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Statement of the IDB Governor for the Cooperative Republic of Guyana

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**H.E. Dr. Bandar M. H. Hajjar, President of the Islamic Development Bank
Distinguished Members of the Board of Governors and Heads of Delegation
Other Invited Guests
Ladies and Gentlemen**

I would like to thank the Government and People of the Kingdom of Saudi Arabia for the excellent arrangements made for the hosting of this, the 42nd Meeting of the Board of Governors of the Bank. From what I have read, and have been told, it is a fascinating experience of a lifetime to be able to visit the majestic lands of Saudi Arabia. And what a treat it has been thus far. As I ponder the bustling life of the City of Jeddah, I marvel at its intricate architecture; the grandeur of the mosques and masjids; and the astounding display of lights at night. You may know that Guyana is a multi-cultural and multi-religious country, comprising a sizable Muslim population who make their yearly pilgrimage to the holy shrine of Mecca. Coming, as I do, from that part of the South American continent, where the pristine Amazonian Rainforests dominate our geographic landscape, it is, for me, a unique experience to be greeted with the vast sand dunes of this country.

Mr. Chairman, since my debut appearance at the 41st meeting of the Bank, in Jakarta, Indonesia, where Guyana was formally inducted into the Bank's family, becoming its 57th member, there have been positive changes within the global economy and an overall brighter outlook to the global economic picture. With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. However, persistent structural problems - such as low productivity growth and income inequality and pressures for inward-looking policies in the advanced economies - will dampen expectations, going forward. Therefore, strong economic policies will have an important role to play in preventing downside risks while securing the real rate of recovery. A renewed multilateral effort is also needed to tackle common challenges in an integrated global economy.

Mr. Chairman, emerging market and developing economies have become increasingly important in the global economy, in recent years. Together, they account for over 75 percent of global growth in output and consumption - almost double the share of just two decades ago. The external environment has been important for this transformation. Terms of trade, external demand, and, in particular, external financial conditions have, increasingly, influenced medium-term growth.

Guyana has been subject to these specific external factors and show similar traits to other emerging economies within the region. As a country with a small, open and highly undiversified economy, Guyana remains extremely susceptible to global shocks, especially global commodity price shocks. It is against this background that the growth rate of 3.3 percent, in 2016, and the projection of 3.8 percent, for 2017, are considered admirable, when compared to the below average growth rate of 1.1 percent that is predicted for the Latin American and Caribbean region.

Intrinsic to the Government of Guyana's strategic trajectory to 2020 and beyond, is the achievement of "A good life in a green economy" - one that is underpinned by robust economic growth that is equitably distributed; good governance; and environmental sustainability. Guyana's Vision 2020 articulates my Government's developmental priorities, central to which is the linking of the Coastland to the Hinterland; Economic Diversification; and Social and Human Development.

The Government is promoting greater integration between the hinterland and the coastland of Guyana. The hinterland comprises over three-quarters of Guyana's territory, which is heavily forested and in which huge reserves of natural and mineral wealth exists. In order for Guyana to realize holistic, comprehensive and sustainable development, the Government is focusing on bridging the spatial and developmental divide that exists within the country. It is this reasoning that informed the Government's engagement of the Islamic Development Bank to finance the construction of a new Highway, which will provide 24 hour access to a paved road between the hinterland communities of Regions 8 and 9 to the Coastland. Notably, this Highway becomes the gateway to the Northern Region of Brazil, our giant neighbour to the South, thereby providing the hemispheric link that bridges Latin American to the Guyana shield countries, comprising French Guiana, Republic of Suriname and the Cooperative Republic of Guyana.

Since taking the reins of Government in May 2015, we have placed specific focus on the development and implementation of programmes geared towards economic diversification. This is to enable us to free ourselves from our dependence on one or two primary products, such as sugar and rice, as well as anchoring the economy on a solid and stable foundation. The pursuit of value-added activities, in both traditional and non-traditional sectors and activities, is seen as strategic for building a resilient economy.

The Agricultural Sector is the heartbeat of Guyana's economy and remains largely undiversified. The livestock industry represents an important socio-economic asset, with approximately 50,000 farm families in Guyana currently deriving part of their income from this industry. The contributions of the livestock industry towards poverty alleviation, rural development, food security, and the impact of the sector for effecting import substitution are well recognized. In this regard, proposals have been formulated and presented to the Bank, with view to increasing the capacity of key agricultural sectors in Guyana. In particular, we proposed a Dairy Livestock Enhancement Programme, entailing the construction and equipping of a dairy plant with mechanized processing facilities that adhere to international best practices.

In addition, there are two Reverse Linkage Projects that are currently being explored in Rice Production and Livestock Production specific to the Beef Value Chain Development with Malaysia and Indonesia, respectively. It is envisaged that the reverse linkage project in Livestock production will focus attention on the production of "Halal" beef and beef products. Both of these Reverse Linkage Projects are directed towards the increased productivity of the two sub-sectors.

The development of our most vital resource, our human capital, especially at the most influential and vulnerable phase of their lives, is critical to the sustainable growth of our country. In an effort to improve national education at the primary level the Government through its Ministry of Education has embraced the use of the Inquiry Based Science and Mathematics Education (IBSME) approach through the use of the UNESCO Global Micro-science Experiments programme and supporting mathematics kits. This programme has led to the integration of mathematics through science lessons. A further integration now includes the UNESCO Sand watch programme, which uses the Monitoring, Analysing, Sharing, Taking Action (MAST) methodology. The Government is embarking on a nationwide programme to acquire and distribute these educational training tools to every primary school in the Country. This effort is seen as raising the level of scientific and mathematical literacy among teachers and students and supports a learner centered environment. The Government has invited the Islamic Development Bank to partner with us in rolling out this critical initiative.

Whilst the Government boasts plans that will catapult Guyana to a new era of development, securing financial resources to activate these plans poses many challenges. In addition to implementing policies to broaden the tax-base and improve tax collection, the Government also will be expanding the role of development partners and exploring new financing initiatives such as Public Private Partnerships. All of these strategies will be complemented by the anticipated flow of resources from newly discovered and commercially exploitable oilfields. The projected inflows from oil and gas are expected to begin in mid 2020, and Guyana has been gearing up to spend these resources in a responsible, accountable and transparent manner. A prudently managed Sovereign Wealth Fund is expected to secure our wealth long after the oil would have stopped flowing.

Mr. Chairman, turning to Guyana's relations with the Bank, I am pleased to recall the visit of Vice President, Cooperation and Country Programming Complex of the Islamic Development Bank Group, H.E. Sayed Aqa, at the head of a team of Senior Officials. This visit was both fruitful and successful and served the purpose of fact finding and initiation to Guyana. It was followed by other technically-oriented missions, where officers of the Bank and the Bank's subsidiary partner organisations met with Government Ministers and other Senior Government officials to understand the priorities of Government. At the same time, Government officers were sensitised to the operations of the Bank.

The opportunity was taken of these visits to submit a Concept and Programming Note for Guyana to the Bank. This document outlines all critical initiatives that directly address the immediate needs of strategic sectors and highlight major catalytic projects in Guyana which can support Guyana's Vision 2020 theme and redound to the benefit of our citizens. More important, these initiatives are directly aligned to the Bank's priority areas. The Bank also hosted workshops in Guyana and Suriname, where several officers from the local financial sector were exposed to Islamic banking.

These positive steps, notwithstanding, we would like to encourage the Bank to increase the frequency and pace of engagement with Guyana. It arises from our concern that after one year of membership, we have neither completed a mutually-agreed Country Strategic Paper that would serve as a basis of identifying government priorities and aligning these with proposed Bank lending. This, unfortunately, has resulted in a lack of movement on a number of proposed projects that can serve as tangible gestures of the partnership between the Bank and Guyana. We view the Islamic Development Bank as critical to Guyana's development. This is the reason why we were anxious to join the Bank and were elated when this goal was finally achieved. We continue to be patient, as we overcome the teething phase of our partnership, and we maintain high hopes of the Bank becoming an important partner in Guyana's developmental agenda.

In closing, Mr. Chairman, I would like to re-affirm my Government's commitment to the ideals of the Bank. I feel confident that our fledgling but growing relationship will redound to the benefit of our people and contribute to a positive development trajectory in Guyana and the wider Region.

I thank you!