

Al-Herbish re-appointed for five-year term

Director-General outlines challenges ahead

The Ministerial Council of OFID at its 29th Annual Session in Isfahan, the Islamic Republic of Iran, June 17, 2008, unanimously re-appointed Mr. Suleiman J. Al-Herbish as Director-General for a second five-year term, commencing November 1, 2008.

The decision was announced by Council Chairman and Iranian Minister of Foreign Affairs, HE Dr. Manouchehr Mottaki, who emphasized that the Council appreciated the vigorous way in which Mr. Al-Herbish had spearheaded the implementation of the institution's mandate of helping developing countries around the world. He assured the Director-General of the continuing support of the Ministerial Council in the challenges and tasks ahead.

Responding, Mr. Al-Herbish said he saw his re-appointment "as a great honor," adding that it was a reflection of the confidence placed by the Council in his efforts. He stressed, however, that without the support and commitment of his OFID colleagues, "the recognized achievements would not have been possible."

In the following interview with **Farouk U. Muhammed, OFID Newsletter Editor/Officer-in-Charge of the Department of Information (DOI)**, the Director-General reflects on the achievements during his first tenure, and looks with renewed confidence and dedication to the tasks ahead.

After acknowledging DOI's congratulations and best wishes on his re-appointment, which Mr. Muhammed conveyed on behalf of his colleagues,

Mr. Al-Herbish said that the tribute actually belonged to the entire OFID family. "I am proud of them and their dedication, cooperation and support. It is because of their efforts that the Ministerial Council saw fit to renew my contract," he stressed.

Reflections

Mr. Al-Herbish reflected on some of the innovations and achievements at OFID during his first term, which he considered as a launching pad for the flurry of activities anticipated in the next five years. The Director-General recalled his first mission outside the Kingdom of Saudi Arabia – as a young oil industry executive – to UNCTAD (United Nations Conference on Trade and Development) in 1968; an experience that enabled him to familiarize himself with development issues. His interest in that area was solidified during UNCTAD's second session which was considered as the "most important" in the institution's history. Since then, explained Mr. Al-Herbish, he had acquired more experience on energy, development and poverty. Said Mr. Al-Herbish, "By the time I came to OFID, I was fully aware of the institution's noble mission and I started working with my colleagues to implement the institution's mandate in the best way possible."

The Director-General said the first challenge he encountered was the need to increase OFID's intervention and its resources. As a result, several new mechanisms had been added to OFID's range of financing options. These include the Blend Facility and Trade Finance Facility (TFF), together with a separate Grant Account for Emergency Operations. He said, for example, that the Blend Facility, which was launched concurrently with the 16th Lending Program, was meant to accommodate additional projects in different countries based on specific criteria. The TFF was approved by the Ministerial Council at its June 2006 meeting in Jeddah, Saudi Arabia. "Experience has shown that these two new facilities are working very well and making additional financing available to partner countries," Al-Herbish said.

Increases in cost of energy, food

Looking to the tasks ahead, it is to be expected that Mr. Al-Herbish's extensive background in the development arena, as well as his experience in the last five years at the helm of OFID, have sharpened his focus, enabling him to better tackle the inevitable challenges that will continue to unfold. This will be more so as developing countries are already increasing their demand for OFID's services and financial support. The Director-General said the challenges he faced in 2003 were still there, adding, "The problem is that these challenges are increasing in number and quality." As if the existing myriad problems confronting developing countries are not enough, they appear to be compounded by increases in energy and particularly food prices.

Ever concerned about the plight of poor countries and especially the poorest segments, Mr. Al-Herbish is passionate about how best OFID can help to ameliorate such problems, within budgetary limits. However, he took solace in the *Riyadh Declaration* of the Third Summit of Sovereigns and Heads of State of OFID Member Countries held in November 2007 in Saudi Arabia. Mr. Al-Herbish recalled that a separate chapter in the *Declaration* was devoted to energy and sustainable development and one of the items stressed the need to eradicate energy poverty. Re-echoing his strong belief that no country can develop without a substantial increase in energy consumption, the Director-General said the Riyadh Summit instructed OFID to tackle the energy poverty issue. He expressed pride in the fact that his OFID colleagues rallied and enabled the ►



Mr. Al-Herbish regards his reappointment as a great honor and is looking forward to guiding OFID to greater achievements.

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Al-Herbish: The toughest problems facing the world today are the twin crises of energy poverty and rising food prices.

◀ institution to urgently implement the decision. The OFID action culminated in its first ever workshop on energy in Africa, titled *Energy Poverty in Africa*. The well attended and highly successful workshop in June in Abuja, Nigeria, was inaugurated by President Yar'Adua. Mr. Al-Herbish reiterated that the Abuja workshop had been a big success because the participation was very good, and that high quality papers had been presented by key representatives of the World Bank, United Nations Industrial Development Organization, the United Nations Environmental Program, several energy companies such as Chevron, and so on. He said the Abuja energy workshop “was really a big deal to OFID” and that he remained proud of its outcome which articulated a number of very useful suggestions that could help solve the energy problems discussed.

Mr. Al-Herbish noted that “the toughest problem being faced by the world is the twin crises of energy poverty and rising cost of food items,” including corn which some countries are diverting towards the production of biofuels. These diversions are detrimental to food supply and especially the needs of poor people around the world. He said OFID was making serious efforts in seeking ways and means of contributing to the solution of the problems. Mr. Al-Herbish said he was in Rome recently, to participate in an IFAD (International Fund for Agricultural Development) meeting during which he chaired one of the panels on the subject of the ongoing global food crises. Furthermore, Mr. Al-Herbish delivered a paper on the subject at the meeting. He stated that OFID was an active member of the United Nations Committee on Sustainable Development. The institution also attends and contributes to the debate on the food issue under the auspices of several international bodies such as the World Bank. On the home front, Mr. Al-Herbish stated that OFID, in collaboration with a reputable institution, is conducting research on the global food crisis to examine the scientific aspect of the problem and proffer suitable and sustainable solutions.

Increasing demand

Undoubtedly, the demand on the kind of financial assistance that OFID has been giving to especially the poorer partner countries will continue to rise. Consequently, OFID would need to enhance its resources to be able to provide the additional services. “That is the main challenge facing OFID,” said the Director-General, who added that the demand on the institution’s resources

“is increasing exponentially.” He assured that the institution was doing all it could, not only to cope with this key challenge, but that some proactive work was in progress. It should be noted that OFID’s financial base consists of Member States’ contributions, repayment of loans, plus reserves which are invested in different parts of the world. He said OFID’s Management had done plenty of work in collaboration with the Investment Committee – which is a Sub-committee of the Governing Board – to increase the institution’s resources, and that the plans are progressing very well.

Mr. Al-Herbish pointed out that OFID is assisting about 121 developing countries (most of them in the low income category), adding that “to be able to sustain such assistance and accommodate the anticipated increases in demand, the institution must seek ways and means of augmenting its resources.” He expressed delight that the Ministerial Council had been very supportive, as, last year, it approved, in principle, that OFID should take action, including borrowing, that would lead to the enhancement of its resources.

Continuing, he said Management had done its homework and that strategies include the possible outsourcing of some services – which would be reported to both the Council and Board, should that occur. He said OFID was also looking for more support from Member States “who are fully aware of the severity of the unfolding problem of rising costs of energy and food.” He said, “I am hoping that our Member States will probably intervene and give us a hand in terms of fresh contributions, or maybe utilize the OFID Agreement which is flexible, so as to accommodate a contribution from a Member or several Member States.”

Member States’ support

Mr. Al-Herbish agreed that OFID had always valued and appreciated the support of its Member States. Going down memory lane, he said “It is really interesting when you go back to 1960 when OPEC (the Organization of the Petroleum Exporting Countries) was created.” He recalled that OPEC was created by representatives from five Member States, only two of whom, he thought, were ministers. He said the idea of OFID was born at the First Summit of Sovereigns and Heads of State held in 1975 in Algiers, Algeria. He explained that the leaders delegated the establishment of OFID to their ministers of finance. In the *Algiers Declaration*, the Director-General recalled, “our Heads

of State stated very clearly their full support to the developing countries and also they indicated their commitment and willingness to do more to work with these countries.” Thus, OFID was created the next year (1976). Still on memory lane, Mr. Al-Herbish recalled that at the Second Heads of State Summit hosted by Venezuela’s President Chavez, in Caracas, in 2000, the leaders “reaffirmed their commitment and support for OFID.” He said it was particularly important that the *Caracas Declaration* emphasized that “poverty, which remains with us, is the most serious environmental problem facing the world.”

OFID’s relevance was further emphasized at the Third Summit in Riyadh, which was hosted by King Abdullah, the Custodian of the Two Holy Mosques. Mr. Al-Herbish noted that the Summit’s conclusions were different from those of the previous two, in that, in line with the world’s dynamic situation, the *Riyadh Declaration* contained three new chapters on energy, climate change, and energy and sustainable development, which is at the heart of OFID’s mandate. Al-Herbish stressed that OFID is really proud of such support. Again casting his mind back, he recalled that at the second UNCTAD Conference in 1968 when development issues were discussed, the price of oil was only US\$1.80 per barrel. He said, therefore, that “even before the establishment of OPEC, our Member States were fully committed to the cause of eradication of poverty in the developing countries around the world.” He reiterated that OFID Member States have remained consistent in their support for the institution, adding, “We are relying on our governments to continue supporting us because the problem we are facing is getting deeper and deeper.”

Manpower development

Turning to the issue of manpower, it is universally accepted that its continuous development is one of the most vital resources of any institution. To drive home that point, Mr. Al-Herbish said, “Whenever I am asked about our resources or capital, I say that our resources come from contributions by our Member States and reserves. But actually, the real asset of OFID is its manpower, that is, the people who work here.” He said there are nationalities from 24 countries with different cultures and experiences, working at OFID, adding that “without such manpower, teamwork, cooperation ▶



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“... the real asset of OFID is its manpower... without such quality of people, we couldn't have realized our achievements.” AL-HERBISH

◀ and quality of the people, we couldn't have realized the achievement for which we are being commended.” He said Management was doing all it could to give more training and develop a satisfied manpower, “so as to be able to deliver the huge mission which we are shouldering.” As another example, the Director-General said Management was implementing a project that is aimed at improving this culture of cooperation and friendship, which, he believes “is necessary to achieve OFID's great target.” He added, for instance, that since his assumption of duty as Director-General, a lot of recruitment of “fresh blood” university graduates had been done. He expressed appreciation and pride that working together with the colleagues who had put in 10 to 20 years of service at OFID, had been complemented by the existing cooperation and mentoring, all of which are going on very well. Mr. Al-Herbish said he was confident that these positive factors would “help us to deliver the OFID mandate as envisioned.”

Cooperation

Turning to the subject of cooperation with external organizations, OFID has always collaborated with a variety of partner institutions in the implementation of its numerous development projects in scores of developing countries around the world. In that wise, Mr. Al-Herbish said OFID's cooperation with sister institutions “is part of the system, our program and business culture.”

He stated that OFID works with a number of institutions including the World Bank Group, the regional development banks, UN agencies, OFID sister agencies and many others, including NGOs. “We are,” he said, “gaining experience from them and they from us.” He explained that in the last five years, OFID had hosted many workshops and meetings in which scores of key officials of sister development institutions participated. He recalled the activities of OFID's 30th Anniversary as well as the meeting of the Heads of Arab Institutions, plus other coordinating meetings and workshops which OFID hosted at its Vienna Headquarters. “We even hosted a donors' meeting to which we invited others,”

said the Director-General, adding, “This is the culture of OFID and we will sustain and nurture it.”

Not one to rest on his oars, Mr. Al-Herbish said arrangements were already on to build on the huge success of the Abuja energy workshop. He pointed out that the workshop was quite large, and was therefore not a small gathering that could be held from time to time. Accordingly, he stated, OFID was planning to, in principle, conduct another energy workshop in Venezuela, prior to the date of the Ministerial Council meeting, which the country has offered to host next year. “In principle,” he went on, “I spoke with Venezuela's Minister of Planning who is a new representative of his country at the Ministerial Council, and we agreed that we will have the next workshop on energy in Caracas.”

In wrapping up this interview, Mr. Al-Herbish gave his assessment about the Ministerial Council and Governing Board meetings held in Isfahan and hosted by Iran. He said his impressions were summarized in the statement he delivered in the presence of Iran's President, H.E. Dr. Ahmadi Nejad.

“It is true,” he stressed, “that the arrangements for the two meetings were really excellent.” Continuing, he said, “We appreciate the efforts of our Iranian colleagues, the Government that hosted the events, HE Dr. Mottaki the Minister of Foreign Affairs and our new Chairman of the Ministerial Council for the next one year.” Mr. Al-Herbish also summed up his impression of the historic venue – the Abbasi Hotel, as well as Isfahan, the host city for the OFID meetings, saying “It's a great historic city, it's a clean city, the people are very nice.” In a lighter mood, Mr. Al-Herbish recalled stating in the presence of President Ahmadi Nejad that “Not even Iran's greatest poets – including Ferdowzi, Hafez and Khayyam – if endowed with all the resources of OFID, could express the gratitude we feel towards the people of Isfahan.” In conclusion, the Director-General said “the two OFID meetings were really great events for us and we are very proud and hope that next time we convene outside our Vienna headquarters, we would have the kind of atmosphere and success that we experienced during the OFID meetings in Isfahan.” ■