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Statement by the Hon. **ABUL MAAL A. MUHITH**,
Governor of the Bank and the Fund for **BANGLADESH**

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I. Introduction

It is indeed a privilege and honor for me to be able to participate in the World Bank-IMF annual meetings 2017 at the headquarters of these two institutions in Washington, D. C. First of all, on behalf of the Government of Bangladesh, I would like to express my sincere appreciation to the president of the World Bank and the managing director of IMF for their able leadership in steering the two Bretton Woods institutions in addressing the complex and assorted economic challenges the world have been encountering for over seventy years. At this opportune moment, I would like to thank Mr. Jim Yong Kim, the President of the World Bank group for his visit to Bangladesh in October 2016 to mark the ‘End poverty Day’ which I believe is still the main objective of the development efforts of all countries. I also thank the conference secretariat for the arrangements of the Annual meetings.

Before I begin my speech for the annual meeting of the Bank and the Fund, I would like to draw your attention to a human disaster of immense magnitude that is unfolding right now in my country. Because of the unprecedented refugee influx from Myanmar, the social fabric as well as the financial stability of my country are being severely threatened. It has taken for a least developed country like ours more than four decades to establish some equilibrium in the society and move towards progress in poverty reduction and reduction of human deprivation. Now this has all been upset by this tragedy. We have now more than 550 thousand refugees consisting mainly of women, children, and old people and the number is still increasing. My Prime Minister Sheikh Hasina in her usual concern for human suffering accepted with open arms these unfortunate refugees. It is critically important to ensure their safe return along with another group of nearly 400 thousand

people who came two and a half decades ago. I am making an appeal to the world community taking advantage of the gathering of the Finance Ministers of all countries to find a way to bring about an end to this enormous human tragedy.

Returning to the subject of this annual meeting, I acknowledge the role of the World Bank Group, particularly IDA in the development endeavor of my country. It has been the most important development partner of our country since our independence in 1971. So far it has committed a total of USD 26.67 billion IDA assistance. In FY2017 the World Bank approved USD 1.66 billion for Bangladesh covering sectors that included education, health, power, regional connectivity, governance, fiscal management, climate change, private sector development and ICT skills and training. The disbursement from the Bank has been USD 1399.66 million in FY2017 which happens to be the largest amount of WB disbursement in a particular year in Bangladesh. I also acknowledge that the Fund helped us at the right time with an ECF programme that we successfully completed two years ago boosting our record of consistent growth over nearly two decades.

II. World Bank's IDA18 Replenishment- Towards 2030: Investing in Growth, Resilience and Opportunity

The overarching theme for IDA 18 “Towards 2030: Investing in Growth, Resilience and Opportunity” captures both the importance and the need for a massive approach to foster economic growth and good governance compatible with first restoring and then maintaining climatic balance. We are happy that the 18th replenishment of USD 75 billion, which is the largest in IDA's 56-year history, will enable member countries to implement the ambitious development agenda of Sustainable Development Goals. We notice several distinguishing features of IDA18: a. Financing package introduces new financing instruments. b. Introduction of blending partners' grant contributions with capital market debt and issuance of bonds in capital markets representing a paradigm shift. c. It is comforting to note that IDA's first ever credit rating is Triple A meaning that it is in strong

financial position and the borrowing member countries can hope to undertake more and larger projects.

Let me also touch upon two special themes of IDA18. 1. 'Jobs and Economic Transformation' programme is promoting better jobs and female empowerment, improving working conditions and closing gender wage gaps, all of which are essential for socio-economic growth. 2. Inauguration of a new window of USD 2.5 billion for supporting private sector using the synergies of IDA, IFC and MIGA with a view to improving business environment and catalyzing job-creating private investment .

I should also use my time to call your attention to two other matters. First, the cyclones, hurricanes, floods, extreme precipitation and heat waves that we have been experiencing in the last few months in various regions should be specially considered. It highlights our sloth in protection of environmental balance. It also brings out the reality of such uncertainties in the world of our future. Second, the world is experiencing an unprecedented flow of migrants and refugees due to conflicts and natural disasters in different parts of the world. Violence is becoming more complex with a growing number of local conflicts supported by external actors. Still let us hope that IDA18's commitment to address our development needs in a climate smart way will ensure sustainability as a timely step towards disaster resilient development. We should also welcome the establishment of a regional sub-window for refugees with a USD 2 billion fund. This will be helpful for host governments struggling hard to meet the needs of both refugees and their host communities. In addition, I welcome the Catastrophe Deferred Draw-down Option (CAT-DDO) and the Pandemic Emergency Financing Facility (PEF), both of which will enable us to confront emergency situation in the member countries.

III. World Development Report: WBG Focus on Governance and the Law

Now I would like to extend my thanks to the WBG for selecting the theme Governance and Law for the World Development Report (WDR) of this year. This is very true that the success of any policy depends largely on commitment, coordination and cooperation. Asymmetry within these three key functions results in inequity and conflict. We are not only committed to good governance but we have also the goal of inclusive development. No one to be left behind was the philosophy of the Draft of our Seventh Five Year Plan (2016-20). We are using ICT to reach public services to all people and all areas. We have instituted e-GP (electronic government procurement) to make it open and fair. We have started e-service to be able to deliver service to all and everywhere. All payments and receipts by government hopefully will be digital by 2021 saving huge expenditure on the one hand and providing both universal and faster service to all.

IV. Sustainable Development Goals (SDGs), Bangladesh Seventh Five Year Plan and the W B Country Partnership Framework (CPF)

We are happy that we attained the Millennium Development Goals (MDGs) with a good measure of success. This helped us to step forward to adopt the Sustainable Development Goals (SDGs). My Prime Minister Sk Hasina happened perhaps to be the only head of government to have the unique distinction of adopting the Millennium Development Goals in 2000 as also the Sustainable Development Goals in 2014. Hence she felt a special commitment to the SDGs and is driving us hard to achieve the SDGs as well. We have already identified the lead and associate ministries involved in achieving each SDG. We began preparing our own Seventh Five Year Plan (2016-20) as we experienced success in attaining the MDG goals and really identified many of the goals of SDG for our own development. We find that the SDGs have given us the right directions for future progress. We have translated many SDG goals and targets into the work plan of different ministries and we think that this is the right way to pursue the SDGs. SDGs estimated fund requirement in billions and trillions of dollars and it must be emphasized that a real growth

in ODA is inherent in the unanimous adoption of it in the UNGA. But we must be cautious about it from now and select an order of priority according to which we should begin our implementation of SDG programme. We have planned a total investment under the 7th FYP of an amount US\$ 409 billion of which US\$ 39 billion is expected to be managed from external resources. We think that this is a very reasonable projection; only ten percent of our resource requirement is external assistance and hence we expect very positive response from our development partners. However, more important than traditional ODA financing is a move towards meaningful and equitable terms of migration, international trade, direct foreign investment and technology transfer.

I would like to express my gratitude to World Bank Group for their Country Partnership Framework (CPF) for Bangladesh (FY2016-20) which has been formulated embodying our our 7th Five Year Plan. I appreciate the Bank for identifying priority areas such as 1) energy sector, 2) inland connectivity, 3) regional integration, 4) urbanization, and 5) adaptive delta management with a view to increasing its engagement in Bangladesh in future. The Bank's focus on three foundational priorities like 1) macroeconomic stability and related cross-cutting challenges, 2) human development, and 3) institutions and business environment for sustaining growth is also laudable.

V. A Review of Recent Developments in Bangladesh Economy and Way Forward

Now, let me give you a brief statement on the performance of Bangladesh economy in recent times and country's future development strategies. I am pleased to note that Bangladesh has been successful in different areas of economic and social developments despite many challenges. Bangladesh economy has successfully managed to ward off the risks generating from sluggish recovery of global economy and those emerging from the domestic front. The country has already crossed the threshold of lower middle income country. The World Bank has also acknowledged Bangladesh's improved economic performance and classified her as an IDA Gap country. In this connection, I would like to

congratulate Bolivia, Sri Lanka and Vietnam for their achievement of graduating from IDA at the end of IDA17. The *Country Policy and Institutional Assessment (CPIA) 2016* of the World Bank rates Bangladesh higher than the average rating of all IDA countries. In terms of economic management Bangladesh ranks 13th amongst IDA countries and the best in South Asia. In FY17 we have been able to come out of 6 percent growth cycle and achieved 7.24 percent GDP growth rate. Our Per capita income stood at USD 1,602 from last year's USD 1,465. Foreign Exchange reserve is now over USD 33 billion which is equivalent to over 7.5 month's import bills. Average monthly inflation rate in fiscal year 2016-17 was 5.5%. Bangladesh made an impressive progress in poverty reduction from more than 70 percent in 1971, the year of independence, to fall below 23.2 percent in 2016. Poverty reduction is the core objective of all the initiatives we take for socio-economic development of the country. Our position has been further reinforced as the Government has allocated nearly 24 percent of the annual budget to the HRD related sectors, such as-Education and Technology, Health and Family Welfare, Women and Children, Social Welfare, Labour and Employment and so on.

The Government has undertaken initiatives to accelerate environment-friendly sustainable industrial growth in the country. It is continuing its efforts by providing loans and other ancillary support through banks and other financial institutions. The Export Processing Zones (EPZs) have been promoting rapid industrialization and attracting Foreign Direct Investment (FDI). Moreover, 100 Special Economic Zones (SEZ) and one Hi-tech Park is being developed. In addition, Government has adopted the strategy of implementing some infrastructure development projects on the basis of Public Private Partnership (PPP).

Currently, 80 percent of the total population of the country has access to electricity (including renewable energy). Per capita power generation now stands at 433 KW. According to Power System Master Plan, the government has set a target to increase installed electricity generation capacity to 24,000 MW by 2021 and 40,000 MW by 2031.

We have ensured almost 100 percent enrollment at the primary level. We have already achieved gender parity both at primary and secondary education levels. Maternity and infant mortality rates have fallen to 1.8 and 29 per thousand, respectively. Average life expectancy has gone up to 70.9 years from 66.5 years in 2005. Recently, Government has inaugurated 4th Health, Population and Nutrition Sector Development Programme (HPNSDP) at the cost of USD 14.7 billion where World Bank is helping with USD 500 million loan and Global Financing Facility with an USD 15 million grant. According to Human Development Report of 2015, Bangladesh ranked 139th. The overall index is gradually improving as a result of implementation of various development programmes.

The slogan of the present government is 'Digital Bangladesh' using information and communication technology. The use and application of information and communication technologies as well as e-governance and e-commerce are there to increase digital literacy at all levels of the society. Information and Communication Technology is included as a compulsory subject at all levels of education with a view to building a knowledge-based Digital Bangladesh. The number of mobile telephone and internet subscribers has increased to around 133 million and 70 million respectively.

Currently Bangladesh is enjoying 'demographic dividend' that is vitally important. This is high time to turn the population into a vast resource. The country will need to train more than 4.0 million by 2021 to meet the requirements of the growing economy. The traditional approaches will not deliver the government's GDP growth targets and development goals for the coming years. World Bank is pursuing a new instrument, Development Policy Credits (DPCs), which we believe, can be helpful for creation of new jobs.

You are aware that Global Climate Risk Index-2017 ranked Bangladesh among 10 most vulnerable countries for weather-related disasters such as storms, floods and heat wave.

With its limited resources Bangladesh is a role model in the world in effective implementation of climate change mitigation and adaptation policy. However, Green Climate Fund (GCF) is yet to tap its full potential to strengthen resilience and institutional capacity to combat effects of climate change. Knowledge and best practices in climate finance governance should, therefore, be shared among the affected nations.

Concluding Remarks

We have traversed a long way in our journey towards a prosperous Bangladesh by 2041. Efforts are going on in full swing to make the economic structure and legal framework of the country befitting for a developed country. The nation has remained ceaselessly devoted to the colossal task of changing its fortune. Hence, our never-ending march on the development highway will continue until we reach our final destination.

In spite of having multifarious development challenges, I would like to conclude with the optimism that the strong commitment of Bretton Woods institutions to undertake socio-economic progress in the member countries will exert catalytic impact in fostering sustainable economic growth, human development, stability and good governance around the globe. Please be assured that Bangladesh will extend all possible cooperation and highest consideration to the World Bank Group for its effort to spur growth, promote resilience and create opportunities in the world.

Thank you again for providing me the opportunity to share my views and thoughts with you. Thank you also for reading or listening to my statement on the website.