

Official Opening Ceremony

IsDB 46th ANNUAL MEETING "RESPOND, RESTORE, RESTART: POST-COVID RESILIENCE AND PROSPERITY FOR ALL"

Thursday, 2 September 2021 | 13:00 – 14:30 (Tashkent Time)

Inaugural Speech by H.E. Dr. Muhammad Al Jasser IsDB Group Chairman



TASHKENT 2021
ANNUAL MEETINGS
ISLAMIC DEVELOPMENT BANK GROUP
مجموعة البنك الإسلامي للتنمية

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمدُ لله ربِّ العالمين، والصَّلَاةُ والسلامُ على خاتمِ الأنبياءِ والمرسلين، سيدنا
مُحمَّدِ الأَمِينِ، وعلى آلهِ وصَحْبِهِ أَجْمَعِينَ

Your Excellency, President Shavkat Mirziyoyev, President
of the Republic of Uzbekistan,

Your Excellency, Mr. Sardor Umurzakov, Chairman of the
IsDB Board of Governors,

Honorable IsDB Governors and Alternate Governors,

Distinguished Delegates,
Ladies and Gentlemen,

السلام عليكم ورحمة الله وبركاته

Welcome to this exceptional 2021 IsDB Group
Annual Meeting, the first to be held since the COVID-
19 outbreak.

First, I would like to begin my speech by extending
special thanks and appreciation to YE, President
Shavkat Mirziyoyev, the President of the Republic of
Uzbekistan, for being our gracious host and for the
hospitality of this generous country in such
challenging times.

I am also grateful to Mr. Sardor Umurzakov, the
Deputy Prime Minister and Minister of Investment

and Foreign Trade of the Republic of Uzbekistan, Chairman of the IsDB Board of Governors, for the excellent preparations culminated in this grand gathering.

I take this opportunity to extend my thanks and appreciation to the people of Uzbekistan for their warm welcome and gracious hospitality.

Amid the global health crisis, it is a blessing to hold our Annual Meetings in the homeland of the father of early modern medicine, Ibn Sina (Avencina).

Uzbekistan's contribution to Islamic civilization and science is beyond any doubt. Historical cities, such as Samarkand and Bukhara, were home to a vibrant Islamic, scientific, and cultural heritage.

Significant figures like Imam Bukhari, Imam Al Tirmidhi, Al Biruni, and Ulugh Beg, made pioneering contributions in their respective disciplines.

**Excellencies,
Distinguished Guests,**

With a profound sense of honor and humility, I appear before you today, for the first time, as the President of the Islamic Development Bank and Chairman of the Islamic Development Bank Group.

I would like to thank the government of my country, the Kingdom of Saudi Arabia, for nominating me. I also thank all governments of member countries for endorsing the nomination and electing me as President of this prestigious institution.

I have had the honor of representing my country at the International Monetary Fund and serving as Governor of the Central Bank as well as Minister of Economy and Planning.

So, it is a great privilege for me to have the opportunity to put all that experience in the service of the Muslim Ummah at large.

I succeed my brother, HE Dr. Hajjar, who had exerted tremendous efforts in enhancing the visibility of the IsDB Group in the global development arena, building on the solid foundation

established by the legendary leader HE Dr. Ahmad Ali.

I take this opportunity to thank my predecessors and the entire IsDB staff for their achievements throughout the years. Such a success, of course, would not have been possible without the unwavering support of the member countries.

The greatness of this institution stems from its noble Islamic principles: calling for solidarity in the pursuit of human dignity and comprehensive development in the member countries.

It is, therefore, a privilege and an enormous responsibility to be at the helm of this institution.

**Mr. President,
Excellencies,
Ladies and gentlemen,**

As we hold our Annual Meetings in this promising country, I would like to commend the Government of Uzbekistan for the 2017-2021 national

development plan. This ambitious and comprehensive plan aligns with the IsDB's strategic goals of promoting inclusive economic growth and stimulating robust social development.

Uzbekistan has been an important member of the IsDB Group since 2003. The ongoing IsDB-funded projects and interventions attest to the historical relationship between Uzbekistan and the IsDB Group.

The total IsDB Group commitments in project financing and other development activities in Uzbekistan exceed at **US\$ 2.4 billion**, covering 101 projects.

IsDB has also provided US\$ 141 million in support of the country's COVID-19 response plans to acquire emergency medical equipment and build MSMEs resilience.

Today, the IsDB, in cooperation with the Government of Uzbekistan and Saudi investors, will launch the first-ever Economic Empowerment Fund

in the country with an initial capital of US\$100 million.

Targeting 34,000 MSMEs, this fund aims to create more than 100,000 jobs and alleviate poverty in the country.

I would like to reiterate the firm commitment of the IsDB Group to supporting Uzbekistan in achieving its development aspirations and implementing its future national development plans.

**Excellencies,
Distinguished Guests,**

2020 was an exceptional year. It posed unprecedented challenges to the world economy. The COVID-19 pandemic has significantly changed the global development landscape. Lockdowns have exacerbated socio-economic uncertainties and pushed the global economy into recession.

The global economy has contracted by **3.3 percent**. The average decline in our 57 member countries was **1.7 percent**. The **International Labor Organization** estimates that 8.8 percent of global working hours were lost, equivalent to **255 million full-time jobs globally**.

In addition, the latest **World Bank** estimates suggest that more than 100 million people fell back into extreme poverty in 2020.

At the same time, youth, women, and low-skilled workers have been more heavily affected.

Governments rushed to allocate trillions of dollars in **substantial stimulus packages** to help the needy and support businesses, especially SMEs.

Unfortunately, many of our member countries did not have the resources of the developed economies, thus facing a tougher course of recovery. **Fiscal countercyclicality** could have helped.

Thanks to the rapid rollout of vaccination programs, the world's progress in the fight against the pandemic holds the promise of an optimistic recovery for 2021, provided that virus variants are kept in check.

Nevertheless, vaccines' inequitable access and distribution could jeopardize a robust and inclusive recovery in many developing countries.

Although IsDB member countries account for around 25% of the world population, only 10% (9.7%) of all 5.2 billion doses administered worldwide were in our member countries. Thus, a '**Vaccine Divide**' has emerged.

Consequently, failure to swiftly deal with this emerging **phenomenon** will impede recovery and slow economic growth, further widening gaps and worsening inequalities.

**Excellencies,
Ladies and Gentlemen,**

Cognizant of these challenges, the IsDB Group has worked closely with member countries to address

the challenges posed by the COVID-19 pandemic, helping restore growth and ultimately making members resilient to future shocks.

The Bank approved its **Strategic Preparedness and Response Program (SPRP)**, committing **USD 4.5 billion** to help member countries contain, mitigate, and recover from the impact of COVID-19 by adopting a 3-R approach (**Respond, Restore, Restart**).

Given the magnitude of challenges and the need for swift response, the Bank continues optimizing its COVID-19 programs, leveraging **potential partnerships** with regional and international development actors, such as UN agencies and the Arab Coordination Group.

Ladies and Gentlemen,

Despite the challenging year of 2020, I am pleased to report that the three major international rating agencies, Standard and Poor's, Moody's, and Fitch, have **reaffirmed the IsDB's 'AAA' rating with a stable outlook**.

Maintaining the highest possible credit rating for more than a decade is a clear testimony to the Bank's robust and prudent financial and risk management.

Our esteemed member countries are kindly invited to continue their solid support to maintain this exceptional record and ensure long-term financial sustainability.

It is highly appreciated to ensure timely payments of the share capital and settlement of operational dues.

I assure you that the Bank's Management will continue to focus on prudent liquidity, financial and risk management, securing good asset quality, and maintaining suitable debt/equity ratios while still generating income.

I am also pleased to report that the Bank succeeded in securing nine public and private Sukuk issuances in 2020.

As a result of implementing a comprehensive action plan in such a volatile environment, the Bank's overall financial position remains strong, with a positive net income of **US\$ 165.3 million** and a total income of **US\$ 845 million**.

Furthermore, despite the severity of global circumstances, the Group entities' financial results were also encouraging in 2020.

**Excellencies,
Ladies and Gentlemen,**

The COVID-19 pandemic has exposed deep cracks in the global system and triggered a rethink of its development priorities. **There is no doubt the development landscape has changed.**

First, the pandemic has shown that economies with poor social infrastructure and weak human capital are less likely to contain health crises.

Second, economies with heavy external resource dependency and limited fiscal buffers were more

susceptible to macroeconomic crises. As a result, their resilience and recovery trajectory remains fragile and linked to the performance of advanced economies.

Third, it is crucial to adopt appropriate reforms to stimulate domestic investments and attract high-value-added foreign investments.

Fourth, the pandemic has highlighted the importance of digital transformation in building adaptive, responsive, and resilient systems.

The 'digital divide' has been a critical factor driving increased inequality during the pandemic. Access to communication technologies has helped some groups adjust to the lockdown measures efficiently while others were excluded.

Finally, regional integration and cooperation have become an inevitable part of the new development agenda.

Excellencies,
Ladies and Gentlemen,

Prospectively speaking, our priorities must focus on infrastructure and sustainable human development in the next few years.

The **infrastructure** we build must focus on bridging the digital divide, strengthening access to health and education, and restoring dignity and opportunity.

Infrastructure is crucial to building diversified and inclusive economies and promoting financial inclusion, particularly among women and youth. In doing so, **environmental considerations** and international climate commitments cannot be ignored.

Human capital development should be given prominence. Building resilience and tackling extreme poverty cannot be approached without adequate human capital.

Substantial investment in quality education, food security, and universal health services will unlock

the critical constraints hindering growth and jeopardizing the achievement of the SDGs.

Excellencies,
Distinguished Guests,

This is your institution; we cannot succeed without your support.

I am humbled and privileged to have your trust being at the helm of this vital institution.

I am fully aware of the challenges ahead of us. Therefore, while determined to build on the outstanding efforts of my predecessors and the accumulated experience and success of the past five decades, **I will be listening very carefully** to your thoughts throughout this week's events.

From my side, and after only a few weeks of assuming my duties, I come to you with an open mind and open heart to listen, reflect, and reassess. I would like, however, to assure you of the following:

- 1) I will be laser-focused on adhering to the institution's mandate, enhancing its **RELEVANCE** to your development aspirations for growth and prosperity.
- 2) We will support, advise, finance, and mobilize **resources**, but our starting point will always be your **priorities and national development plans**.
- 3) I intend to **passionately lead a ONE IsDB Group**. My colleagues and I will commit to translating words and strategies into actions and **tangible results** on the ground, **optimizing our resources** and **ensuring synergy** among Group members.
- 4) In doing so, I will focus on the organization's **SUSTAINABILITY**. In addition, I will **consider well-studied and measured structural changes and improvements** to ensure efficiency and enhance effectiveness.
- 5) I will hold myself and the Group to the highest **GOVERNANCE** standards and work ethics.

The **precious resources** you have entrusted this organization with are an '*Amanah*' with us. We will not allow for anything less than **optimal utilization** of resources, with absolute decency and uncompromising integrity.

- 6) I will be counting on the greatest asset of this organization – **its human capital**. Over the past few weeks, I have realized how diverse and capable the IsDB Group staff are. Therefore, **empowerment** will be assured, and resources will be secured. However, **mediocrity** will not be tolerated.

- 7) We will be striving to empower our staff and count on our capabilities to invigorate the Group and foster a **VIRTUOUS CULTURE: a culture of productivity and diverse thinking, a culture of risk-taking and initiative, a culture of learning and innovation, a culture of teamwork and partnering, a culture of empowerment and accountability for results.**

Excellencies,
Distinguished guests,

As I embark on formulating our vision for the coming period, I look forward to benefiting from your open and candid thoughts, concerns, and expectations.

I would like to thank our member countries for their commitment and solid support. Special thanks to the host country of our headquarters, the Kingdom of Saudi Arabia, and the host countries of our regional hubs.

I also would like to take this opportunity to thank you for approving the **6th General Capital Increase (GCI)**, which will enhance the Bank's capacity to serve its member countries in achieving their development goals.

I am grateful to those who have graciously confirmed their subscription, and I urge other esteemed members to do so.

Excellencies,
Brothers and Sisters,

In 2020, the IsDB Group proved its resilience vis-à-vis the COVID-19 crisis. Our staff have lived up to the challenges and ensured business continuity, coupled with improved productivity.

I want to pray for **the 11 Bank staff** we have lost during the pandemic. Let us always cherish their memories and their dedication to the service of the Ummah. May Allah bless and reward them and ease the suffering of all other pandemic victims worldwide.

Finally, I would like to reiterate my appreciation and gratitude to His Excellency President Shavkat Mirziyoyev, the President of the Republic of Uzbekistan, and his Government, for his kind patronage of this year's meetings and the hospitality of the wonderful people of Uzbekistan.

I would also like to thank all the organizing teams and the delegations for traveling and being with us during these challenging times.

I pray that Allah, the Almighty, bless our endeavors towards realizing further progress and prosperity for the peoples of our Muslim Ummah.

Thank you!

والسلام عليكم ورحمة الله وبركاته