



JOINT TECHNICAL MEETING

ARAB CO-ORDINATION GROUP INSTITUTIONS AND
THE OECD DEVELOPMENT ASSISTANCE COMMITTEE



Final Annotated Agenda

OFID Headquarters • Vienna, 29-30 April 2010

THURSDAY, 29 APRIL

8:30 Registration

9:00 Opening session

Welcome Address

Suleiman Jasir Al-Herbish, *Director General, OPEC Fund for International Development (OFID)*
Group photo

9:30 Session I – Food security and agricultural development

Presentation – Kuwait Fund/Arab Fund

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The combined effect of growing populations, low agricultural productivity and widespread drought undermines food security in many developing countries. Successive waves of food, fuel, financial and economic crises since 2005 have further exacerbated hunger and malnutrition across the globe. With over 1 billion people suffering from chronic hunger, food insecurity is properly seen as a global problem justifying international actions. And in light of its implications for the spread of disease, migration and conflict, the issue has moved to centre stage on the international political front. The UN has established a high-level task force to galvanise momentum to address food insecurity, and successive geopolitical actors – including the African Union, the European Union and the G8 L'Aquila Summit – have taken up the cause.

Nevertheless, the continuing high prices of essential food commodities increase import costs, consume an ever-higher share of poor people's incomes and jeopardise the sustainability of emergency food supplies provided by international agencies.

Emergency and food aid is critical in the short term. In the medium- to long-term, priority should be given to measures that foster agricultural productivity and growth. The longer term perspective needs to acknowledge the close links between food insecurity, rural development and poverty. These considerations call for more and better targeted ODA and capacity-building actions to i) improve the reach and effectiveness of food aid, ii) increase both public and private investment in rural infrastructure including water management and agricultural inputs, and iii) strengthen extension services. There is equally a need to accelerate the reform of agricultural trade policies in both importing and exporting countries, and to review bio-fuels policies.

This session creates the opportunity for participants to respond to the following questions:

- What – in operational terms – is your agency doing to address food insecurity issues in developing countries?
- What is needed to increase agricultural productivity in low-income countries, and what are the priority actions to take?
- How can the development benefits of sovereign states investing in land and biofuels in low-income countries be maximised?

11:15 Coffee break

11:30 **Session II – Energy for the Poor Initiative:**

Presentation – OFID/Saudi Fund

Presentation – Inter-American Development Bank program for the expansion of energy services to 40 million people

Energy poverty is commonly defined as the lack of energy services to support basic needs of households for cooking, lighting and heating and to promote economic growth through empowering of enterprises and public institutions (workshops, factories, street lighting, etc.). Energy poverty is associated with poverty in general and under-development in many ways. Consumption of energy relates closely with level of development.

Modern energy is symbolised essentially by electricity. It is estimated that over 1.5 billion people – *almost a quarter of humanity* – have no access to electricity. This means they have no reliable and efficient light in the evening, limited access to modern communications, inadequate education and health facilities, and not enough power for their work and businesses. Only 29% of the population in Sub-Saharan Africa has electricity and in South Asia access to electricity is limited to only 60% -- despite progress made in the recent years.

Traditional energy such as biomass holds back sustainable development; it does not provide the essential mechanical energy to improve *productivity* in agriculture, industries and services. It is also *socially constraining* as gathering wood fuel and other traditional sources of energy is time-consuming and deflects women and children from other activities essential to economic as well as social development. There is naturally a **strong correlation between energy poverty and poverty in general**. Many analyses have demonstrated that the lack of access to modern energy is indeed a constraint on the welfare and the economic development of the poor.

Limited access to modern energy leads the poor – more than any other segment of the population – to spend considerable time and effort obtaining energy services. In addition, a substantial proportion of household income is spent on energy just for basic survival needs (cooking, keeping warm, etc).

In relation to the Millennium Development Goals (MDGs), UNDP states “*Energy is central to sustainable development and poverty reduction efforts. It affects all aspects of development -- social, economic, and environmental []. None of the MDGs can be met without major improvement in the quality and quantity of energy services in developing countries.*

Many countries have developed programs for the expansion of energy to rural and peri-urban areas. A large number of countries have integrated these programs in their PRSP.

OFID and the Saudi Fund are prioritizing energy projects in all countries where energy for the poor is considered a priority. There is no *a priori* choice of source of energy. All economically viable sources (traditional as well as renewable) are acceptable. The two institutions have forged a close relationship with the World Bank and are, in close collaboration, entering into co-financing arrangements supporting a growing number of projects. Most of the projects financed so far are in the areas of rural electricity distribution.

This session creates the opportunity for participants to respond to the following questions:

- What – in conceptual or operational terms – is your agency doing to address access to energy by the poor in developing countries?
- Would your agency be prepared to join a broad-based initiative to increase funding for access to energy, based on programs and priorities expressly approved by partner countries?

13:00 **Lunch/Networking**

15:00 Aid Effectiveness – The Case of Yemen

Presentation – Saudi Fund/Arab Fund

Opening remarks by United States

Recent developments in the country has made co-ordination more important than ever while at the same time much more difficult: recent hostilities have delayed the implementation of an agenda agreed in London. The Gulf Co-ordination Council (GCC) governments have great interest – and a great stake – in the stabilisation and development of the country.

The challenges facing the Arab Republic of Yemen are tremendous and have always been on the agendas of its neighbours as well as the international community. The threat of transformation into a failing state is more present now than ever before. Radicalisation, instability, extreme poverty, corruption and the absence of government and institutions have generally been the norm for a long period of time.

In November 2006, Yemen briefed the international donor community on the political, social and economic development that had taken place since the unification of the country in 1990. Yemen's commitment was evidenced by its adoption and implementation of the National Reform Agenda in 2006. Good progress had been made in a number of areas, including governance and improving the investment climate. Development partners reaffirmed their support for the country's efforts to reduce poverty and to achieve macroeconomic stability, and pledged about US \$ 4.7 billion for the period 2007-2010 (more than US\$ 3 billion from the GCC).

Four years on from this donor conference, the country's problems have only gotten worse. Yemen is now dealing with rebellion in the north; growing unrest in the south along with the threat from al Qaeda. This comes on top of the country's dire poverty, population explosion and declining water and oil resources.

In January 2010, a conference was held in London followed by a number of other meetings in Riyadh and Abu Dhabi. All aimed at discussing the challenges and urging the Government of Yemen for greater impetus towards a political and economic reform agenda. The Donors were also requested to improve coordination and to work toward increasing aid effectiveness and the delivery of their pledges from 2006.

This session creates the opportunity for participants to respond to the following questions:

- What are the plans of your country/institution for Yemen?
- Is there a way to effectively speed the delivery of assistance to Yemen and at the same time guarantee a reasonable level of governance?

FRIDAY, 30 APRIL

9:00 Arab Development Portal

Presentations – OFID on the concept and status of formulation

Opening remarks by MENA/OECD Initiative on Governance and Investment for Development

When compared to other regions of the world, the development of the Arab countries appears to have been constrained by institutional weaknesses as much as by the limitation of its natural resources (excluding oil). A great deal has been said on the issue under the all-encompassing concept of governance and a great deal is being done to alleviate the impact of this major constraint. The Arab world is not homogenous in this respect, and progress in the development of technical and institutional capacities is naturally uneven. In the Arab world as elsewhere, under-development is not a state of mind; it is an insufficient convergence between opportunities and the capacity to drive these opportunities towards solving objective constraints. Many observers agree that there is a need to enhance the Arab world's knowledge of development issues and best practices. All development institutions working in the area have contributed to the dissemination of best practice, whether at project, sector or global level. Some are monitoring established programs and objectives such as IFC's business environment reports, the Good Governance for Development (GGfD) in Arab Countries Initiative by UNDP and OECD; the Arab development report by the Arab Business Council etc.

The Arab institutions of the coordination group have recognised the issue under the somewhat simplified concept of capacity building and addressed it systematically under different schemes and formula at policy as well as operational levels. The group now feels that the advent of the internet, and the growing use of computers as a tool for the acquisition of knowledge and indeed of governance offer an opportunity to enhance their contribution to disseminating knowledge of development issues in the Arab world. Hence the concept of the Arab Development Portal.

This session creates the opportunity for participants to take note of the project and respond to the following questions:

- What – in conceptual or operational terms – is your agency doing to address the issue of knowledge of development issues in the Arab World?
- Would your agency be prepared in principle to join a broad based support for the development of an Arab Development Portal?

11:15 **Coffee break**

11:30 – 12:30 **Closing Session**

Technical Meeting Co-Chairs (OFID & United States)