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ISLAMIC DEVELOPMENT BANK GROUP

Statement of the Chairman of IDB Board of Governors

The 42nd Annual Meeting of the IDB Board of Governors
Jeddah – Kingdom of Saudi Arabia
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(English)

In the Name of Allah the Most Compassionate Most Merciful

**Your Excellency, [..... Kingdom of Saudi Arabia],
Excellences Fellow Governors and Alternate Governors,
Excellency Dr. Bandar M. H. Hajjar, Chairman of the Islamic Development Bank Group,
Distinguished Guests,
Ladies and Gentlemen**

Assalamualaikum warahmatullahi wabarakatuh.

It is indeed a great honour and privilege to welcome you all to the 42nd Annual Board of Governors' Meeting of the Islamic Development Bank Group. I would like to express our thanks and appreciation to the government and the people of the Kingdom of Saudi Arabia for hosting this Annual Meeting and for the generous hospitality accorded us since arriving in this beautiful city of Jeddah, Saudi Arabia.

The Kingdom, as you know, hosts the headquarters of the Bank and is continuously providing immense support and assistance, in numerous ways, to the smooth running of our great institution. In this regard, I take this opportunity to thank the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saudi for his unassuming leadership, kindness, dedication, and excellent work for the service of Islam as well as his generous contribution to the welfare of the Ummah in particular and humanity in general.

Permit me also to thank the President of the Bank, Dr. Bandar M. H. Hajjar, for initiating reforms and carrying forward the successes and legacies of his predecessor – Emeritus Dr. Ahmad Mohamed Ali who, for many years, has been my friend, well-wisher and co-worker since he was appointed as President at the inception of the Bank. I have benefited greatly from Dr. Ali's words of wisdom and knowledge. I pray to Allah to preserve his life and grant him sound health and prosperity. I also assure Dr. Bandar continuous support and wish him success, and Allah's guidance in steering the affairs and activities of the Bank Group.

Ladies and Gentlemen,

As we gather here today, we must acknowledge that we are in a period of uncertainty and increased risks. Despite signs of global economic recovery, with growth expected to remain strong in 2017 and next year, we are faced with rising wave of populism, protectionism, and nationalism in advanced countries that have the potential of upsetting global economic cooperation and international order.

Furthermore, we have recorded increased incidence of terrorism and rising poverty rates across the world particularly in our member countries. This is due to a number of factors including climate-caused famine, unpopular austerity measures, widening income inequality widespread conflicts and attendant refugee crisis, increased youth unemployment, and insecurity which is further exacerbating social disorder.

We have also seen thousands of refugees from our member countries risking their lives on dangerous voyages to seek shelter, security and greener pastures elsewhere. It is disheartening

and inhumane to see innocent women, young and old, dishonored, young and future leaders losing their lives in the sea, houses of the poor and innocent citizens razed by religious bigots, and internally displaced people on the rise in their own countries. We need to find answers to the root causes of this situation, address injustice, oppression, human greed, corruption, and inequities in our societies.

Ladies and Gentlemen,

At countries level, we need to pursue inclusive growth that benefits citizens across the board; economic diversification that helps countries to weather external shocks; outward-looking policies that help crowding-in private sector actors; tested strategic approaches that are cost-efficient, replicable and effective; and structural reforms that are holistic and sustainable. Our growth model needs to be aligned with the new global reality, while taking into consideration national priorities, specificities and special circumstances.

The Bank has a crucial role to play in all these transformative processes. It needs to scale up financing to the most needy member countries, especially the less developed member countries, as well as support member countries' efforts at implementing global goals such as SDGs and Paris Climate Agreement. It also needs to increase its humanitarian assistance to crisis-hit communities and people in fragile and vulnerable situations. It should provide smart investment that supports climate-resilience, and early warning systems that help countries to adapt and mitigate against the impacts of climate change.

Ladies and Gentlemen,

Our member countries do not only need financial resources from the Bank. They also need transfer of knowledge, experience sharing, and advisory services that they can leverage to address their local problems. Given its long experience and expertise, the Bank should consider establishing a "Policy Innovation Lab" to undertake case studies of innovative policies in member countries that had helped them address specific challenges, identify the lessons learnt, and how such policies can be replicated in other member countries. The Lab will help the Bank to broker knowledge, catalyze best practices and reinforce its reverse linkage program with a view to becoming an innovation-promoting institution.

The Bank needs to be more active in international initiatives and raise its voice in support of global public goods. It also needs to move from being reactive to pro-active in a new era of relevance where multiple partners are competing to provide best services to their clients at scale with minimum cost and less bureaucracy. It is equally important that the Bank's cycle of reforms in member countries need innovative solutions requiring the Bank to response with speed and nimbleness.

As I do not intend to take the floor again as the Governor of Bangladesh I acknowledge with gratitude the active interest of the IDB group of institutions in various sectors of our economy. In this meeting, I have in my delegation clients of ICD who are setting up Ahsania Cancer Hospital in Dhaka. Another important project for IDB financing is Khulna Power Plant. I should also mention that the country office of IDB in Dhaka is not really fully functional yet and it should not be so. I have commented in the past about hard terms of IDB assistance which should be tampered with more of grants and soft term financing for countries like Bangladesh. The IDB

procedures must conform to country of procurement system of Bangladesh, which has been working for a long period of time with good reputation.

Ladies and Gentlemen,

To conclude, I must say that youth empowerment is a priority area in all our member countries and I am glad that the Bank has dedicated this year's side events to discuss its various challenges and prospects. I am very optimistic that the Bank will implement all the useful ideas and recommendations emanating from the side events and the Governors' Forum. On this note, I wish you all success in our deliberations during our meetings.

Thank you for listening and may Allah bless you all!