



44th Annual Meeting of the Islamic Development Bank
Afghanistan Country Statement

Mr. President Dr. Bandar, Hajjar,

Excellencies, Heads of Delegates, members of the participating organizations, ladies and gentlemen,

Assalam O Alaikum Wa Rahmat –Ullah

At first, let me thank the management of the IsDB for the excellent organization of the 44th Annual meeting at this beautiful city of Marakech. In addition, this cannot be done without the generous support of the government of the Kingdom of the Morocco and its people. I thank you for the hosting us here in the ancient city of Marrakech.

Honorable delegates,

Under the great leadership of Dr. Bandar Hajjar, the Islamic Development Bank has made tremendous efforts in consolidating activities under its new strategic vision presented by Honorable President Dr. Hajjar five year program. The restructuring of the organization of IsDB has resulted in more efficiency and will help adapt to fast changing global development landscape. Indeed, this also helps in responding strategically with a leverage to access financial and non-financial resources.

In 2018, the Islamic Development Bank’s management had approvals of \$7 billion that reflects on growing engagement in financial sector with member countries. Initiatives such as the establishment of the “The Transformation Fund” at initial capital of \$500 million will help support countries in finding practical

solution through innovation with a focus on commercialization of technology and capacity building. Similarly, many more initiatives of different scale were initiated that are critical to the member countries.

I understand that the Islamic Corporation for the Development of Private Sector (ICD) has come across financial issues, and has produced doubts on the sustainability of the organization. I believe, it is important that IsDB members continue to support development through private sector. This will require assisted-approach toward ICD.

During the board meeting that took place yesterday, there are reservation on the release of the 3rd installment to ICD by some member countries – mainly from the members of the Board of Executive Directors. I understand, that risks are hard to manage, but it's important to show faith and trust in the management of the IsDB, where a lot has been improved already at ICD since June 2018. In my capacity, I support the release of the 3rd installment to ICD so that the institution can be confident of the support it has from IsDB.

Excellencies,

As you may probably know, Afghanistan is going through a transformative decade that requires us to become self-reliant. The Islamic Republic of Afghanistan is working on a “Self Reliance Accelerator Package” **The Government of the Islamic Republic of Afghanistan (GoIRA) is proposing an \$8.7 billion USD investment package to help accelerate the process of achieving economic self-reliance.** These projects are designed to spur economic development, raise living standards and provide new jobs for Afghanistan's growing labor force. The long-term aim is to promote self-sufficiency so that Afghanistan can move away from its dependence on donor support, enabling the Afghan people to take the lead in improving their lives.

The Self-Reliance Accelerator Package (the Package) includes a concrete set of projects across three sectors that are fully costed and ready to be commissioned. The sectors are: (i) agriculture, horticulture, and irrigation, (ii) electricity transmission, and (iii) urban housing and commercial properties. These sectors have been chosen because they are commercially feasible and provide short-term economic impacts, while facilitating longer-term benefits.

There will be wide-ranging fiscal and economic benefits to Afghanistan from implementing the Package. The total package is forecast to generate \$10.8 billion in government revenue by 2030. The successful implementation of the Package will also create 1.48 million full-time equivalent jobs. This is expected to lead to a 4.55% increase in GDP each year over the first five years of implementation. Importantly, the projects within the Package are designed to enable long-term economic growth opportunities.

GoIRA is entering into negotiations with the IMF and the World Bank to ease restrictions on non-concessional borrowing. This will allow donor funds to be complemented with private-sector loans. However, until these restrictions are lifted, GoIRA is seeking concessional loans from IsDB and similar development partners to finance the Package.

Mr. President,

My office will submit a detailed copy of the “ Accelerator Package “ for your team’s review, and I look forward to working with IsDB on mobilizing resources to help expedite the financing of the key infrastructure projects that will accelerate economic growth and promote regional connectivity.