



Statement by H.E Dr. Hala Helmy ElSaid

Minister of Planning and Economic Development

and IsDB Governor for the Arab Republic of Egypt

At the opening session of the 46<sup>th</sup> Annual Meeting of the IsDB Group

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Excellency, Mr. Sardor Umurzakov,

Deputy Prime and Minister of Investment and Foreign Trade of the Republic of Uzbekistan

Excellency, Dr. Muhammad Al Jasser, Chairman of the Islamic Development Bank Group

Excellencies, Ministers, Governors and Alternate Governors,

Ladies and gentlemen,

At the outset, I am pleased to express my sincere thanks and gratitude to the leadership, government and people of the brotherly Republic of Uzbekistan for hosting this meeting, the warm welcome and hospitality extended to us and the keenness to host and organise this important event in cooperation with the Management of the Islamic Development Bank (IsDB), despite the unfavourable international circumstances and developments resulting from the COVID-19 crisis. We sincerely wish continuous advancement and prosperity for our brothers in Uzbekistan. We also thank IsDB's Management and everyone who participated in preparing and organising this year's Board of Governors' meetings so well.

I also avail myself of this opportunity to congratulate H.E. Dr. Muhammad Al Jasser for assuming his new duties as the Chairman of the IsDB Group. We wish him every success in steering the IsDB Group in the coming stage towards more success and enhancement of the effective development role played by the IsDB Group. We also express our thanks and gratitude for the remarkable efforts made by the former Chairman of the IsDB Group, H.E. Dr. Bandar Hajjar, wishing him every success.

Ladies and gentlemen,

As we meet today, the world, essentially including our Muslim Ummah, is witnessing rapid and acute political, economic and social changes that have severely impacted developmental needs and challenges around the world, especially in IsDB member countries. We should all recognise the difficulty of the aggravated and ongoing global crisis due to the spreading of the COVID-19 virus and the emergence of its new variants. This crisis has dealt a severe blow to the global economy and led it into an unprecedented depression, the intensity and repercussions of which surpass all the previous economic, social and health crises the world has witnessed. This was caused by the impact of the economic recession, the suspension of economic activities in several regions around the world and the emergence of several other economic challenges, especially those related to the increase in poverty rates and providing the required financing for health and social care programmes and various other development programmes.

The COVID-19 pandemic resulted in a US\$1 trillion gap in public spending on COVID-19 recovery measures in developing countries, compared to the corresponding level of expenditure in advanced countries. This came on top of the already existing US\$1.7 trillion financing deficit in 2020 for such countries to remain on track to achieve the 2030 Sustainable development Goals (SDGs). This manifested itself in a significant drop in the human development index in 2020 for the first time since its measurement started in 1990. Therefore, the issue of financing and resource mobilisation for development remains a crucial determinant of a country's ability to move forward with the implementation of sustainable development programmes and projects. This requires intensifying efforts and establishing effective partnerships between governments, the private sector, civil society and regional and international financing institutions to meet the increasing financing needs.

In this regard, we would like to commend the swift action taken by the IsDB Group to face this crisis through a fruitful development partnership with a large number of international organisations and institutions, whereby IsDB developed a US\$2.3 billion Strategic Preparedness and Response Programme (SPRP) aimed at supporting member countries' efforts to cope with the repercussions of the COVID-19 virus in terms of health emergency preparedness and response as well as economic sector support and recovery, which is paramount for all member countries, especially with the massive impact on most economic sectors in member countries, with the health sector being the most severely affected.

In light of the above, we urge the IsDB Group, which is known for its diverse and integrated development activities, to maintain its efforts and continue to apply its participatory approach - which we believe to be the most suitable- to cooperate with the Arab Coordination Group member financial institutions and the other regional and international financing institutions to provide co-financing for the massive financing needs required by member countries' efforts to address the economic and social repercussions of the COVID-19 crisis. This of course would be in addition to the other ongoing development projects, especially infrastructure projects required for achieving regional connectivity, facilitating intra-trade and joint investment among member countries and achieving sustainable growth.

**Ladies and gentlemen,**

The Egyptian State is working tirelessly to achieve comprehensive and sustainable development through an ambitious national strategy called Egypt Vision 2030 that is aligned with the three UN development dimensions: the economic, the social and the environmental. The Egyptian State also continues to successfully implement the National Programme for Economic and Social Reform it launched in November 2016. The programme includes structural reform measures for some sectors, especially energy, the diversification of the production structure by stimulating sectors that add high value, create decent and productive jobs and are strongly intertwined with other sectors. Such high value sectors include industry, agriculture and information technology. The programme also includes several legislative and institutional reforms by issuing a package of laws and legislation that aim at streamlining project establishment procedures and encouraging the private sector to take part in project implementation. The Egyptian State is also working on stimulating private sector investments and achieving sustainable growth by intensifying public investments in infrastructure projects and improving their quality by implementing a number of major national projects with a significant economic and social impact.

The serious economic reforms implemented by the Egyptian State in the last few years and the expansion of the social protection networks and programmes have achieved a positive breakthrough for the Egyptian economy, which was applauded by international institutions. This strengthened its resilience in facing the COVID-19 pandemic. As a matter of fact, before the crisis, economic growth had reached about 5.6% in the first half of 2019/2020, while unemployment dropped to less than 8% and the average inflation rate dropped to the lowest rate recorded in about 15 years.

The COVID-19 crisis compelled all countries around the world to act fast to respond to the pandemic and recover from its consequences, in addition to multiplying efforts to keep working on the SDGs. In this context, the Egyptian State acted swiftly by adopting proactive policies based on a clear and thorough plan that strikes a balance between preserving the health of the citizens and ensuring their fundamental rights on one hand, and keeping the economy in motion on the other. This plan targeted all affected categories and sectors to mitigate the pandemic's effects, including the implementation of stimulating monetary and financial policies to support such categories and sectors.

Egypt also worked on rearranging its priorities during the pandemic by focusing on investment in the human capital, increasing allocations to the health and education sectors and focusing on flexible sectors that can recover fast, in addition to promising sectors that represent a major pillar for sustainable and comprehensive growth such as ICT, manufacturing, agriculture and small and medium enterprises, the integration of the informal sector, enhancing financial inclusion, supporting the digitisation infrastructure within the digital transformation approach and expanding new and renewable energies projects and green recovery.

Ladies and gentlemen,

We are fully aware that the results and indicators we achieved are merely the beginning of a long journey of hard work. However, we are determined to complete this journey. We are also aware that such achievements would not have been possible without an effective partnership between all parties, including the government, private sector and civil society stakeholders in addition to local, regional and international financing institutions, among which IsDB is a leader. Egypt is a proud founding member of the IsDB as much as it is proud of its 45-year special development partnership with the IsDB Group, which resulted in financing 344 projects with US\$13 billion, including 292 completed projects and 56 ongoing projects worth US\$3 billion covering various development fields such as energy, infrastructure, industry, finance, agriculture, health, education,. Both parties are working on maintaining the fruitful cooperation and effective partnership, which was furthered by the establishment of the IsDB Group regional hub in Cairo. This will boost IsDB's activities and support the developmental role of the member entities of the IsDB Group in Egypt and the neighbouring Arab and African Countries.

To conclude, I would like to reiterate my thanks and appreciation to the IsDB Group for the excellent preparation and organisation of these meetings. Finally, I would like to express once again my appreciation and gratitude to the brotherly Republic of Uzbekistan for hosting these meetings. I wish you all success.

May peace be upon you.