



Statement of the IDB Governor for the Hashemite Kingdom of Jordan

The 43rd Annual Meeting of the IDB Board of Governors
Tunis – Republic of Tunisia
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Original Text
(Arabic)

In the Name of Allah the Most Compassionate and Most Merciful

**Your Excellency, Chairman of the Board of Governors
Excellency, President of the Islamic Development Bank Group
Your Excellencies, Governors and Alternate Governors
Distinguished audience,**

Assalam alaykum wa rahmat Allah wa barakatuh

It gives me pleasure to be here with you today to participate in the 43rd meeting of the Board of Governors of the Islamic Development Bank, which aims to discuss a number of issues and topics of common interest among our member countries amidst the political conditions and economic challenges which are currently being faced by our world, particularly in the Middle East area in terms of political instability and its impacts on the economic situation in our countries.

Allow me to express our thanks to the president, government, and people of the Republic of Tunisia for hosting our meeting this year, and for the cordial reception and hospitality we have been met with since we arrived in this beautiful country. Our thanks also go to H.E. Dr. Bandar bin Mohammed Hamza Hajjar, Chairman of the Islamic Development Bank Group (IDBG), and to all its staff members for the sincere efforts they exert to serve the developmental issues of our countries.

Ladies and Gentlemen;

This meeting of ours is being held at a most crucial and sensitive time, due to the numerous profound transformations and the political and security instability that our region continues to experience, with all of the ensuing negative consequences on the short-term economic and security situation. This is manifested in the clear defects in economic growth rates and in the low level of security in some of those countries, which in turn had a negative impact on the livelihoods of citizens and on productivity. This is in addition to the unprecedented international refugee crisis we are witnessing today, which has come to be a humanitarian disaster and a growing hazard that threatens global security, development, and economic growth, as most obviously observed in the negative consequences of the Syrian refugee crisis on various sectors.

Allow me to briefly present you with a summary of the economic challenges facing the Hashemite Kingdom of Jordan as a result of the state of instability in the region and the burdens of the Syrian waves of refugees, and to also present the Jordanian approach to addressing such challenges. The number of Syrian refugees in Jordan has reached approximately 1.3 million. Most of the burdens borne by Jordan over the last seven years were due to the unprecedented surrounding regional circumstances that were caused by the so-called Arab Spring, the hosting of hundreds of thousands of Syrian Refugees, the state of instability, the halted access to major export and transit markets due to closure of the borders with a number of neighbouring countries, and the disruption of Egyptian natural gas supplies, which cost Jordan some 5.5 billion dinars, thus increasing its debt. All these negative consequences of the regional instability amounted to a sort of "economic blockade". Additionally, economic growth dropped over the past seven years

from over 6% in the period 2000-2010 to almost one third of that rate, which is unprecedented. Unemployment rose from about 12% in 2010 to 18% in the second quarter of 2017.

Moreover, the cumulative and mounting burdens of the Syrian crisis have affected all aspects of life and greatly exceeded Jordan's limited abilities and resources. They have also become a threat to the developmental and national gains proudly attained by Jordan over the past decades, in addition to their direct socioeconomic impacts. All of that requires a concerted effort by all to live up to the challenge through our cooperation. The Jordanian government has exhausted its maximum ability to endure, in view of the available resources coupled with the impossibility of any additional borrowing based on the agreement with IMF as part of the new financial reform programme, as well as the pressure on public governmental services, infrastructure services, and social services. As such, the pressing need for continued aid to Jordan from the international community for the years 2018 and 2019 is quite obvious. Any failure on the part of the international community to provide more aid will have a negative impact on Jordan's capacity to continue providing government services to the Syrians and to maintain the level of such services without negatively affecting Jordanian citizens.

Ladies and Gentlemen;

As part of the efforts exerted by the Jordanian government to address the negative impacts of the state of regional instability, particularly the Syrian refugee crisis, and to enable itself to meet its humanitarian obligations towards Syrian refugees and towards its hosting communities, as well as to enhance resilience under such challenges and continue to work to achieve the SDGs, the Ministry of Planning and International Cooperation has launched, in coordination and collaboration with the international community and UN organisations, its 2018-2020 response plan, in which the Kingdom's needs for that period were estimated at approximately US\$ 7.642 billion distributed among three components: supporting resilience and hosting communities at around US\$ 2.498 billion, supporting Syrian refugees at US\$ 2.181 billion, and supporting the treasury at US\$ 2.961 billion.

In parallel, the government is working to continue the comprehensive reform tracks, attain prosperity for the citizens, and enhance Jordan's resilience, transforming challenges into opportunities through maintaining the stability of macro and financial economy; and the government's integrated development action plan that is reflected in the executive development programme (2018-2020), which includes the outputs of the Jordanian economic growth stimulus plan 2018-2022 based on the Jordan 2025 document; the most significant structural reforms; and enhancement of the business and investment environment, the outputs of strategies for human resource development; operation; infrastructure (water, energy, transportation, etc.); combating poverty; social protection; digital transformation; and electronic governance; and the capital spending programme, the implementation of which will be maximised through PPP frameworks, in addition to the outputs of the judiciary development process based on work by the Royal Committee for Developing the Judiciary, and the decentralisation track.

As such, we emphasise the importance and necessity of continuing the international community's support, particularly our Arab and Muslim countries and development institutions, for Jordan to overcome the challenges associated with the Syrian crisis in the short and medium

terms, so as to enable it to continue to fulfil its humanitarian duty towards the refugees without negatively impacting the provision of services to Jordanian citizens.

We at the Jordanian government are also hoping that IDB and its member countries play a role in assisting and supporting Jordan in the current stage, so as to help it face the mentioned challenges, enable it to meet, on behalf of the international community, its humanitarian obligations towards the vulnerable and displaced persons who resort to Jordan, and also to enable it to proceed with the implementation of the comprehensive reforms aimed at raising the rates of growth and attaining greater self-reliance, all of which can be achieved by:

- Providing the grants that are needed to contribute to funding the required Jordanian response plan to the Syrian refugee crisis (2018-2020);
- Providing support to the economic stimulus plan for the period 2018-2022;
- IDB also playing a role, in coordination with its member countries, to introduce suitable financing mechanisms to support member countries affected by neighbouring conflicts and the waves of refugees in addressing the aforementioned challenges;
- Providing capacity-building support to Muslim countries in their endeavour to achieve the SDGs and link them to national plans;
- IDB can play a pivotal role in further strengthening the role of the private sector as a critical partner in sustainable development and providing a funding base to support SMEs; and
- IDB's crucial expanded support to infrastructure projects that are implemented in the framework of PPP.

To conclude, I am confident that IDB will do its utmost to provide everything that would assist Muslim countries in proceeding with their efforts aimed at realising sustainable socioeconomic development and implement various reform programmes, with a view to improving the livelihoods of their citizens. I also hope that IDB will continue to work on promoting and serving the causes of its member countries, and to remain a major partner of those countries in making the contemplated development a reality. Once again, I thank the Republic of Tunisia, and wish us all success in this meeting and in accomplishing its goals.

Thank you for your kind attention.

Wassalamualaikum warahmatullahi wabarakatuh.