitable business with a gleaming new factory and 40 employees.

Photos: Hagar Soya Ltd.

factory purchases only locally-grown soybeans, giving incomes a much-needed boost and helping prevent urban migration. In fact, one of the all-women farming communities supported by the Hagar Project also cultivates and sells soybeans to Hagar Soya. The modernized factory and improved product has enabled *So! Soya* to be sold to more distant parts of the country, which will do much to raise the nutritional status in remote communities. Hopes are to eventually increase output to a point where a surplus exists for export.

Hagar's privatization program

This thriving enterprise is not the only self-sustaining program developed by the Hagar Project. Only a few years earlier, and also with technical and financial support from MPDF, Hagar transformed its silk craft workshop into *Hagar Design Limited,* which employs formerly homeless women. Hagar Design turns out a dazzling array of hand-made purses, travel accessories and home decoration items that are sold to high-end markets in Europe and Asia, with sales slowly rising in other regions. Female weavers in rural Cambodia have earned good incomes from selling their hand-woven silk to Hagar Design.

Hagar Catering is another flourishing operation with promising growth potential. Here, 22 women who have completed the Hagar Project's vocational training program are contracted by a garment factory to prepare and sell some 1,000 healthy, low-cost meals per day to its workers, which not only promotes the employees' health and well-being, but also helps reduce illness and absenteeism.

The success of these achievements is impressive. Scores of women are now bringing home a respectable income and taking enormous pride in being able to send their children to school. With more and more developing countries experiencing high unemployment rates and a shortage of jobs for ever-growing populations, these self-sustaining enterprises can serve as an excellent model for other NGOs that are considering privatizing their activities to provide a better future for the poor and marginalized. ●

Private Sector Operations in 2003

1. Africa

Swaziland

Recipient: FINCOR (Swaziland Development Finance Corporation)
Type of Instrument: Line of credit
Sector: Financial
Amount: $3 million
Approved: April 16, 2003

The purpose of the line of credit to FINCOR is to assist the organization in the development of its term lending program to its client base of microfinance cooperatives and other micro and small businesses. Founded in 1995, FINCOR is seeking to expand, to offer new products and make a larger contribution to the development of Swaziland. Financing for businesses in rural areas, particularly for smallholders, is in relatively scarce supply, with financial institutions generally focusing on towns and larger businesses. Given the loan size and the operational focus of FINCOR, activities will concentrate on the microfinance and small business sector, which is regarded as being the most promising in terms of employment creation and general economic benefits.

Tunisia

Recipient: Tunisiana (Orascom Telecom Tunisie)
Type of Instrument: Loan
Sector: Telecommunications
Amount: €10 million ($9.18 million equivalent)
Approved: September 16, 2003

Tunisiana was formed in 2002 and is the second GSM mobile phone operator in Tunisia. Awarded a 15-year license to install and operate a GSM network throughout the country, Tunisiana is backed by highly experienced operators such as Orascom Holdings of Egypt and Wataniya Telecom of Kuwait. The Fund's loan is part of a €280 million financing package, and will be used to assist Tunisiana in expanding its network capacity, thereby enabling it to reach a larger volume of subscribers and to increase its profits. In recent years, investment by the government in the telecom infrastructure has been substantial, and the legislative foundation is now in place for a liberalized telecom market. Tunisiana thus expects a rapid increase in the number of mobile phone owners, from around 4% of the population in 2003 to some 41% by 2012. ●

Pakistan International Container Terminal is one of six private enterprises in developing countries that will benefit from the Fund's private sector operations in 2003.

Photo: Pakistan International Container Terminal, Ltd.

2. Asia

Pakistan

Recipient: Pakistan International Container Terminal Ltd.
Type of Instrument: Loan
Sector: Transportation
Amount: $7.75 million
Approved: April 16, 2003

The loan provided by the Fund forms part of a total financing package of $29.2 million for six gantry cranes together with civil works and supporting equipment at Karachi Port. The project is the first phase of a three-part agreement with the Karachi Port Trust for the development of a common user container terminal at a total cost of $82 million. On completion, the project will improve cargo handling efficiency at the port,

Photo: Byblos Bank

Byblos Bank, a private bank headquartered in Lebanon, aims to open branches in Syria and provide new banking services there, including financing for small and medium-sized enterprises.

stimulate trade, and benefit port users including shipping lines, importers and exporters through lower transport costs and higher service levels.

Syria

Recipient: Byblos Bank Syria
Type of Instrument: Equity
Sector: Financial
Amount: $3 million
Approved: April 16, 2003

The Fund's equity investment in this new banking institution will help meet the financing needs of Syria's private enterprise sector. In line with government aims to modernize the banking system, Byblos will provide new services, including assistance to small and medium-scale enterprises which constitute an important part of economic activity in the country. In 2001, the Syrian government approved a new law with the objective of reforming the banking system and transforming its effectiveness. The establishment of new private banks is seen as a vital step in establishing a strong environment for stimulating domestic economic growth.

Recipient: SpaceTel Syria
Type of Instrument: Loan
Sector: Telecommunications
Amount: $10 million
Approved: December 2, 2003

SpaceTel, which was formed in 2001 to provide mobile GSM services in Syria, is the second GSM service provider in the country. Awarded a 15-year license on a build, operate and transfer basis, the company has a revenue-sharing agreement with the government. The purpose of the Fund's loan is to assist SpaceTel in the expansion of its network capacity to meet growing demand. The development of an acceptable customer-responsive mobile telecommunications network will enable the country to compete more effectively in the world economy. ●

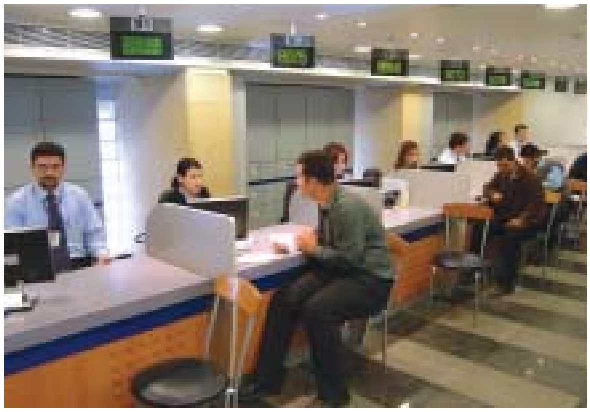


Photo: Spacetel Syria

SpaceTel, Syria's second largest GSM service provider, plans to expand its network with financing provided in part through the Fund's Private Sector window.

3. Latin America

Central America

Recipient: Central American Bank for Economic Integration (CABEI)
Type of Instrument: Line of credit
Sector: Financial
Amount: $15 million
Approved: April 16, 2003

CABEI is a multilateral development bank based in Tegucigalpa, Honduras. Founded in 1960, CABEI has traditionally financed public sector projects, but since 1991 it also operates in the private sector. The Fund's line of credit will be used directly to finance private sector real economy projects and indirectly to on-lend to small- and medium-scale enterprises through financial intermediaries. The facility will allow CABEI to maintain and expand its ability to lend on a longer-term basis with maturities of from five to 10 years, thereby assisting in the overall economic development of the region. ●

OPEC Fund HIV/AIDS Program

Special Grant Account *is replenished*

The HIV/AIDS Program of the OPEC Fund, on course since June 2001, received executive recognition in June, when the Ministerial Council of the Fund, meeting in its 24th Annual Session in Abu Dhabi, UAE, resolved to replenish the Program's *Special Grant Account* with $15 million in new money – the same amount the account was initially endowed with. The replenishment brought the Program's cumulative resources to $30 million. The Ministerial Council is the OPEC Fund's highest policy-making body.

Photo: IFRC/Marko Kokic

Peer counseling – youth to youth – is the most effective way to inform teenagers about HIV/AIDS and how to protect themselves. According to current estimates, 33% of all virus carriers are between 15 and 24.

Policy

The Council reaffirmed the need for continued OPEC Fund involvement in the *global campaign against HIV/AIDS* "both as a matter of policy and in terms of long-term financial commitment." In 2001, the Council had called on the Fund's Management to pursue such projects and programs [as feasible] to help ensure containment of the disease.

The Special Grant Account for HIV/AIDS Operations and the HIV/AIDS Program of the Fund represent a multilateral, humanitarian contribution of OPEC Member Countries concerned about the unacceptable toll the disease is taking on human lives. The grant is extended in solidarity and good faith and is expected to support individual and collective efforts, worldwide, to arrest the spread of the pandemic.

Under the *initial endowment,* the OPEC Fund worked closely with a number of lead agencies in the global campaign: the World Health Organization (WHO); the United Nations Population Fund (UNFPA); the International Red Cross and Red Crescent Societies (IFRC); and the United Nations Economic Commission for Africa (UNECA). In various progress reports, most ending December 2003, implementing agencies spoke of successes in the field as well as setbacks caused by a difficult environment. Essentially, however, diverse projects under the supervision of WHO, UNFPA and IFRC were delivering interventions in multiple countries in the core areas of *prevention, care and support* to people living with HIV/AIDS and in reducing vulnerability.

With the *replenished account,* the OPEC Fund proposes to finance additional projects, programs and initiatives and to follow-up on current work, where necessary. The Fund will continue with the policy of collaboration with lead international organizations. The intention remains to reach people in dire need, especially in Africa, Asia, the Pacific, Latin America and the Caribbean.

Motivation

The Fund's involvement in HIV/AIDS operations followed representations from the institution's beneficiary countries which warned of a looming threat to development projects and programs, especially in the rural areas of the developing world. The Fund saw a need to stand by the affected countries and assist in difficult times. Mr. Suleiman Jasir Al-Herbish, the new Director-General of the Fund, said assistance to fellow developing countries in need was the primary motivation behind the establishment of the OPEC Fund 28 years ago.

Among the output and outcomes expected of interventions under the replenished account will be capacity enhancement for national authorities in their response to HIV/AIDS; support to non-governmental (and civil-society) organizations in their work at local levels; and an increase in awareness among the general public, worldwide. Also proposed are workshops, training programs and voluntary counseling and testing arrangements. There would be improved response to the chal-

Photo: WHO/TDR/A. Crump

Women are especially vulnerable to AIDS, but pairing counseling on how AIDS and other sexually transmitted diseases are spread with good general and gynecological healthcare can help lower the risk.

lenge posed by HIV/AIDS to the projects communities; publication and distribution of advocacy materials and provision of leadership tools.

Twenty-two years after the first clinical evidence of the disease surfaced in the United States, HIV/AIDS has become the most devastating disease humankind has ever faced. Today, HIV, the virus that causes AIDS, is present in virtually all countries of the world. According to the *Joint United Nations Programme on HIV/AIDS* (UNAIDS), more than 60 million people have been infected with the virus since the epidemic began in 1981; 40 million are living with the disease in many parts of the developing world; 20 million have already died; and the majority of new infections occurs in young adults, with young women especially vulnerable. In sub-Saharan Africa, HIV/AIDS has become the leading cause of death; worldwide, it is the fourth main cause.

In the global AIDS campaign, the Fund is cooperating with the Red Cross, WHO and UNFPA in three key areas: prevention, care and support to people living with the disease.

Photo: IFRC

Pandemic

The disease could unravel the many social and economic gains that the world has accomplished over decades of development cooperation. At the end of 2002, about one-third of those living with HIV/AIDS were aged 15–24; implying that the disaster predicted several years ago still looms. And most of the infected young people may not even be aware that they carry the virus. Indeed, millions more know nothing, or very little, about HIV and how to protect themselves against it.

The United Nations describes HIV/AIDS as a stubborn, global pandemic. The UN deems it the world's "worst health crisis since the bubonic plague." And the onslaught is unrelenting. At this particular juncture, however, it is manifesting itself most dramatically, most profoundly and most painfully in sub-Saharan Africa. The epidemic is now seen as having gone beyond the confines of a health problem, with the potential to rattle governments, weaken economies, destabilize societies and, indeed, terminate development schemes already under implementation. ●

Grant Operations in 2003

1. Technical Assistance

Arab Countries

1.

Sector: Education
Purpose: To develop an e-learning program for the blind
Amount: $200,000
Approved: June 11, 2003
Total cost: $3.36 million
Co-financiers: AGFUND, beneficiary countries, UNESCO
Implementing agencies: UNESCO, Ministries of Education of Arab States, schools for the visually impaired
Grant administrator: OPEC Fund

Information technology is an indispensable educational tool, and over the years UNESCO has promoted e-learning as a means of integrating the visually impaired into society and fostering their equality. This collaborative project is a follow-up to a successful pilot scheme implemented by UNESCO in Qatar using specially adapted computer hardware and software. Working in cooperation with the *UNESCO Regional Office for Science and Technology for the Arab States,* AGFUND plans to create a network of *Information Communication Technology for the Blind* (ICTB) centers at selected schools in Algeria, Bahrain, Djibouti, Egypt, Iraq, Libya, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, the Sudan, Syria, Tunisia, the United Arab Emirates and Yemen. In addition to *Braille* equipment and specialized text-to-speech software, each center will contain a virtual library with courses produced and adapted for the blind, and offered in Arabic, English and French. A technological resource center will be responsible for integrating ICTB into the education sector, and developing new software and on-line courses. The project also includes a training component.

The Fund is co-financing Phase I of a new AOAD campaign that will protect millions of head of cloven-hoofed livestock in Arab countries by eradicating FMD, foot and mouth disease.

Photo: Sepp Puchinger

2.

Sector: Agriculture
Purpose: To control the spread of Foot and Mouth Disease
Amount: $300,000
Approved: April 16, 2003
Total cost: $11.55 million
Co-financiers: AOAD, IsDB, governments of beneficiary countries
Implementing agencies: AOAD, Ministries of Animal Resources/Ministries of Agriculture of beneficiary countries
Grant administrator: OPEC Fund

Foot and Mouth Disease (FMD) is a highly infectious virus that strikes cloven-hoofed livestock and is characterized by ulcerating lesions in the mouth and on hoofs and udders. The disease has devastating effects on young animals, with mortality rates reaching as high as 50%. Stricken adult animals fail to put on weight and produce far less milk, a situation that affects food security and causes great financial losses. In the late 1990s, FMD swept across the Arab region, infecting at least 176 million livestock. In AOAD's preliminary assessment of 14 at-risk countries, namely, Jordan, Syria, Iraq, Saudi Arabia, Lebanon, Kuwait, Algeria, Oman, Bahrain, the United Arab Emirates, the GSP Libyan AJ, Palestine, Morocco and the Sudan, the presence of several different FMD serotypes was detected. The Fund grant will support Phase I of the eradication campaign, which began in January 2003 and comprises the following activities: establishment of a reference laboratory for FMD diagnosis and vaccine production; provision of supplies and equipment for national laboratories; implementation of training programs for veterinarians and technicians from affected counties; and, organization of awareness and extension activities for farmers and technical staff, including the dissemination of appropriate information materials.

Bolivia

Sector: Education
Purpose: To develop a drug prevention education program

Photo: UNODC

Faced with growing drug use among teenagers, Bolivia has recently introduced special drug prevention curricula in many schools. A Fund grant will help expand coverage throughout the country.

Amount: $150,000
Approved: June 11, 2003
Total cost: $1.9 million
Co-financiers: DANIDA, SIDA, governments of Bolivia and Spain
Implementing agencies: United Nations Office on Drugs and Crime (UNODC), Vice-Ministry of Prevention and Social Rehabilitation, Vice-Ministry of Initial, Primary and Secondary Education
Grant administrator: OPEC Fund

Drug abuse has become a serious problem in Bolivia, particularly among adolescents, many of whom are street children or living in violent and neglectful circumstances. In order to help these disadvantaged youngsters avoid high-risk behaviors and settings that give rise to drug and alcohol problems, UNODC, in conjunction with the Bolivian government, launched a program in 1999 to incorporate prevention curricula into the country's formal and alternative education systems. Activities carried out so far have been highly successful. Preventive education materials have been updated and distributed, and comprise items such as teachers' manuals, didactic cards, and books and audio-visual programs for school libraries. To assess the project's progress, a monitoring and evaluation system has been put in place, and hundreds of teachers, directors and pedagogical assistants are receiving training in incorporating drug prevention materials into the regular school curricula. The initiative is now being expanded to educational communities outside the original scope. The Fund grant will help extend coverage to as many schools as possible.

Consultative Group on International Agricultural Research

Sector: Agriculture
Purpose: To support agricultural research
Amount: $770,000 (in seven grants of $100,000 each and one grant of $70,000)
Approved: June 11, 2003
Grant administrator: OPEC Fund

The grants will help finance agricultural research at seven research centers sponsored by the CGIAR, whose common objective is to increase food production in developing countries through research, training and technical assistance to national and regional programs. Specifically, the grants will support research at CIMMYT (the International Maize and Wheat Improvement Center), ICARDA (the International Center for Agricultural Research in the Dry Areas), ICRISAT (the International Crops Research Institute for the Semi-Arid Tropics), CIP (the International Potato Center), CIAT (the International Center for Tropical Agriculture), ISNAR (the International Service for National Agricultural Research), and IWMI (the International Water Management Institute). The grants will co-finance ongoing research on maize streak virus (CIMMYT), on increased barley production in

Photo: ISNAR

A grant to ISNAR, the International Service for National Agricultural Research, will support a project to establish a network of community-based rural radio stations in sub-Saharan countries.

West Asia and North Africa (ICARDA), on raising water-management techniques for agriculture in Afghanistan (ICARDA), on groundnut production in Asia (ICRISAT), on creating integrated crop management strategies in Latin America (CIP), on introducing legume cover crops in Eastern Africa (CIAT), on establishing a radio network among sub-Saharan African countries (ISNAR) and on implementing sustainable groundwater management systems in Asia and Africa (IWMI).

Ethiopia

Sector: Agriculture
Purpose: To support tsetse fly eradication efforts
Amount: $200,000
Approved: December 2, 2003
Total cost: $23.9 million
Co-financiers: IAEA, United Nations Fund for International Partnership (UNFIP), governments of the USA and Ethiopia
Implementing agencies: IAEA, Ethiopian Ministry of Agriculture, FAO
Grant administrator: OPEC Fund

Agriculture and animal husbandry provide food and income for much of Ethiopia's rural population. Food shortages, however, are pervasive, with thousands of hectares of fertile land left uncultivated and uninhabited due to the presence of the tsetse fly. The insect's bite transmits a parasite that causes *trypanosomiasis,* or sleeping sickness, which has serious effects on both humans and livestock. In a collaborative effort with the IAEA, the FAO and other organizations, Ethiopian authorities have launched a project to eliminate the fly in the Southern Rift Valley using the sterile insect technique (SIT). With SIT, male flies reared in laboratory facilities are sterilized via irradiation and released to mate with wild females, thus breaking the reproductive cycle. This process is repeated over several generations so that reproductive capability is progressively reduced until the fly population is eliminated. Efforts during the first four years will focus on 10,500 km^2 of heavily infested land. A small insectary has already been set up in Arba Minch, and works are underway to construct and equip a mass rearing facility in Kaliti, which will be capable of producing 10 million irradiated flies weekly. Long term goals are to expand coverage to encompass an additional 15,000 km^2 until the pest is eliminated from the area entirely.

Left: ***Setting a fly trap. The SIT method is now being used to eradicate the tsetse fly in the Southern Rift Valley.***
Right: ***Now that their island is tsetse-free, farmers in Zanzibar can raise cattle successfully.***

Food and Agricultural Organization of the United Nations

Sector: Agriculture
Purpose: To support a food security program
Amount: $700,000
Approved: September 16, 2003
Total cost: $20.6 million
Co-financiers: FAO, governments of Italy and the GSP Libyan AJ, UN Human Security Fund
Implementing agency: FAO
Grant administrator: OPEC Fund

FAO's *Special Program for Food Security* (SPFS) aims to demonstrate to farmers, usually in the form of pilot schemes, how to increase agricultur-

Photos: IAEA/P. Pavlicek & P. Rickwood

As part of their ongoing efforts to grow crops in the desert using saline irrigation water, ICBA scientists are now examining the salt tolerance of millet and other plants that thrive in arid regions.

Photo: ICBA

al production by using more effective, low-cost technologies adapted to the local conditions. The program is carried out using several key elements: improving water management, intensifying and diversifying crop production systems, conducting a "constraints analysis" and formulating a solution. The Fund grant will co-finance the SPFS initiatives in three countries. In *Cambodia,* ongoing activities in four rural provinces will be expanded to include two additional food-deficient provinces, benefiting around 30,000 farmers. In *Haiti,* a newly-created SPFS in the North, South and Southeast departments will implement local capacity-building measures and enhance infrastructure through the construction of schools, health centers and water supply systems, thereby helping some 284,000 people: Finally, in North Kordofan, the *Sudan,* another SPFS will focus on improving water management techniques through the provision of pumps, wells and irrigation systems, introducing crop intensification measures, and diversifying agricultural activities.

Guatemala

Sector: Education
Purpose: To support establishment of telecenters in rural Guatemala
Amount: $100,000
Approved: December 2, 2003
Total cost: $438,000
Co-financiers: Inter-American Agency for Cooperation and Development (IACD), Ministry of Education
Implementing agencies: IACD, Organization of American States
Grant administrator: OPEC Fund

Guatemala's rural poor, particularly those living in remote areas, represent a significant percentage of the population. Educational and training opportunities are scarce, leaving many people no chance to improve their situation. The use of *Information Communication Technology* (ICT), such as the Internet, videos, fax and radio, however, can change this picture, since "distance learning" can reach even the most isolated communities, thus offering a means of raising literacy, and ultimately, reducing poverty. Guatemala's Ministry of Education is already operating a successful *Telesecondary Distance Education Program* at some 400 schools. The Fund grant will support the collaborative efforts of the IACD and the Ministry to establish three pilot *School-based Telecenters* in rural Guatemala, which will serve as core models for an envisaged national program that aims at offering ICT services to the general community as well. Each center will be provided with the necessary equipment and educational materials. Users will have access to the Internet, email and on-line courses, as well as to agricultural information. Another integral part of the program will be the provision of training to the centers' directors, teachers, students and other users.

International Center for Biosaline Agriculture

Sector: Agriculture
Purpose: To support research on salt-tolerant crops
Amount: $200,000
Approved: April 16, 2003
Total cost: $1.925 million
Co-financiers: Arab Fund; Dubai Municipality, U.A.E; International Center for Biosaline Agriculture (ICBA); ICRISAT
Implementing agency: ICBA
Grant administrator: OPEC Fund

Photo: UNICEF/Roger Pearson

Primary enrollments in Kenya have grown rapidly. A Fund grant will help UNICEF expand and upgrade schools, train teachers and provide books and other learning materials.

Sorghum and pearl millet, two important staple crops grown in the arid and semi-arid tropics of Asia and Africa, share a number of favorable traits, such as adaptability to extremely hot, dry climates and the ability to produce high yields in nutrient-poor soils. Few studies, however, have examined their salt tolerance, a vital issue in light of the growing worldwide problem of soil salinity. The current scheme was launched in coordination with ICRISAT and aims at identifying salt-tolerant, high-yield genotypes of the two species. ICBA and ICRISAT have been screening and evaluating these plants, and will carry out more extensive research to identify strains that possess the highest nutritional values and salt-tolerance levels. ICBA will then conduct on-farm evaluations of the plants' performance in the United Arab Emirates, Oman, Yemen, IR Iran and the Sudan, which will be followed up by ICRISAT at test locations in India. Other objectives include the transfer of technology and crop production packages to national programs and farmers in the countries concerned.

Kenya

Sector: Education
Purpose: To strengthen primary school education
Amount: $200,000
Approved: June 11, 2003
Total cost: $4.5 million
Co-financiers: UNICEF, United Kingdom National Committee for UNICEF
Implementing agencies: UNICEF, Ministry of Education, Science and Technology
Grant administrator: OPEC Fund

Since the Kenyan government announced its plan in 2002 to provide free, compulsory primary school education, enrolment levels have soared. Many of the children wanting to attend school come from deprived circumstances and comprise vulnerable groups such as street children, girls, HIV/AIDS orphans and the disabled. The current education system, however, is not equipped to handle the vast surge in enrolment. Additional teaching staff is urgently needed, as well as expanded infrastructure and educational materials. UNICEF will address these shortfalls by carrying out a number of activities in 35 Kenyan districts. Existing schools will be rehabilitated and expanded, and water supply and sanitation facilities improved. New classroom equipment, schoolbooks and supplies will be purchased, as well as learning materials that cover topics such as HIV/AIDS prevention, girls' education and child protection. In-service training will take place for approximately 10,000 primary school teachers. In addition, a number of capacity-building measures will be implemented. The project will enable some 1.5 million children to attend school in comfortable, well-equipped, safe surroundings.

Paraguay

Sector: Education
Purpose: To expand a women's vocational training center
Amount: $150,000
Approved: April 16, 2003
Total cost: $987,557
Co-financiers: Association for the Promotion of Craftswomen and Women Workers (PROMU), Foundation for the Social Promotion of Culture (FPSC)
Implementing agencies: PROMU, FPSC
Grant administrator: OPEC Fund

A district hospital in Togo will be expanded with grant financing provided by the Fund. Upon completion, the hospital will be well equipped to carry out both emergency and elective surgery.

Photo: OHFOM

Enrollments increased fivefold in 2.5 years at the vocational training center in Las Mercedes, Paraguay, where low-income women can learn trades, business skills and computer literacy for free.

Established in 1987, the FPSC is a non-profit Spanish NGO that is committed to improving socio-economic conditions among the shanty towns scattered along the outskirts of Paraguay's capital Asunción. This area is home to more than 100,000 impoverished people, many of them women who are heads of households and earn less than $2 per day. FPSC is presently supporting a project established by the *Association for the Promotion of Craftswomen and Women Workers* (PROMU), another not-for-profit, NGO which set up a free vocational training school for women in *Las Mercedes*. Here, women can learn computer literacy, business skills and micro-enterprise management, or a trade such as hostelry, gastronomy or sewing. Furthermore, there is a job placement service at the school to help them find steady employment. Enrollment rates have increased fivefold in only two and one-half years, however, and the center has become overcrowded. The Fund grant will help finance construction of a 1,200 m^2 three-story extension and the purchase of appropriate equipment, furniture and supplies. New classes and short-term courses will also be created, and the enhanced facility will be able to accommodate around 350 additional women.

Photo: PROMU

Togo

Sector: Health
Purpose: To expand a district hospital
Amount: $100,000
Approved: April 16, 2003
Total cost: $671,500
Co-financiers: *Agence Française de Développement, Œuvres Hospitalières Françaises de l'Ordre de Malte* (OHFOM)
Implementing agency: OHFOM
Grant administrator: OPEC Fund

Since 1981, OHFOM has been managing a district hospital in Elavagnon, a small village situated in the Atakpamé area some 250 km north of Togo's capital Lomé. Although the facility provides general health care services for a population of 70,000, it lacks a surgical unit. Patients needing surgery must

In Haiti, where heavy dependence on fuelwood has led to severe deforestation, erosion and soil degradation, the UNDP will help rural communities implement other energy options.

Photo: IFAD/Christine Nesbitt

travel some 70 km for treatment, a journey that can take up to four hours. To address this situation, OHFOM will expand the existing hospital to house two operating theaters, and construct two new buildings, one of which will serve as a 12-bed surgical unit, while the other will contain radiotherapy, echocardiography and administrative departments. All surgical and medical supplies, equipment and furniture will be provided, and a training component for specialized staff is envisaged. The enhanced facilities will not only enable the hospital to carry out emergency surgical interventions, but also allow for pre-scheduled, routine operations. Within the framework of current OHFOM-managed hospital practices, low-income patients will be able to receive treatment either for a small fee or free of charge.

UNDP Energy Account – Haiti

Sector: Energy
Purpose: Removing barriers to and creating conditions for the development of renewable energy projects
Amount: $110,000
Approved: January 29, 2003
Implementing agencies: UNDP, Ministry of Environment
Grant administrator: OPEC Fund

Haiti relies heavily on fuelwood for energy, a situation that is rapidly depleting the country's forests. The energy sector as a whole is facing a number of difficulties that affect a wide range of users, and many rural regions are lacking any type of access to electricity. In 1999, the Haitian government adopted a *National Environment Action Plan* (NEAP), which aims to diversify its energy supply and utilize more environmentally friendly sources. Within the framework of NEAP, the present scheme, which will be implemented in coordination with the UNDP, focuses on strengthening the capacity of national and sectoral authorities to plan and implement an integrated approach towards energy development and environmental management. Issues will focus on boosting the participation of relevant stakeholders in formulating rural energy policies and dialogue processes; promoting decentralized energy service delivery options; and, implementing institution and capacity-building measures. Targeted beneficiaries of the project will be local communities in northeast Haiti. The grant was drawn from the Energy Account administered by the UNDP Thematic Trust Fund for Sustainable Energy (formerly the UNDP Energy Fund).

UNDP Energy Account – Honduras

Sector: Energy
Purpose: Formulation and incorporation of the National Renewable Energy and Energy Efficiency Policy into National Energy Policy
Amount: $100,000
Approved: January 29, 2003
Implementing agencies: UNDP, SERNA
Grant administrator: OPEC Fund

Honduras is still heavily dependent on burning firewood and imported fossil fuels for energy, a situation that is having a detrimental impact on the environment. Furthermore, fuel imports place a significant burden on the economy, thus undermining government's poverty alleviation efforts. In order to address these issues, the UNDP has entered into partnership with the *Honduran Ministry of Natural Resources and Development* (SERNA) to create a project that will strengthen the national energy policy framework and promote sustainable development, placing a strong emphasis on utilizing renewable, more efficient fuel sources. UNDP will provide SERNA with the necessary technical expertise and financial support to achieve this aim. Once the regulatory framework is in place, it will enable Honduras to enact laws and regulations in accordance with the new, set policy, which is expected to spur investment in the private sector. The grant was drawn from the Energy Account administered by the UNDP Thematic Trust Fund for Sustainable Energy.

The turbine house at Los Suncuyos. Honduras is working to develop a national energy policy that will emphasize renewable energy and reduce dependence on fossil fuel imports.

Photo: UNDP

WANA Countries

Sector: Agriculture
Purpose: To help protect dryland areas
Amount: $300,000
Approved: September 16, 2003
Total cost: $5.4 million
Co-financiers: GM-UNCCD; West Asia and North Africa (WANA) member countries; Federal Environment Agency of the UAE; government of IR Iran
Implementing agencies: GM-UNCCD, ICARDA, National Ministries of Agriculture of WANA member countries
Grant administrator: OPEC Fund

Characterized by extreme aridity and limited water resources, the WANA region is experiencing severe environmental deterioration due to over-exploitation of natural resources. Soil fertility has dropped, and crop and livestock productivity has declined, exacerbating poverty for millions of people. This grant will co-finance a multi-pronged initiative being implemented by the 13 participating WANA countries, namely Algeria, Egypt, IR Iran, Jordan, Libya, Mauritania, Morocco, Oman, Palestine, the Sudan, Syria, Tunisia and Yemen. Primary components will include the following: *Development of an Enabling Environment Conducive to Investment in the Drylands* to promote opportunities for public and private sector investment in the dryland areas; *Technological Innovations,* including the promotion of water management and soil conservation practices, and the development of integrated crop/livestock technologies; *Approaches to Funding Mechanisms,* with the objective of maximizing the use of financial resources, avoiding duplication of projects and encouraging synergies among concerned UN agencies; *Regional Networking and Knowledge Sharing* to organize partnerships for the exchange of information; and, *Capacity Building of National, Regional and Sub-Regional Institutions,* to promote the exchange of best practices and knowledge within and among WANA member countries. ●

2. Research and Similar Activities

African Center for Development and Strategic Studies

Purpose: To help finance a study on African conflicts
Amount: $100,000
Approved: October 30, 2003
Total cost: $246,000
Co-financier: UNDP
Implementing agency: African Center for Development and Strategic Studies (ACDESS)
Grant administrator: OPEC Fund

The grant helped finance the second phase of a study ACDESS launched in 1996 and carried out, in cooperation with the UNDP, on Africa's war-torn societies under the title *Comprehending and Mastering African Conflicts*. The initiative focused on five pilot country case studies in Burundi, Liberia, Rwanda, Sierra Leone and Angola, and addressed some of the fundamental problems of the conflict areas. The second phase, entitled *The Search for Sustainable Peace and Good Governance in Africa: Comprehending and Mastering African Conflicts*, will not only continue research and review the original case studies, but also expand the scope of the study to include Guinea Bissau, the Congo, the DR of Congo and Côte d'Ivoire. In addition, three potential conflict countries will be monitored, with the aim of preventing outbreaks of violence. Other objectives will entail defining indicators for monitoring conflicts and examining the mechanisms for establishing and operating national, sub-regional and regional early-warning systems.

Photo: ILO/D. Browne

Child soldiers have been involved in many recent conflicts. An ACDESS study, co-financed by the Fund, will focus on learning how to avert violence and bring lasting peace and good governance to Africa.

Asian Countries

Purpose: To help establish a regional electronic business network
Amount: $50,000
Approved: April 16, 2003
Total cost: $156,000
Implementing agency: Colombo Plan Secretariat
Grant administrator: OPEC Fund

This grant helped finance an initiative to establish a regional electronic (e-service) network among the 25 member countries of the Colombo Plan. With the advent of Information and Telecommunications Technology (ICT), businesses in "technology-friendly settings" are able to achieve substantial competitive advantages over those less well-equipped, thereby widening the "digital divide" that exists between developed and developing countries. In 1995, the Colombo Plan initiated a *Program for Private Sector Development*, as the promotion of this sector has long been recognized as crucial for achieving broader development goals. The current scheme, therefore, aims to establish an e-service network among member countries with regional links to chambers of commerce and industries, business communities, private sector institutions and commercial banks. The Colombo Plan is an intergovernmental body established in 1951 to promote development-oriented cooperation among countries of the Asia-Pacific Region.

Bangladesh

Purpose: To support a scheme for the disabled
Amount: $20,000
Approved: April 16, 2003
Total cost: $38,446
Implementing agency: Blind Education and Rehabilitation Development Organization (BERDO)
Grant administrator: OPEC Fund

Established in Bangladesh in 1991, BERDO is a non-profit NGO with the mission to empower the disabled with the tools and skills needed to become self-sufficient. It also seeks to foster public awareness and insure that disabled individuals are provided with equal opportunities within their communities. BERDO's current scheme, *Disability and Development Project by the Community*, is designed to help 300 disabled people in the Barisal District in south-central Bangladesh. Activ-

Photo: BERDO

BERDO works to raise public awareness and ensure equal opportunities for the blind and disabled in Bangladesh.

ities will include the formation of 500 community groups; training of group leaders; vocational training for the handicapped and educating teachers and families; schooling for disabled children; provision of educational materials, medical supplies and free medical treatment; and the establishment of a revolving fund for extending loans to small businesses run by disabled individuals.

Ibrahim Shihata Memorial LL.M Degree Program in International and Comparative Law

Purpose: To help establish an advanced law degree program
Amount: $300,000
Approved: December 2, 2003
Total cost: $2.376 million
Implementing agency: The American University in Cairo, Egypt
Co-financier Harvard Law School
Grant administrator: OPEC Fund

The deterioration of legal education in the Arab World represents a major constraint to the sustainable economic and social development of the region. The late Dr. Ibrahim Shihata, the first Director-General of the OPEC Fund (1976 to 1983), committed the last few years of his life to creating an advanced law program for the Arab world. This grant will help establish the *Ibrahim Shihata Memorial LL.M. Degree Program in International and Comparative Law.* The program will be developed in cooperation with Harvard Law School, which will offer institutional and teaching support, and hosted by the American University in Cairo, Egypt. One objective of the program is to provide the Arab world with legal professionals who are committed to the advancement of the rule of law and good governance and equipped with the legal expertise necessary to advance market-oriented legal reforms, foreign investment and international commercial relations. Another aim is to create a center of academic excellence where the region's pluralistic traditions of Islamic law can become part of legal reforms in areas such as gender equality, human rights and democracy.

Islamic Community in Austria (ICA)

Purpose: To help establish an Islamic cemetery
Amount: $250,000
Approved: December 2, 2003
Total cost: $1.1 million
Implementing agency: Islamic Community in Austria (ICA)
Grant administrator: OPEC Fund

Almost one-third of Austria's total Muslim community, estimated at 340,000 people, lives in Vienna, where it represents nearly 8% of the city's residents. In 1971, the *Muslim Social Service Society* founded the ICA, which aims at ensuring adequate religious education and providing cultural and theological approaches for the Muslim community. It also seeks to pave the way for Moslems to become integrated in Austrian society without forfeiting their Muslim identity. Over the past decade, ICA has worked to establish an Islamic cemetery in Vienna that would provide an appropriate environment for the conduct of traditional prayers and burial rites. After the City of Vienna donated a 33,000 m^2 piece of land towards this aim, ICA approached the OPEC Fund to join the Austrian government and a number of Muslim embassies in co-financing the construction and planning costs of the Islamic cemetery. The Fund's grant will be specifically utilized for the construction of a prayer room.

Korea, DPR

Purpose: To help fund a training program
Amount: $37,000
Approved: June 23, 2003
Total cost: $37,000
Implementing agency: Pyongnam Area Hospital
Grant administrator: OPEC Fund

In 1996, the OPEC Fund approved a $6 million loan to Korea DPR to cofinance the expansion and rehabilitation of a hospital in Pyongnam. The project has been successfully completed and medical equipment procured under the project is fully operational. A repair and maintenance component was needed, however, to insure that the equipment remains in good working condition.

Photo: Odelga Handels GesmbH.

Recently rehabilitated, expanded and re-equipped, the Pyongnam Area Hospital now needs trained technicians who can maintain and repair the new medical equipment.

The Fund grant covered the cost of course fees, travel and accommodation for two hospital technicians. The two-week-long technical training program was provided by the hospital equipment supplier and held in Vienna, Austria and Erlangen, Germany. Topics covered included systems control, functionality and handling, as well as common components of several medical systems that were acquired under the original scheme.

Pakistan

Purpose: To construct an ophthalmology hospital
Amount: $100,000
Approved: May 30, 2003
Total cost: $637,272
Co-financiers: Private donors
Implementing agency: Layton Rahmatulla Benevolent Trust (LRBT)
Grant administrator: OPEC Fund

The incidence of blindness in Pakistan is growing, and at least 2.5 million people are officially classified as blind. More than two-thirds of these cases, however, are caused by cataracts, a condition that is curable with a simple operation. Unfortunately, many of those affected cannot afford to pay for treatment, and due to a widespread shortage of eye care facilities, the number of cataract operations carried out falls short of the present need. Founded in 1984, LRBT is charged with providing free eye care to poor communities in Pakistan. Under the present scheme, LRBT will construct a hospital in Punjab, which has the highest prevalence of blindness and where approximately one-half of Pakistan's 147 million-strong population resides. Although two hospitals exist in other parts of the region, central Punjab currently lacks coverage. The new 48-bed *Shahpur Saddar Hospital* will be built to address this shortfall and will contain operating theaters, a vision clinic, out-patient facilities and a dispensary. It will be equipped to handle the treatment of some 300–350 out-patients and around 48 major operations per day. The Fund grant will help cover the cost of medical equipment.

World Conservation Union

Purpose: To help finance a conservation congress
Amount: $100,000

In Pakistan, cataracts are extremely prevalent, and the need for eye-care centers is great. A new ophthalmology hospital in central Punjab will be co-financed with a Fund grant.

Photo: LRBT

A FLAME community school in Zambia will benefit from a grant that will provide funds for new furniture, educational materials and a school bus.

Photo: FLAME

Approved: April 16, 2003
Total cost: $465,200
Co-financier: National Commission for Wildlife Conservation and Development, Saudi Arabia; governments of West/Central Asia and North Africa (WESCANA) countries
Implementing agency: World Conservation Union (IUCN)
Grant administrator: OPEC Fund

This grant helped finance the attendance of participants from developing countries at the *Fifth World Parks Congress* (WPC) that was held in Durban, South Africa from September 8–17, 2003. The Congress, which meets every ten years, provides a major global forum for setting an agenda for the world's protected areas. Bearing the theme *Benefits Beyond Boundaries,* the event addressed a wide range of issues such as developing stronger alliances between protected areas and other parts of the global economy. It also established the *Durban Accord,* a collective vision for the future of protected areas, and discussed the latest *UN List of Protected Areas*. Prior to the congress, WESCANA member countries had formed a common platform for collective action in environmental conservation, and designated Saudi Arabia's *National Commission for Wildlife Conservation and Development* to coordinate related programs and provide input to the WPC. The Fund grant helped cover travel and other expenses for participants from poorer WESCANA countries.

Zambia

Purpose: To help support a community school
Amount: $50,000
Approved: September 16, 2003
Grant administrator: OPEC Fund

This grant will help support the work of *FLAME,* a non-profit NGO in Lusaka, Zambia that operates several community schools and an orphanage, catering largely to former street children and destitute families. The Chelston Community School was founded in 2000, and currently has an enrolment of some 300 pupils, 50 of whom board at the school. Over the years, FLAME has been self-sustaining, receiving little by way of official assistance except in the form of *ad hoc* donations. Although successful, the Chelston School lacks a number of basic amenities, and since transportation is non-existent, many pupils and teachers must walk long distances to get to school. The OPEC Fund grant will be used to procure a school bus, furniture, educational materials and other items. ●

3. Emergency Assistance

Algeria

Purpose: To provide supplies for earthquake victims
Amount: $500,000
Approved: May 23, 2003
Implementing agency: IFRC
Grant administrator: OPEC Fund

This grant helped purchase relief supplies for victims of the earthquake that struck northern Algeria in May. Measuring 6.7 on the *Richter Scale,* the quake was one of the most severe to hit the country in over two decades. Thousands of people were left homeless, and major infrastructure such as telecommunication lines, hospitals and public buildings was extensively damaged. Government launched an appeal to the international donor community for assistance and requested immediate needs such as food, temporary shelters, blankets, mattresses, medical kits, water purifiers and cooking utensils. The OPEC Fund's contribution was channeled through the IFRC and used to help procure some of these relief supplies and finance emergency operations undertaken by the Algerian Red Crescent Society.

Photo: IFRC/Rana Sidani

In May, Algeria experienced its worst earthquake in 20 years. An emergency grant helped the Red Crescent Society mobilize urgently needed relief supplies, including bottled water.

IR Iran

Purpose: To provide supplies for earthquake victims
Amount: $750,000
Approved: December 29, 2003
Implementing agency: IFRC
Grant administrator: OPEC Fund

This grant helped purchase emergency relief supplies for victims of the earthquake that struck the Kermin Province in the early hours of December 26. Measuring 6.5 on the *Richter Scale,* the quake claimed some 30,000 lives, left thousands homeless, and decimated important infrastructure. The ancient city of Bam was entirely destroyed. Calls went out to the international community for urgently needed items such as tents, blankets, plastic sheeting, medical kits and food for at least 200,000 people. The OPEC Fund's contribution to the aid effort was used to help procure some of the relief items and was channeled through the IFRC. ●

Photo: IFRC/Farooq Burney

A severe quake struck the ancient city of Bam in December, claiming 30,000 lives and leaving 200,000 homeless. A Fund grant helped provide blankets, tents and warm clothing for the shocked survivors.

4. HIV/AIDS Special Account

Photo: World Vision/Jon Warren

In Zambia, young volunteers perform skits and songs to teach their audience about HIV/AIDS and how to protect themselves from the deadly virus.

Africa

Sector: Health
Purpose: Support to the Commission for HIV/AIDS and Governance in Africa (CHGA)
Amount: $300,000
Approved: December 2, 2003
Total cost: $4.3 million
Implementing agency: UNECA
Grant administrator: CHGA

This grant assisted CHGA, a UN policy advisory body mandated to complement the HIV/AIDS mitigation efforts of other UN agencies on the African continent. CHGA's first objective is to work with African policy makers to fully identify the nature of the long-term development challenges posed by HIV/AIDS. The Commission will map the implications of human capacity losses on maintaining state structures and economic development at three inter-related levels: *micro* level (family, household and community); *public and private sector* level; and, *macro* level. It will also examine the likelihood of state and society continuing to function normally. The exercise will focus on five case studies conducted in Ethiopia, Kenya, Senegal, Zambia and DR of Congo. A second challenge will be to assist policy-makers in providing appropriate treatment for those already living with HIV. At present, the demand for anti-retroviral drugs outweighs the international commitment. A third theme will concentrate on "best practice" mitigation strategies. Through a combination of web-based discussions, conferences and workshops, this component will confer with civil society organizations, service delivery organizations, and those involved in research, as well as specific policy response units – both within the UN system and beyond. ●

5. Special Grant Account for Palestine

1.

Sector: Multi-sectoral
Purpose: To rehabilitate damaged houses and properties
Amount: $2 million
Approved: April 16, 2003
Co-financier: IsDB
Implementing agency: Ministry of Public Works
Grant administrator: IsDB

Photo: ECRC

Israeli aggression has left housing and infrastructure in much of the Occupied Territories in a shambles. The Fund's Special Grant Account for Palestine supports efforts to bring relief to the suffering population.

This grant supported an ongoing project established by the IsDB to repair and rebuild damaged or destroyed homes and public buildings. For many months, Palestinian cities have been experiencing some of the worst violence since the beginning of the *Intifada,* with widespread destruction of schools, medical centers, roads and homes. These events have had serious consequences on the health and wellbeing of thousands of men, women and children, and the impact on the economy has been catastrophic, with physical damage estimated at nearly $700 million. The IsDB project *Rehabilitation and Reconstruction of Damaged Houses and Private Properties in Palestine* began in February 2001. To date, around 29,000 homes have been renovated. Now in its second phase, the project has intensified its efforts and widened its scope to include the repair of damaged roads. It is also cooperating with other humanitarian organizations to provide assistance to Palestinians who have been left homeless.

2.

Sector: Health
Purpose: To deliver medical equipment to hospitals
Amount: $2 million
Approved: June 11, 2003
Co-financiers: Arab Fund, Arab Monetary Fund, BADEA
Implementing agencies: Ministry of Health, Palestinian Medical Relief Society, Palestinian Red Crescent Society, the Welfare Association
Grant administrator: Arab Fund

Since the onset of the *Intifada,* the medical needs of Palestinians have expanded rapidly. Both public and private hospitals have been struggling to keep up with growing demands for medical supplies, emergency services and psychological counseling. Although health care facilities have scaled up their services dramatically, most of them lack a regular source of funding to replace and repair worn medical equipment. The current initiative was conceived within the framework of a wider emergency program formulated by BADEA, the Arab Monetary Fund and the Arab Fund. Under this particular project, highest priority will be accorded to delivering medical equipment and replacement parts to those hospitals and healthcare centers in the West Bank and Gaza Strip that are experiencing the most severe shortages and treating the highest numbers of casualties. To identify those in greatest need, an assessment has been conducted by the Welfare Association (a non-profit foundation that supports development efforts in Palestine) in coordination with the Palestinian Ministry of Health and the Palestinian Medical Relief Society.

3.

Sector: Multi-sectoral
Purpose: To assist social projects
Amount: $930,000
Approved: September 16, 2003
Co-financiers: AGFUND, Arab Fund, IsDB, Ministry of Agriculture, Palestinian Red Cross,

government of Sweden, Spanish Agency for International Cooperation, UK Community Fund
Grant administrator: Arab Fund

This grant will help finance social projects designed to address some of the most urgent needs of communities in the West Bank and Gaza Strip: $200,000 will go to the Spanish *Foundation for the Social Promotion of Culture,* which helps empower farmers, especially women, with skills, training and technical support; $200,000 will support the *Abu Raya Rehabilitation Center,* Ramallah, West Bank to expand infrastructure and procure medication and equipment. $150,000 will be used by *Education Action International* of the UK, which will offer teacher training services. $250,000 will support an initiative of the Sudan-based *Arab Organization for Agricultural Development* to help farmers affected by the building of the "separation wall" in the northern West Bank region; $50,000 will go to the *El Wafa Medical Rehabilitation Hospital,* Gaza Strip, which plans to establish psychological support services for traumatized Palestinians; $30,000 will help the *Center for Agricultural Services,* Hebron, West Bank to provide Palestinian women with the means to improve their household incomes and boost food security; $50,000 will be given to the *Women's Association for Child Care,* Beit Jala, West Bank for setting up an "Open Windows" youth house to encourage social communication and interaction among Palestinian youth.

4.

Sector: Multi-sectoral
Purpose: To help finance capacity-building programs
Amount: $570,000
Approved: December 2, 2003
Co-financiers: Beneficiary organizations
Grant administrator: Arab Fund

This grant will be divided among four non-profit NGOs to help finance schemes that will enable beneficiary communities to secure a decent standard of living. The *Society of Ina'sh El-Usra* in Al-Bireh will receive $150,000 to help finance a project to modernize equipment and improve course curricula at a vocational training center; $150,000 will be provided to the *Early Childhood Resource Center* to support an in-service teacher-training and capacity-building program in Nablus, Ramallah, Jerusalem and Hebron. $120,000 will be extended to the *Bethlehem Arab Society for Rehabilitation* (BASR) to help finance the establishment of a vocational-training program for the disabled at BASR's main center in Bait-Jala. The *Hawwa Center for Culture and Arts,* Nablus will use their $150,000 grant towards establishing a *Kana'ni House* for impoverished women, which will offer professional courses and short-term training in subjects such as business management, office administration, computer skills and handicrafts. ●

6. Food Aid Special Grant Account

Photo: WFP/Tessa Rintala

Villagers cue for rations in Lomahasha village in Swaziland. In 2003, the OPEC Fund contributed $20 million to combat hunger in nine drought-affected African countries.

Purpose: To combat the African hunger crisis
Amount: $20 million
Approved: February 4, 2003
Implementing agencies: Ethiopian Disaster Prevention and Preparedness Commission, WFP
Grant administrator: OPEC Fund

The Fund launched its Food Aid Special Grant Account to help combat the severe famine that recently struck much of the African continent bringing millions to the brink of starvation. Proceeds of the grant were used to purchase wheat grain, maize, corn soya blend, vegetable oil and pulses, and some 43,000 metric tons of food aid were delivered to hungry communities in Ethiopia, Eritrea, Lesotho, Malawi, Mauritania, Mozambique, Swaziland, Zambia and Zimbabwe. ●

Public sector project lending – geographical and sectoral distribution of cumulative approvals as of December 31, 2003

(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							18.200	2.000	25.960
Burkina Faso	22.630	10.000		9.700					22.900	14.750	79.980
Burundi	20.820								13.200	3.000	37.020
Cameroon	4.850			6.700			4.500		15.000		31.050
Cape Verde		7.000		6.100		3.000		4.500	2.500	8.000	31.100
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, DR			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		68.300		100.300
Gambia, The		1.500				10.280			6.680		18.460
Ghana	6.000	4.400	9.700	6.550		13.000	1.500		23.670	10.100	74.920
Guinea	16.630	7.500			11.000	6.820			14.000	5.940	61.890
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	7.000	20.350
Liberia			5.000		8.300				3.000		16.300
Madagascar	12.640	29.420	11.500			7.700			14.340		75.600
Malawi				9.350					23.300		32.650
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
Namibia		6.620									6.620
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		5.700									5.700
Sierra Leone			6.600						19.000		25.600
Somalia	5.500									2.660	8.160
Sudan	35.620		25.700						10.950		72.270
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	27.900					5.000		13.000		51.900
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	**405.990**	**332.360**	**187.295**	**112.550**	**57.720**	**92.780**	**101.650**	**4.500**	**555.341**	**122.250**	**1,972.436**

Country/region	Agriculture & agro-industry	Education	Energy	Health	Industry	Multi-sectoral	National development banks	Telecom-munications	Transportation	Water supply & sewerage	Total
Afghanistan			6.000						3.550		9.550
Azerbaijan									6.000		6.000
Bangladesh		14.000	111.100	18.000	10.000		10.000		84.500		247.600
Cambodia						7.800			16.000	4.000	27.800
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, DPR	28.200			6.000					4.740		38.940
Kyrgyz Republic		5.000		4.000		3.580					12.580
Lao, PDR	11.810		4.000						17.420		33.230
Lebanon	5.000	4.000		15.000					25.000	5.000	54.000
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						4.000		9.700
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		13.200	6.200			10.000			21.000	56.400
Tajikistan		2.000	2.400	5.000					14.000		23.400
Thailand	7.000		58.800								65.800
Turkey						9.900					9.900
Turkmenistan				5.000						5.200	10.200
Uzbekistan									5.000	10.000	15.000
Vietnam	27.000	7.000	20.000	4.150		9.000	10.000				77.150
Yemen		26.400	44.850			27.220	5.000		48.550	34.000	186.020
Asia	**162.360**	**185.047**	**563.500**	**120.850**	**35.000**	**94.500**	**52.500**	**13.640**	**385.390**	**114.180**	**1,726.967**
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	20.000
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		20.000			9.000		49.987
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	**64.897**	**23.500**	**46.000**	**33.000**	**–**	**55.750**	**20.500**	**–**	**119.550**	**68.450**	**431.647**
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**	**–**	**–**	**–**	**–**	**5.000**	**2.700**	**38.200**
Total	**644.247**	**555.407**	**796.795**	**271.400**	**92.720**	**243.030**	**174.650**	**18.140**	**1,065.281**	**307.580**	**4,169.250**
(percentage)	(15.5)	(13.3)	(19.1)	(6.5)	(2.2)	(5.8)	(4.3)	(0.4)	(25.6)	(7.4)	(100.0)

Appendix II

BOP support loans – cumulative approvals as of December 31, 2003

(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, PDR	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**

Program loans – cumulative approvals as of December 31, 2003

(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
Sierra Leone	Commodity imports	9.500
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		**176.070**
Bangladesh	Rock phosphate and finished fertilizer imports	7.000
	Commodity imports	15.000
Lao, PDR	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		**314.796**

HIPC Initiative debt relief operations – cumulative approvals as of December 31, 2003

(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	–	20.00	20.00
Latin America	**4.10**	**37.10**	**41.20**
Total	**30.33**	**143.70**	**174.03**

Private sector operations – cumulative approvals as of December 31, 2003

(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
Swaziland	Swaziland Development Finance Corporation	3.00
Tunisia	Banque de Tunisie	6.50
Tunisia	Orascom Telecom Tunisie	9.20
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		**102.01**
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
Pakistan	Container Terminal Project in Karachi Port	7.75
Sri Lanka	Lanka Orix	5.00
Syria	Arab Ceramic Roof Tiles Co.	5.60
Syria	Byblos Bank Syria	3.00
Syria	SpaceTel Syria	10.00
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		**94.05**
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
Regional – Guatemala, El Salvador, Honduras, Nicaragua & Costa Rica	Central American Bank for Economic Integration	15.00
Latin America & the Caribbean		**40.30**
Bosnia and Herzegovina	UPI Banka	1.73
Europe		**1.73**
Total		**238.09**

Technical assistance grants – cumulative approvals as of December 31, 2003

(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:		
Control of Foot and Mouth Disease in the Arab Region (Phase I)	300.0	100.0
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	**1,450.0**	**748.5**
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	150.0
Subtotal	**350.0**	**300.0**
CGIAR:		
1. CIAT	970.0	900.0
2. CIMMYT	2,270.0	2,210.4
3. CIP	1,219.0	1,160.0
4. ICARDA	7,742.5	7,509.3
5. ICRISAT	1,194.0	1,144.0
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	300.0	4.1
11. IWMI	100.0	25.0
12. WARDA	685.0	685.0
Subtotal	**16,548.5**	**15,635.8**
DEVELOPMENT AID FROM PEOPLE TO PEOPLE:		
Children's Town in Malambanyama, Zambia	150.0	150.0
Children's Town in Maputo, Mozambique	160.0	119.9
Subtotal	**310.0**	**269.9**
FAO:		
Expansion of the Food Security Program	250.0	–
Locust control campaign in Madagascar	150.0	93.0
New World Screwworm eradication program in North Africa	200.0	172.9
Partnership for National Food Security and Sustainable Natural Resources Management	250.0	–
Special Project for Food Security in North Kordofan	200.0	–
Subtotal	**1,050.0**	**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	50.0
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
Tsetse Fly Free Zone for Poverty Reduction in Ethiopia	200.0	–
Upgrading clinical radiotherapy services in AFRA countries	150.0	150.0
Subtotal	**1,010.0**	**640.5**
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**

	Approved	Disbursed
IFAD:		
Near East and North African Management Training in Agriculture	200.0	70.0
Rwanda Refugees Rehabilitation Program	150.0	50.0
Subtotal	**350.0**	**120.0**
INTERNATIONAL CENTER FOR BIOSALINE AGRICULTURE:		
Development of Salinity-tolerant Sorghum and Pearl Millet Varieties for Saline Lands	200.0	70.0
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	200.0
Subtotal	**1,650.0**	**1,520.0**
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	299.1
Subtotal	**450.0**	**449.1**
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	–
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	194.3
Completion of the Red Crescent Maternity Hospital Building	150.0	150.0
Construction of Medical Diagnostic Center in Surdah	400.0	–
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	–
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	108.0
Establishment of a Charitable Bread Bakery in Nablus	75.0	60.0
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	640.0
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

Appendix VI

	Approved	Disbursed
Vocational training program (UNRWA)	5,862.4	5,658.5
Women's Health Center in Jericho	150.0	150.0
Zakat Fund Committee	120.0	120.0
Subtotal	**16,515.4**	**15,181.5**
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
Formulation & incorporation of the National Renewable Energy & Energy Efficiency Policy into National Energy Policy in Honduras	100.0	50.0
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	–
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
Removing barriers to develop & create conditions for the development of renewable energy projects in Haiti	110.0	40.0
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	120.0
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	**4,592.5**	**3,640.8**
UNDP Subtotal	**27,775.2**	**26,822.5**
UNESCO:		
E-Learning for the Blind in the Arab Region	200.0	0.0
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	**885.0**	**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
Free and Compulsory Primary Education in Kenya	200.0	75.0
Health and Nutrition in Mauritania	100.0	95.3
Integrated Early Childhood Care and Development in Lesotho	200.0	200.0
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	75.0
Strengthening Basic Health Services in Peru	200.0	150.0
Water Supply and Environmental Sanitation Program in Nicaragua	100.0	100.0
Water Supply and Sewerage in Tajikistan	150.0	150.0
Subtotal	**6,871.0**	**6,470.7**
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	500.0
Education and Training of Health Workers in Food Safety (Guatemala, Mozambique and Samoa)	105.0	55.0
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**	**5,263.3**

	Approved	Disbursed
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	650.0	100.0
IACD – School-based Telecenters in Rural Guatemala	100.0	–
ICAO – Civil aviation school in Mogadishu, Somalia	50.0	–
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	75.0
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	150.0
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
OHFOM: Extension of a Surgical Unit to the District Hospital of Elavagnon, Togo	100.0	50.0
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
PROMU: Expansion of the EFAES vocational School in the suburbs of Asunción, Paraguay	150.0	50.0
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
UNODC: Drug Abuse Preventive Education and Health Promotion in Schools in Bolivia	150.0	70.0
Subtotal	**17,726.0**	**16,400.5**
Total	**104,217.1**	**96,126.1**

Grants for research and similar activities – cumulative approvals as of December 31, 2003

(in thousands of dollars)

	Approved	Disbursed
ACDESS (African Center for Development and Strategic Studies)	100.000	–
African Haematology Forum	20.000	–
African Mathematical Union	10.000	10.000
African Regional Center for Technology	80.000	80.000
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	–
Arab Organization for Agricultural Development – regional workshop	20.000	–
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	50.000
Bangladesh Welfare Association for the Disabled	10.000	10.000
BERDO (Blind Education and Rehabilitation Development Organization)	20.000	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	50.000
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
Colombo Plan	80.000	48.068
COPAC (Committee for Promotion of Aid to Cooperatives)	23.000	23.000
DynMed Research Group	75.000	55.000
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
FLAME Community School	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	49.000
HelpAge International	39.100	39.100
IAS (Islamic Academy of Sciences)	135.000	135.000

	Approved	Disbursed
Ibrahim Shihata Memorial LL.M. Program	300.000	–
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	–
ILI (International Law Institute)	100.000	100.000
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	–
International Institute for Advanced Studies, Caracas, Venezuela	70.000	70.000
International Ocean Institute	296.000	268.000
International Round Table for the Advancement of Counseling	9.000	9.000
IPS (Inter Press Service)	70.000	70.000
Islamic Community in Austria	250.000	–
ITC (International Trypanotolerance Center)	70.000	69.900
Johns Hopkins University – Study of the non-profit sector in developing countries	50.000	50.000
Korea, Democratic People’s Republic of	37.000	36.439
Layton Rahmatulla Benevolent Trust (LRBT)	100.000	–
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	–
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	–

	Approved	Disbursed
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
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	100.000
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	100.000
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	90.000
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	60.000
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	–
World Meteorological Organization	15.000	13.850
World Parks Congress (WPC)	100.000	100.000
Worldview International Foundation	40.000	40.000
Total	**6,532.725**	**5,082.397**

Emergency assistance grants – cumulative approvals as of December 31, 2003

(in thousands of dollars)

	Amount approved	Amount disbursed
Afghanistan	850.0	849.8
Algeria	946.0	940.8
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, DR	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, IR	1,650.0	894.9
Korea, DPR	400.0	400.0
Kosovo	300.0	300.0
Madagascar	150.0	–
Maldives	50.0	50.0
Mongolia	100.0	99.9
Mozambique	200.0	200.0
Nicaragua	150.0	150.0
Palestine	1,360.0	1,020.5
Papua New Guinea	100.0	–
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, BR of	600.0	600.0
Vietnam	120.0	120.0
Yemen	200.0	197.6
Total	**47,226.5**	**45,827.7**

Special grant accounts – cumulative approvals as of December 31, 2003

(in thousands of dollars)

	Amount approved	Amount disbursed
Food Aid Special Grant Account		
Affected African countries	20,000.0	16,907.0
Subtotal	**20,000.0**	**16,907.0**
HIV/AIDS Special Grant Account		
OPEC Fund/IFRC – Reducing Household Vulnerability to HIV/AIDS in Selected Countries of Asia & the Pacific	2,000.0	650.0
UNECA – CHGA Commission for HIV/AIDS and Governance in Africa	300.0	200.0
OPEC Fund/UNFPA – HIV/AIDS Prevention in Central America and the Caribbean	3,200.0	1,000.0
OPEC Fund/UNFPA – HIV/AIDS Prevention in Selected Arab Countries	1,000.0	400.0
OPEC Fund/WHO – Initiative against HIV/AIDS in Africa	8,110.0	5,410.0
Subtotal	**14,610.0**	**7,660.0**
Special Grant Account for Palestine*		
Abu Raya Rehabilitation Center – Increasing Operational Capacity	200.0	–
AOAD – Supporting Farmers Affected by the "Separation Wall"	250.0	–
Assistance to Educational Institutions in Palestine	2,000.0	1,000.0
BASR – Establishment of a Vocational Training Program	120.0	–
EAI – Improving the Quality of Palestinian Education	150.0	–
ECRC – In-service Teacher Training and Capacity Building Program	150.0	–
El Wafa Medical Rehabilitation Hospital – Development of Psychological Services for Disabled Palestinians	50.0	–
Emergency Medical Equipment for Palestinian Hospitals and Medical Centers	2,000.0	1,000.0
FPSC – Empowerment of Farmers and Women to Serve their Communities in the West Bank and Gaza Strip	200.0	–
Rehabilitation and Reconstruction of Damaged Houses and Properties in Palestine (Phase II)	2,000.0	–
Society of Ina'sh El-Usra – Upgrading Vocational Training Courses	150.0	–
TCAS – Empowerment of Palestinian Women	30.0	–
The Hawwa Center – Establishment of Kana'ni House	150.0	–
Women's Association for Child Care – Open Windows Youth House in Bethlehem	50.0	–
Subtotal	**7,500.0**	**2,000.0**
Total	**42,110.0**	**26,567.0**

* This special account was approved on November 19, 2002. Grants for Palestine approved prior to this date are shown in Appendices VII & VIII.

Appendix X

Grants for subscriptions to the Common Fund for Commodities as of December 31, 2003

(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	0.387
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**	**8.695**
Afghanistan*	1.070	–
Bangladesh	1.430	0.411
Bhutan	1.000	0.350
Lao, PDR*	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**	**11.915**

* Agreement not yet signed.
** 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, 2003

(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, IR	376,548,558	139,637,250		516,185,808
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
GSP Libyan AJ	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, BR of	342,711,000	104,489,000	52,436,941	499,636,941
Total	**2,463,145,355**	**861,142,250**	**110,720,833**	**3,435,008,438**

Paid-in contributions to

Country	Fund direct operations	IFAD**		IMF Trust Fund	Total
		Cash	Promissory notes		
Algeria	73,722,884	25,580,000			99,302,884
Ecuador*	4,115,684				4,115,684
Gabon	3,503,486	1,301,000			4,804,486
Indonesia	9,142,411	3,159,000			12,301,411
Iran, IR	127,194,203	12,225,500	29,357,833		168,777,536
Iraq	18,605,407	6,283,200	44,815,800	17,308,831	87,013,238
Kuwait	266,044,361	92,041,000		10,348,175	368,433,536
GSP Libyan AJ	133,195,300	20,000,000		3,805,159	157,000,459
Nigeria	175,057,208	66,459,000			241,516,208
Qatar	66,018,990	12,709,100	10,270,900	3,155,497	92,154,487
Saudi Arabia	739,260,615	261,118,000		21,299,607	1,021,678,222
United Arab Emirates	121,925,976	42,180,000		2,366,623	166,472,599
Venezuela, BR of	339,934,697	104,489,000		52,436,941	496,860,638
Total	**2,077,721,222**	**647,544,800**	**84,444,533**	**110,720,833**	**2,920,431,388**

* 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

Arab Aid: Past, Present and Future, *Speeches delivered at the Symposium on Arab Development Aid, 2003.*

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.

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

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).

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, 2003 (published biennially since 1999 in Arabic and English).

OPEC Aid Institutions: A Profile, 2002 (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 OPEC Fund and Development Cooperation in a Changing World, Selected statements of Y. Seyyid Abdulai. Mauerbach, Austria: Agens & Ketterl GmbH, 2003.

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 of 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).

Appendix XIII

Fund missions and meetings and conferences attended in 2003

January

Entebbe, Uganda.
Private and public sector project appraisal mission.
Staff

Khartoum, the Sudan.
Private sector appraisal mission.
Staff

Amman, Jordan.
South Center's High Level Policy Forum.
Director-General

Paris, France.
Meeting with *Crédit Agricole* Asset Management and BNP Paribas.
Assistant Director-General, Finance and staff

Amman, Jordan.
Launch of the OPEC Fund/UNFPA Initiative for HIV/AIDS Prevention in Selected Arab Countries.
Staff

Riyadh, Saudi Arabia.
Meeting with officials of the Saudi Fund.
Director, Information and Economic Services

Fiumicino, Seychelles.
Public and private sector project appraisal mission.
Staff

February

Tehran, Iran.
Meeting with government minister.
Director-General and Assistant Director-General, Finance

Rome, Italy.
Multilateral Development Banks Meeting on the HIPC Initiative.
Staff

Cairo, Egypt.
Private sector appraisal mission.
Staff

Rome, Italy.
Twenty-fifth Anniversary Session of the Governing Council of IFAD.
Director-General

Cairo, Egypt.
First Arab Conference on Human Development.
Staff

Rome, Italy.
High Level Forum on Harmonization.
Director-General and Assistant Director-General, Operations

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

March

Sarajevo, Bosnia and Herzegovina.
Public sector project appraisal mission.
Director-General and General Counsel

Paris, France.
Meeting for the support of the NEPAD Initiative.
Director, Information and Economic Services

Khartoum, the Sudan.
Arab NGO Conference.
Staff

Algiers, Algeria.
First Session of the Bilateral Commission for Algerian and Nigerian Cooperation; Forty-first Session of the Trans-Saharan Road Liaison Committee.
Assistant Director-General, Operations

Maseru, Lesotho.
Public sector project appraisal mission.
Staff

Milan, Italy.
Forty-fourth Annual Meeting of the IDB.
Director-General; Assistant Director-General, Operations and staff

Rome, Italy.
Board of Directors' Annual Meeting of the International Development Law Organization.
General Counsel

April

Vienna, Austria.
IFI's SME Working Group Meeting.
Hosted by the OPEC Fund

Los Angeles, San Diego and New York, USA.
Meetings with portfolio managers.
Assistant Director-General, Finance and staff

Havana, Cuba.
Official launch of the OPEC Fund/UNFPA initiative for HIV/AIDS prevention in Central America and the Caribbean.
Acting Director, Information and Economic Services

Riyadh, Saudi Arabia.
Visit to the Saudi Fund.
Staff

Washington, D.C., USA.
Sixty-seventh 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).
Director-General and Assistant Director-General, Operations

Abu Dhabi, UAE.
Thirty-second Annual Meeting of the Arab Fund.
Director-General and Assistant Director-General, Operations

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

Dar es Salaam, Tanzania.
Private and public sector project appraisal missions.
General Counsel and staff

Cairo, Egypt.
Meeting with government minister.
Assistant Director-General, Operations and staff

May

Tunis, Tunisia.
Private sector appraisal mission.
Staff

Amman, Jordan.
Private and public sector project appraisal missions.
Staff

Baku, Azerbaijan.
Round table meeting.
Staff

London, England.
Annual Meeting of the London Forum for International Economic Law and Development.
Director-General

June

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

Washington D.C., USA.
IFC Financial Partners Meeting; side meetings at IFC, the Environmental Management Secretariat for Latin America and the Caribbean (EMS) and the Inter-American Investment Group (IIC).
Staff

Niamey, Niger.
Poverty Reduction Strategy Forum; public sector project appraisal mission.
Staff

Paris, France.
Donor's conference on Senegal.
Staff

Addis Ababa, Ethiopia.
Distribution of food aid items purchased under the Fund's *Food Aid Special Account.*
Director-General and staff

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

Washington D.C., USA.
World Bank Inspection Panel.
Director-General

Kuwait, Kuwait.
Meeting of the Coordination Group of Arab/OPEC/Islamic Development Aid Institutions.
Assistant Director-General, Operations and staff

Geneva, Switzerland.
UNCTAD Round of Negotiations of Bilateral Investment Treaties for African Least Developed Countries.
General Counsel

July

Yaoundé, Cameroon.
Public sector project appraisal mission.
Staff

Washington, D.C., USA.
IDB/World Bank Meeting.
Staff

Washington, D.C., USA.
World Bank Inspection Panel.
Director-General

Cairo, Egypt.
Private sector appraisal mission.
Assistant Director-General, Operations and staff

Frankfurt, Germany.
Visit to commercial bank.
Staff

Khartoum, The Sudan.
Private sector appraisal mission.
Assistant Director-General, Operations and staff

Freetown, Sierra Leone.

Public sector project appraisal mission; Third Meeting of the Development Partnership Committee (DEPAC).

Staff

Ankara, Turkey.

Meeting with government officials.

Staff

Asmara, Eritrea.

Ceremony marking the distribution of food aid items purchased under the Fund's *Food Aid Special Account.*

Staff

August

Cairo, Egypt.

First meeting of the Steering Committee of the Joint AOAD/FAO/IAEA Project for Eradication of the Old World Screwworm in the Middle East.

Staff

London, England.

Private sector appraisal mission.

Staff

Lusaka, Zambia; Harare, Zimbabwe; Lilongwe, Malawi; Maseru, Lesotho; Maputo, Mozambique; Mbabane, Swaziland.

Distribution of food aid items purchased under the Fund's *Food Aid Special Account.*

Director-General; Acting Director, Information and Economic Services and staff

September

Almaty, Kazakhstan.

Twenty-eighth Annual Meeting of the IsDB.

Director-General; Assistant Director-General, Operations; and General Counsel

Paris, France.

Meetings with commercial banks.

Staff

Nouakchott, Mauritania.

Public and private sector project appraisal missions.

Assistant Director-General, Operations and staff

New York, Boston, Los Angeles, San Diego, USA.

Meeting with portfolio managers.

Staff

Beirut, Lebanon.

Public sector project appraisal mission.

Staff

Riyadh, Saudi Arabia.

AGFUND's International Prize for Pioneering Development Projects committee meeting.

Director-General

Freetown, Sierra Leone.

Public sector project appraisal mission.

Staff

Dubai, United Arab Emirates.

- Eighty-second meeting of the Deputies of the G-24 (the Inter-governmental Group of 24 on International Monetary Affairs).
- Sixty-eighth meeting of the Ministers of the G-24.
- Seventieth 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).
- Symposium on Arab Development Aid.

Director-General; Assistant Director-General, Operations; Acting Director, Information and Economic Services and staff

Amsterdam, Netherlands.

Private sector appraisal mission.

Staff

Rome, Italy.

World Bank Global Information and Communication and Technology Conference.

Staff

October

Los Angeles and San Diego, California, USA.

Meetings with portfolio managers.

Staff

Riyadh, Saudi Arabia.

Meeting with government officials.

Director-General

Jeddah, Saudi Arabia.

FAO workshop: Regional Programs for Food Security in the Near East.

Director-General and staff

Sana'a, Yemen.

Donors' conference on Yemen.

Staff

Amsterdam, Netherlands.

Thirty-sixth Executive Board Meeting of the CFC.

General Counsel.

Abuja, Nigeria.

Meeting with government officials.

Director-General

Vienna, Austria.
Semi-Annual Meeting of the Multilateral Development Banks.
Hosted by the OPEC Fund

Nairobi, Kenya.
Public sector project appraisal mission.
Staff

Addis Ababa, Ethiopia.
Public sector project appraisal mission.
Staff

New York, USA.
Meetings with UN officials.
General Counsel and staff

Damascus, Syria.
Private sector appraisal mission.
Staff

Monte Carlo, Monaco.
MICE Executive Congress.
Staff

Paris, France.
World Bank Friends of Madagascar Conference.
Staff

Karachi, Pakistan.
Private sector appraisal mission.
Staff

Harrogate, UK.
Chartered Institute of Personnel and Development Annual Conference.
Director, Administration and Personnel

Khartoum, the Sudan.
Meeting with president of Byblos Bank.
Director-General and Assistant Director-General, Operations

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

Accra, Ghana.
Public sector project appraisal mission.
Staff

Managua, Nicaragua.
Consultative Group Meeting; public sector project appraisal mission.
Staff

November

London, England.
Visit to Morgan Stanley.
Assistant Director-General, Finance

London, England.
Performance, Attrition and Risk Management Conference.
Staff

Jeddah, Saudi Arabia.
Microfinance meeting for Palestine.
Staff

Cape Town, South Africa.
GMS Africa 2003 Conference.
Staff

December

M'babane, Swaziland and Johannesburg, South Africa.
Private sector appraisal mission.
Staff

Amsterdam, the Netherlands.
15th Annual Meeting of the Governing Council of the CFC.
Director-General and General Counsel

Paris, France.
Visit to *Credit Agricole.*
Assistant Director-General, Finance and staff

Cairo, Egypt.
Private sector appraisal mission.
Assistant Director-General, Operations and staff

Freetown, Sierra Leone.
Public sector project appraisal mission.
Staff

Ouagadougou, Burkina Faso.
Round Table Meeting and public sector project appraisal mission.
Staff

Algiers, Algeria.
Donors meeting on NEPAD.
Assistant Director-General, Operations

Asmara, Eritrea.
Donor's conference on Eritrea and public sector project appraisal mission.
Staff

Kuwait, Saudi Arabia and UAE.
Member country tour.
Director-General

Abbreviations and Acronyms

Abu Dhabi Fund Abu Dhabi Fund for Development
ACDESS African Center for Development and Strategic Studies
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
BASR Bethlehem Arab Society for Rehabilitation
BERDO Blind Education and Rehabilitation Development Organization
BOAD West African Development Bank
BOP Balance of payments
CABEI Central American Bank for Economic Integration
CDR Council for Development and Reconstruction
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 Maize and Wheat Improvement Center
CIP International Potato Center
CIS Commonwealth of Independent States
DAPP Development Aid from People to People
DFID Department for International Development (UK)
DPPC/WFP Disaster Prevention and Preparedness Commission/World Food Program
EADB East African Development Bank
EAI Education Action International
EBRD European Bank for Reconstruction and Development
ECB European Central Bank
ECOWAS Economic Community of West African States
ECRC Early Childhood Resource Center (Palestine)
EU European Union
FAO Food and Agriculture Organization of the United Nations
FfD International Conference on Financing for Development
FPSC Foundation for the Social Promotion of Culture (Spain)
FUNDACEA Experimental Agricultural College Foundation
G-24 Inter-Governmental Group of Twenty-Four on International Monetary Affairs
GDP Gross Domestic Product
GEF Global Environmental 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
IACD Inter-American Agency for Cooperation and Development
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
ICBA International Center for Biosaline Agriculture
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
IUCN	World Conservation Union
IWMI	International Water Management Institute
JOHUD	Jordanian Hashemite Fund for Human Development
Kuwait Fund	Kuwait Fund for Arab Economic Development
LDCs	Least developed countries
LRPD	Layton Rahmatulla Benevolent Trust
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
OHFOM	*Œuvres Hospitalières Française de l'Ordre de Malte*
OIC	Organization of the Islamic Conference
PAHO	Pan American Health Organization
PIU	Project Implementation Unit
PPU	Palestinian Polytechnic University
PROMU	Promotion of Craftswomen and Women Workers
PROPARCO	*Agence française de développement* (France)
SADC	Southern African Development Community
Saudi Fund	Saudi Fund for Development
SELA	Latin American Economic System
TCAS	The Center for Agricultural Services (Palestine)
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
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
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
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WANA	West Asia and North Africa
WARDA	West Africa Rice Development Association
WESCANA	West Central Asia and North Africa
WFP	World Food Program
WHO	World Health Organization
World Bank	The World Bank Group
WPC	World Parks Congress
WTO	World Trade Organization

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