Energy for Sustainable Development: OFID’s Perspective
Session II: Energy for Sustainable Development: OFID’s Perspective

A Brief Presentation of OFID

Presented by:
Ms. Souhad Khriesat
Grants Officer
History:
OFID was established in 1976 by the Member States of OPEC as a collective channel of development assistance to developing countries.

Mandate:
To foster Sustainable Development in non-OPEC developing countries and particularly poorer, lower income countries.
Partnerships

The Coordination Group

The World Bank and Regional Banks

United Nations Organisations

IFAD, WFP, UNDP, UNRWA, WHO, UNICEF, UNODC, UNESCO, UNFPA, UNHCR, UNAIDS, FAO, UNHABITAT, UNFSTD, UNCTAD, UNIDO, UNECA, UNRoD, WMO, UNESCWA
OFID Operations: 2003-2012

Financing Windows

Cumulative operations through its four financial windows: USD 15.7 billion

- Trade Finance 15%
- Public Sector 62%
- Private Sector 19%
- Grant 4%

Sectors

OFID is present in all Sectors of development

- Energy 22%
- Agriculture 14%
- Transport 23%
- Education 3%
- Water Supply 5%
- Financial 12%
- Health 4%
- Industry 4%
- Multi-Sector 4%
- Other 7%
- Telecom 2%

Regions

A special focus on Arab countries and on least developed countries worldwide

- RoW 21%
- Latin America & RoW 21%
- R of Africa 34%
- Arab Countries 22%
- R of Asia 23%
With 22% of its operations in Arab countries, OFID is present in all sectors. In Arab countries, with sharp disparities:

- **52 million people**, more than 19% of rural poor, do not have access to electricity (IEA-2012).
- **48.4 million people** are still using biomass for cooking (WHO-2013).
- **≈ 80,000** are dying every year from indoor pollution (WHO-2013).
Energy is **essential** for:
- Poverty eradication
- Sustainable Development
- Achievement of the MDGs and the post-2015 SDGs

**OFID ENERGY PORTFOLIO**

- Public sector
- Grants
- Private sector
- Trade finance

85 countries covered
USD 3.5 billion
The portfolio was boosted by OFID’s “Energy for the Poor Initiative”

Since November 2007:
- The approval of more than USD 1.4 billion for energy operations in 43 Countries.
- The percentage of energy operations increased from 19% in 2007 to ≈30% in 2012 with more than a two fold absolute increase.
- By adding the co-financing share of other development institutions, the impact on the ground exceeds USD 15 billion.
Session II: Energy for Sustainable Development:
OFID’s Perspective

OFID’s Developmental Framework

Presented by:
Mr. Faris Hasan
Head of Research
OFID’s Approach: Development Prism

- **Energy Access**
- **NEXUS**
- **Food Security**
- **Water Access**
- **Public Sector**
- **Private Sector**
- Grants to CS/Entrepreneurs
- Economic Growth
- Social Development
- Environment Protection
- Integrated
- Balance
OFID’s Approach: Access to Modern Energy Framework

- Access
- Supporting Elements
  - Renewables
  - Energy Efficiency
- Operating Means
- Integrated Solutions
- Local ownership/content
- Innovative Business Models
- Technology neutral
- Guiding Principles
  - Income generation
  - Leverage

Guiding Principles

- Local ownership/content
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Energy projects: OFID in the Field

Presented by:
Mr. Rachid Bencherif
Head of the Grants Unit
OFID ENERGY PORTOLIO:
A Wide Spectrum of Operations

Mega Power Plants
- Greenfield Power plants
- Rural Electrification Programs
- Power Plant Conversion to Combined Cycle (EE)
- Hydro
- Grid Extension/densification
- Interconnections
- H.V Transmission lines
- Distribution Networks
- Petroleum Product Storage
- Minigrid
- Mini Hydro
- Micro Hydro
- Stand Alone systems
- Research and Capacity Building
- Improved Cookstoves
- Solar Lamps

From basic needs to industrial use
Strengthening Yemen’s power generation capacity by diversifying the Energy Mix.

A 60 MW Wind Farm at Al Mocha

Objectives:
- To build the first Wind Farm in Yemen;
- To meet increasing demand for income earning opportunities;
- To supply the grid in order to allow Scaling up.

*15 million people lack electricity (Elec-rate:40%)

Total Cost: US$ 125 million
OFID loan: US$ 20 million
Partners: World Bank, Arab Fund, Gov. of Yemen
Completion: End 2015
Introducing a cost effective solution by enhancing the capacity of a 42-year old dam

Heightening of the Roseires dam

Objectives:
- To heighten the dam by 10 m to up to 78 m;
- To generate an additional 566 GWH of hydro-electrical power.

* 28 million people are w/o electricity (Elec-rate: 36%)

Total Cost: US$ 477 million
OFID loan: US$ 30 million
Partners: IsDB, Arab Fund, Gov. of Sudan
Completion: December 2012
Public Sector Energy Portfolio: Djibouti

Enhancing energy efficiency of a diesel power plant

Boulaos Power Plant Rehabilitation

Objectives:

- To meet the increasing demand which is growing at 5% per annum;
- To replace aging equipment in order to increase capacity by 36% to reach 7.5 MW covering 10% of needs of Djibouti city.

Total Cost: US$ 22 million
OFID loan: US$ 11 million
Partners: IsDB, Gov. of Djibouti
Completion: March 2013
Addressing the Energy-Water-Food Nexus by increasing electric power generation and irrigated land area

Upper Atbara Multipurpose dam complex

Objectives:
- To install 320 MW of Hydro electricity capacity;
- To increase agricultural production by 50% over a period of 10 years;
- To provide the population with drinking and irrigation water throughout the year.

Total Cost: US$ 1469 million
OFID loan: US$ 30 million
Partners: IsDB, Arab Fund, Saudi Fund, Kuwait Fund, Abu Dhabi Fund, China, Algeria and Gov. of Sudan
Completion: 2016
Public Sector Energy Portfolio: Syria

Substituting solid and liquid fuels by natural gas

A 324km -36 inch pipe portion of the Arab Gas Pipeline Network

Objectives:

- To transport natural gas from Egypt to Syria through Jordan;
- To foster regional economic inter-Arab cooperation;
- To diversify the Syrian energy mix.

Total Cost: US$ 164 million
OFID loan: US$ 30 million
Partners: IsDB, Gov. of Syria
Completion: Completed in 2011
Supporting clean and cost-effective solutions

On-Going Energy Projects: 6250 MW

- Giza North: 1500 MW
- Abu Qir: 1300 MW
- Banha: 750 MW
- Tebbin: 750 MW
- S-Helwan: 1950 MW

Completed projects: 2150 MW

- Cairo North: 750 MW
- Kuraimat: 750 MW
- Cairo West: 650 MW

OFID participated in the co-financing of more than 25% of the total Power installed capacity of Egypt
Reducing the reliance on imported energy for Jordan (97%)

A 117 MW Wind Farm

Objectives:

- To diversify the Jordanian energy mix;
- To sell power to the Jordanian Electricity Company.

Total Cost: US$ 300 million
OFID loan: US$20 million
Lenders: IFC, EIB, FMO, EC Agency of Denmark (EKF) and Capital Bank of Jordan.
Completion: 2016
Providing an alternative energy solution during power cuts in the Gaza strip

Renewable Energy for Education, Health and Water Facilities

Objectives:

– To generate solar energy for: two health care clinics, four schools and a 10 HP submersible water pump;
– To decrease the load on the national electricity grid.

Total cost: US$ 1.75 million
OFID grant: US$ 0.53 million
Partner: UNDP/PAPP
Completion: December 2014
Grants Energy Portfolio: Yemen

Providing solar thermal energy

Development of the solar water heater value chain in Yemen

Objectives:

- To reduce the current power generation deficit: electrification rate: 40%;
- To create jobs in the manufacturing, installation and maintenance of solar water heaters.

Total cost: US$1.5 million
OFID Grant: US$ 0.7 million (under consideration)
Partner: GIZ
Completion: March 2017
Grants Energy Portfolio: Mauritania

Providing stand alone systems for schools in rural areas

Solar Electrification of Rural Schools

Objectives:

- To install solar PV systems and Internet connections for 15 rural schools;
- To build the technical capacity for the project’s sustainability.

Total cost: US$ 3 million for 5 countries also including Benin, Madagascar, Niger and Togo;

OFID Grant: US$ 1.2 million

Partners: UNESCO, Panasonic

Completion: January 2016
Conclusion

Sustainable Energy is Energy for Sustainable Development

Energy poverty in Arab countries is not to be underestimated: More than 52 million are without electricity and increasing (IEA)

The energy poor in the Arab Region should have access to modern energy services regardless to the source of primary energy; reduction of CO2 emission levels should not be used as an argument to delay alleviating energy poverty nor development