

**STATEMENT BY
IsDB ACTING GOVERNOR FOR THE ISLAMIC REPUBLIC OF PAKISTAN
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(at the Occasion of 46th Annual Meeting of IsDB Board of Governors to be held on September 01 – 04, 2021 at Tashkent, Republic of Uzbekistan)

(Original: English)

Your Excellency Chairman of the Board of Governors,
Honourable Governors and Alternate Governors,
Respected President IsDB,
Distinguished Guests,
Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh.

On behalf of the Government of Pakistan, I would like to extend my gratitude to Republic of Uzbekistan for hosting the 46th Annual Meeting of IsDB Group at the beautiful city of Tashkent. Foremost, I must appreciate the excellent arrangements and the kind hospitality extended by Government of Uzbekistan and the IsDB during the pandemic to make this event possible. The endeavours made by both Government of Uzbekistan and IsDB in this regard are commendable.

Excellency, we greatly appreciate IsDB's pandemic response by allocating USD 2.3 billion for supporting the Member Countries to mitigate adverse impacts of the pandemic on the lives and livelihood of their citizens. IsDB's initiative- Respond, Restore & Restart (3R)- has been a catalyst to mitigate the COVID-19 impact on economies. The pandemic is not yet over, new virus variants keep emerging posing new and greater public health challenges for the governments. The global economy has shrunk by 3.3% during 2020 and projection for 2021 are not looking up due to unpredictable nature of the pandemic. Another major challenge for the developing countries (true for most members of IsDB) is the availability and affordability of COVID Vaccine; the distribution of vaccine has thus far been skewed in favour of developed nations. As per current estimates by IMF pandemic could pose economic cost of USD 28 trillion to the world economy and share of this cost will be proportionately greater for the developing countries. In this backdrop the developing member countries are under dire need for more budgetary support and resource allocation for vaccine procurement. This calls for extension and augmentation of 3R initiative to leverage financial resources through co-financing with other peers and support member countries under financial duress.

Despite the debilitating impact of COVID-19 globally and more in case of regional countries, Pakistan is fortunate to continue on its path to recovery and has demonstrated considerable resilience to pandemic triggered economic shocks. Since the peak of infection attained during second half of 2020, Pakistan's economy is exhibiting signs of strong recovery underpinned by strengthening of private consumption and record foreign exchange inflows. Contrary to bleak projections, Pakistan's economy registered a growth rate of around 4% during FY21, and is expected to grow at 4.8% during FY22.

I extend my best wishes to the new president of IsDB and look forward that under his leadership the bank will play a greater role in the development of member countries. We have every reason to be hopeful that the post-COVID future will be promising but not without its challenges with this perspective I would venture to suggest that the Bank may focus on the below four core areas for future investments projects in the member countries.

- (1) Investment in Digital Infrastructure, digitization of public processes and Artificial Intelligence (AI) projects in the member countries. If we look at the more than 5,000 years history of the mankind, we are passing through a time which is epitome of human scientific research and unprecedented in human history. In the coming decades nations, countries and institutions who invest well in AI and digital infrastructure coupled with the requisite complementary investments in human capital will lead the world. Therefore, I strongly urge that bank should finance AI projects as top priority investment.
- II) My second recommendation relates with optimum utilisation of scare resources when investing in projects related to scientific research and higher learning. I feel we should create centres of excellence in different members countries, considering their core capabilities and comparative advantage. All the member countries can benefit from these centres of excellence in other member countries instead of replicating similar projects in each member county to save precious resources and avoid thinning out of the development impact.
- III) Many of the borrowing member countries lack capacity in project preparation and implementation, which is major cause of delay in project completion.

Therefore, IsDB may look into to build sustainable capacity of the developing countries and leveraging of mutual capacities

- IV) And lastly, the bank should evaluate and reassess its cost of doing business. It would be a worthwhile task to review both the structure and processes to make the bank operations sustainable, more relevant to the challenges of the decade before us and more beneficial for the member countries in a cost-effective manner.
