



Sustainable Development

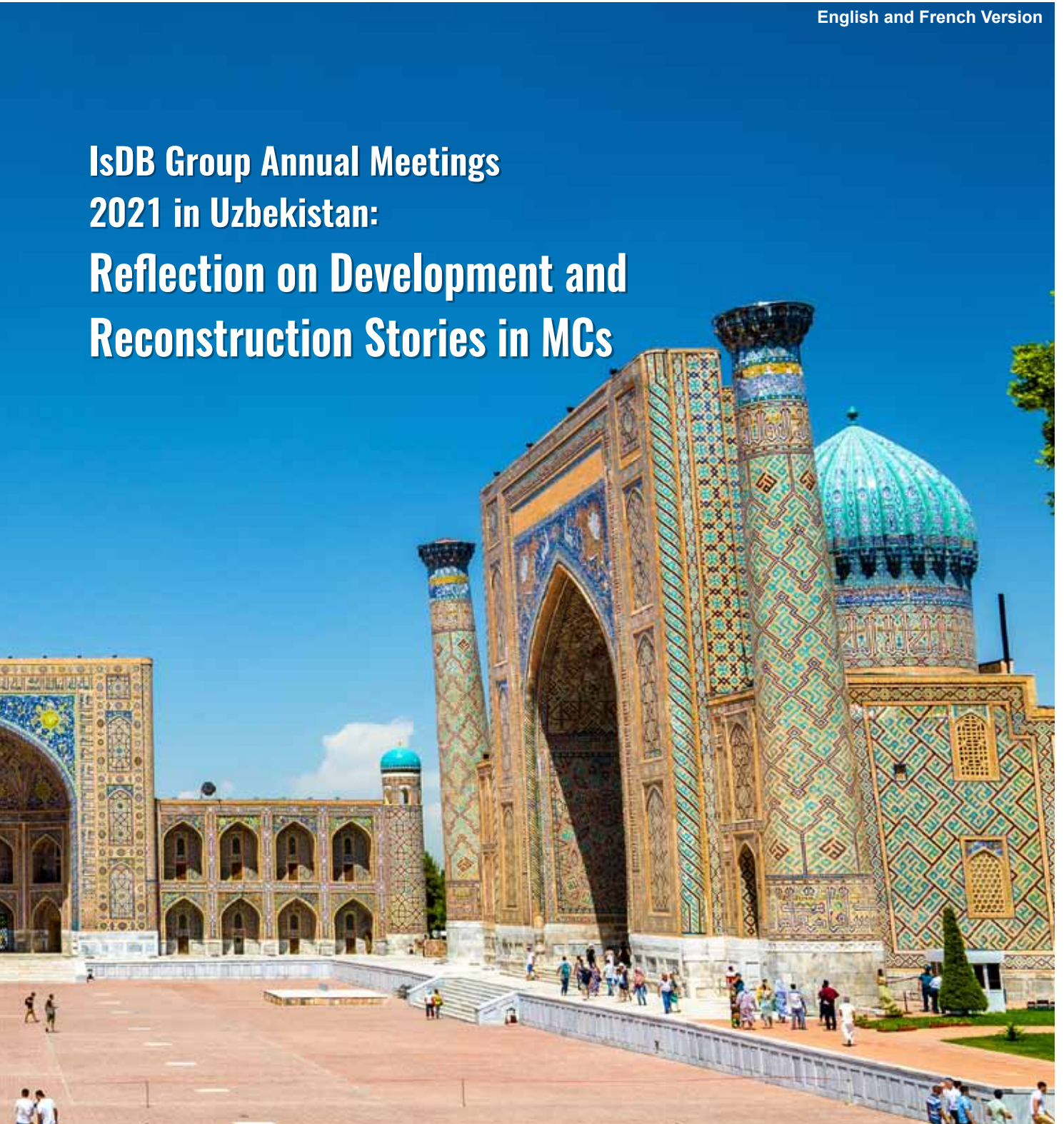
News Buletin of the Annual Meeting of the IsDB Board of Governors

September 2021

Special Issue

English and French Version

IsDB Group Annual Meetings 2021 in Uzbekistan: Reflection on Development and Reconstruction Stories in MCs



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

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IsDB Group Annual Meetings 2021

The Special Issue Contributions from Member Countries

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IsDB and Uzbekistan: An Enduring Partnership for Prosperity

The Republic of Uzbekistan, a member of the Islamic Development Bank (IsDB) since 2013, is immensely blessed with abundant natural resources and historical and cultural sites.

We are delighted to have the Republic of Uzbekistan, the home to great Islamic scholars such as Imam Al-Bukhari, Imam At-Tirmidhi, Al-Khwarizmi, Al-Beruniy, Ibn Sina, and many others, as one of our members.

The country is located along the famous Silk Road, which has contributed to the development of trade among various empires and kingdoms that led to the development of innovations, technologies, and new goods worldwide. Thus, Uzbekistan's historical impact on the development of world civilization through this vital trade route is well respected.

Our enduring relationship and long-standing partnership have yielded fruitful cooperation in many aspects. Since 2013, IsDB Group has contributed to Uzbekistan's long-term development by providing project financing, technical assistance, private sector development, and capacity-building initiatives, among other development cooperation efforts.

The recent major government initiatives, which seek to improve the market and investment climate, enhance regional economic cooperation, and promote balanced and inclusive economic growth, are well received worldwide. The IsDB Group will continue to complement the efforts of Uzbekistan's Government to enhance and maintain balanced socio-economic growth in the country.

As outlined in the National Development Strategy, we are pleased to note that our development inter-

ventions in Uzbekistan are in line with the country's sectoral development priorities and needs. In the last years, our joint focus of financing has been on agriculture, energy, urban development, transportation and communications, water and sanitation, education, and health.

The IsDB Group policies are coordinated with the Government of Uzbekistan to enhance economic and social infrastructure, promote sustainable human development, and overcome current binding constraints for growth and competitiveness, thanks to the remarkably close cooperation with the country. Our total financing to sustain the momentum for sustainable development in the Republic of Uzbekistan stands at around US\$2.4 billion, with 49 completed and 47 under-implementation projects.

These tangible projects and development support have considerably impacted the lives of the great people of Uzbekistan through developing infrastructure, improving education and health, supporting employment, enhancing public sector capacity, and promoting private sector development.

In the Europe and Central Asia (ECA) area, Uzbekistan was one of the three economies to sustain positive economic growth in 2020. Thus, despite the dire impacts of the COVID-19 crisis, Uzbekistan still maintained its economic trajectory, showcasing its immense potential as one of Central Asia's most vibrant and promising economies.

It is also important to note that the world faces a global pandemic challenge that has not spared Uzbekistan.

Mindful of the effects of the global pandemic, we at the IsDB Group have extended emergency assis-



Dr. Muhammad Al Jasser
President of Islamic Development Bank

tance to the Republic of Uzbekistan through the Strategic Preparedness and Response Program (SPRP) to enhance and strengthen the Government's capacity of dealing with COVID-19.

The Government's efforts in taking prompt actions during the pandemic to protect the population are genuinely praiseworthy. We stand ready to support all member countries.

The magnificent cosmopolitan city of Tashkent has gone down in history as the venue where all IsDB Group's stakeholders converged to chart the way forward for the post-COVID-19 outlook.

I take this opportunity to convey my sincere appreciation to H.E. President Shavkat Mirziyoyev and the Government and the great people of Uzbekistan for their unwavering support and hospitality.

We look forward to very constructive and fruitful engagements.

Sizga katta rahmat (Thank you so much).

Construire le futur



Le monde avec la pandémie de Covid-19, fait face à un défi inédit dont les conséquences sont complexes à gérer d'autant plus que l'évolution est imprévisible. C'est l'ordre économique mondial qui se trouve bouleversé avec des répercussions qui touchent durement nos économies déjà éprouvée par le coût induit de l'insécurité. Cette pandémie, faut-il le rappeler, a des conséquences désastreuses aux plans humain, social et économique qui n'épargnent aucun continent, aucune région et aucun pays.

La pandémie à maladie de COVID-19 comme nous le disons tantôt, s'est propagée de manière inquiétante à travers le monde, semant le désarroi et mettant à rude épreuve les systèmes de santé, les relations familiales avec des milliers de morts, la cohésion sociale ainsi que des économies.

Le Togo n'a pas été épargné par cette pandémie. Les premiers cas de Covid-19 ont été signalés dès le mois de mars 2020. Mais grâce à la prompt réactivité des autorités togolaises, l'épidémie a pu être gérée dès son apparition.

Le gouvernement sous le leadership de Son Excellence Monsieur Faure Essozimna GNASSINGBE, Président de la République a commandé des équipements de protection pour les personnels soignants, puis installé des centres de dépistage à l'aéroport international de Lomé.

Un hôpital dédié à la gestion des cas graves de Coronavirus a été équipé, modernisé et étendu. Le Togo a débuté sa campagne de vaccination il y a plusieurs mois. Le nombre de primo-vaccinés est aujourd'hui supérieur à 300.000 et l'Etat vient d'acquérir de nouvelles doses auprès de grands laboratoires.

Parallèlement, le gouvernement a très vite mis en place une assistance financière destinée aux populations les plus défavorisées. Des filets sociaux d'urgence qui, grâce au numérique, ont permis de cibler des dizaines de milliers de togolais.

Afin de soutenir l'économie, durablement affectée par la pandémie, un dispositif a été mis en place pour accompagner les entreprises privées en ces temps inédits (aides financières, réductions de charges et d'impôts, report des paiements ...).



Le gouvernement a créé un Fonds de concours de riposte et de solidarité Covid-19 d'un montant de 400 milliards de Fcfa destiné à la riposte, à la résilience et à la relance économique.

La crise sanitaire et ses effets néfastes sur l'économie ont montré la nécessité de renforcer la protection sociale et la résilience des acteurs économiques face aux chocs exogènes. « La stratégie du gouvernement par rapport à ce contexte, est une stratégie dite des 3 R : la Riposte, la Résilience et la Relance économique. La Riposte d'abord contre la pandémie et là, je pense qu'avec toutes les orientations et l'impulsion du Chef de l'Etat, dont le leadership est à saluer dans la gestion de cette crise, je pense que les résultats, vous les voyez, la crise sanitaire est quand même très bien maîtrisée dans notre pays » : souligne le Ministre de l'Economie et des Finances, Sani Yaya.

Les données disponibles en mars 2021 indiquent que l'économie s'est montrée beaucoup plus résiliente face à la crise sanitaire, grâce, entre autres, aux mesures d'incitations fiscales et de soutien à la demande prises par le gouvernement. Elle a affiché une croissance plus élevée

des activités économiques que celle estimée en septembre 2020. Le taux de croissance est révisé à la hausse à 1,8%.

Cette progression est principalement portée par le regain d'activités dans les secteurs secondaire et tertiaire. Quant au secteur primaire, il affiche une faible performance, en relation principalement avec les poches de sécheresse et les inondations localisées qui ont pénalisé la production de certains produits vivriers.

Par ailleurs, le taux d'inflation est contenu à 1,8% et le taux d'endettement est ressorti à 59% du Produit Intérieur Brut en 2020. Selon les perspectives pour 2021, la progression de l'activité économique devrait s'accélérer de 4,8%, en liaison avec les mesures prises pour une maîtrise des effets de la pandémie et une relance de la croissance économique. Dans ce contexte, l'aide apportée par la Banque islamique de développement (BID) est louable.

Son action au Togo est variée et multiple dans des secteurs essentiels pour assurer le développement : hydraulique, assainissement, énergie, finance inclusive, agriculture ... La Banque a été aux côtés du



Togo dès le début de l'épidémie en apportant une aide d'urgence dans les secteurs de la santé et de l'éducation.

Faure Gnassingbé est un président qui porte le sens commun et une conception différente du pouvoir. L'épidémie est un obstacle sur le chemin du développement, mais rien, selon lui, ne pourra arrêter la marche du Togo vers l'émergence. Dans le but d'accompagner les Gouvernements des Etats membres de l'UEMOA, des mesures ont été prises par la Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) pour limiter les impacts de la crise sanitaire et relancer l'activité économique dans l'espace UEMOA.

Dans la panacée des mesures mises en place par l'Institut monétaire suite à l'apparition de la crise sanitaire dans l'espace communautaire en 2020, quelques-unes seulement seront exposées. Elles visent à atténuer les impacts de ce fléau sur le système bancaire et financier, et soutenir le financement de l'activité économique.

Au nombre des mesures prises par

la BCEAO, figure l'augmentation des ressources mises à la disposition des établissements de crédit, afin de permettre à ceux-ci de maintenir et d'accroître le financement des activités économiques.

Cette mesure a permis de maintenir le financement de l'économie à un niveau adéquat tout au long de l'année 2020 et en 2021, en dépit de la pandémie.

En effet, les crédits à l'économie ont progressé de 4,3%, en glissement annuel, passant de 1.319,9 milliards à fin juin 2020 à 1.376,1 milliards à fin juin 2021, et de 5,4% par rapport au niveau de 1.305,5 milliards enregistré à fin décembre 2020.

Une autre mesure, en faveur du secteur privé, est relative à la mise en place d'un dispositif pour accompagner les entreprises et les particuliers affectés par les conséquences de la pandémie et qui éprouvent des difficultés pour rembourser les crédits qui leur ont été accordés.

Dans ce cadre, l'Institut d'émission a invité les établissements de crédit et les institutions de microfinance à

accorder aux entreprises qui en font la demande, un report d'échéances sur leurs prêts, pour une période de trois (3) mois renouvelables une fois, sans charge d'intérêt, ni frais, ni pénalité de retard.

Grâce à ce mécanisme, les entreprises et les particuliers ont été soulagés des charges d'intérêt, tout en préservant la qualité de leur signature et, par conséquent, ont pu maintenir leur accessibilité aux financements.

N'eût été cette mesure, une entreprise, quoique bon payeur, qui n'y aurait pas bénéficiée, pourrait voir la qualité de sa signature dégradée, en raison du déclasserement de ses prêts dans la catégorie des créances en souffrance.

Il est observé un bon dénouement d'une partie des échéances reportées aux entreprises et aux particuliers affectés par la crise sanitaire, suite à l'arrivée à terme le 31 décembre 2020 de cette mesure prise par la BCEAO.

En effet, de 27,6 milliards de FCFA au 31 décembre 2020, le montant global des échéances reportées par les banques est passé à 15,9 mil-

liards de FCFA au 31 mars 2021, en baisse de 42,4%.

Le secteur de la microfinance a également enregistré un dégonflement de son stock des échéances reportées, avec un montant global qui s'est établi à 3,5 milliards à fin mars 2021, en recul de 28,3% par rapport à son niveau du 31 décembre 2020.

Une troisième mesure importante prise par la BCEAO porte sur le renforcement et la promotion des paiements digitaux. A travers celle-ci, la Banque Centrale a procédé aux négociations avec les entreprises d'émission de monnaie électronique, en vue de réduire les coûts des transactions et d'encourager les populations à une plus grande utilisation des moyens de paiement digitaux pour limiter les contacts et les déplacements.

Outre ces mesures qui touchent directement le secteur privé et les particuliers, d'autres mesures ont été prises par l'Institut d'émission en faveur des Etats membres de l'Union, et devraient également bénéficier indirectement au secteur privé.

Il s'agit, d'une part, de l'affectation de 25 milliards au fonds de bonification de la Banque Ouest Africaine de Développement (BOAD). Cette mesure a pour finalité de permettre à la BOAD d'accorder une bonification de taux d'intérêt et d'augmenter le montant des prêts concessionnels qu'elle accorde aux Etats pour le financement des dépenses urgentes d'investissement et d'équipement dans le cadre de la riposte contre la pandémie de la COVID-19.

D'autre part, il a été créé un nouvel instrument dénommé "Bons COVID-19" pour permettre aux Etats membres de l'Union de mobiliser



des ressources à faible coût sur le marché financier régional. Ce dispositif a permis à l'Etat togolais de mobiliser sur le marché financier régional 178,0 milliards de FCFA à travers deux émissions effectuées respectivement le 14 mai et le 13 août 2020.

Enfin, la Banque Centrale a publié le 29 janvier 2021, l'Avis n°002-01-2021 relatif à la mise en place d'un guichet spécial destiné au refinancement des Obligations de Relance (OdR) émises par les Etats membres de l'UEMOA. L'objectif est d'accompagner les Etats membres de l'Union dans le financement de leur plan de relance dans le contexte de la Covid-19.

Les OdR sont des Obligations Assimilables du Trésor de maturités 3 ans, 5 ans, 7 ans, 10 ans, 12 ans, voire plus, émises en 2021, par voie d'adjudication ouverte avec le concours de l'Agence UMOA-Titres. Ces titres sont dématérialisés, tenus en compte courant dans les livres de la BCEAO et bénéficient d'avantages spécifiques pour les investisseurs mais également pour les émetteurs souverains.

En effet, tout au long de l'année 2021, les Etats membres de l'Union envisagent d'émettre un montant

total de 3.768 milliards d'OdR 2021, éligibles aux refinancements de la BCEAO au niveau de ses guichets classiques et de son guichet spécial dénommé "Guichet de Relance". A ce dernier guichet, les investisseurs pourront mobiliser de la liquidité au taux minimum de soumission aux guichets des appels d'offres de la BCEAO (actuellement 2%) pour une durée de 6 mois renouvelables tant que les OdR 2021 sont en vie.

En contrepartie des avantages ci-dessus attribués aux OdR 2021, les investisseurs participant aux opérations d'adjudication sur les maturités de 3 ans et 5 ans s'astreignent à soumissionner des prix supérieurs à un prix minimum (prix plancher, fixé à 9.900 FCFA) garantissant aux émetteurs un taux maximum de sortie de ces opérations. Bien entendu, les maturités au-delà de 5 ans demeurent libres de toute contrainte sur les prix de soumission. En outre, à l'instar des titres publics émis sur le marché régional des titres publics, les OdR 2021 sont exonérées d'impôts et taxes pour les investisseurs résidents du pays émetteur. Par contre, les non-résidents sont soumis à la fiscalité applicable sur leur territoire.

Message of Ambassador of the Republic of Uzbekistan



The Republic of Uzbekistan is located in Central Asia. According to natural and geographical conditions Uzbekistan is one of the most favorable regions in Central Asia. Most of the territory of Uzbekistan is occupied by plains (about 4/5 of the territory). The east and northeast of the country are situated spurs of the Tien Shan and the Pamir mountains, here is the highest point in the country (4643 m). In the north central part of the territory of Uzbekistan is one of the largest deserts in the world - the Kyzyl Kum, west - the Karakum. The mountains and foothills are about 1/5 part of the country. The largest intermountain trough - Ferghana hollow (valley) - length 370 kilometers and width up to 190 kilometers.

Ulugbek Maksudov

Ambassador of the Republic of Uzbekistan to the Kingdom of Saudi Arabia, Permanent Representative of Uzbekistan in the Organization of Islamic Cooperation



Uzbekistan is situated between the rivers Amu Darya and Syr Darya, and covers an area of 448.9 thousand sq. km. The length of the territory of the Republic from west to east is 1 425 km from north to south - 930 km. The territory in the north and north-east of Uzbekistan borders with Kazakhstan, in the east and south-east with Kyrgyzstan and Tajikistan in the west with Turkmenistan, in the south with Afghanistan. The total length of the country border is 6 221 km.

To January 1, 2021 the population of the Republic is 34 558 900 people. During the years of independence, Uzbekistan has made historical efforts to build a new state and society. Today New Uzbekistan is a state, developing in strict compliance with the universally recognized norms in the field of democracy, human rights and freedoms, on the basis of the principles of friendship and cooperation with the international community. The New Uzbekistan is, primarily, is the new economic relations, the new economic vision. The economic system of our country is being completely restructured and if it is even difficult, we have begun to put into practice the market mechanisms. President of Uzbekistan H.E. Shavkat Mirziyoyev said on this regard, that "All of us should deeply

realize that supporting entrepreneurship is the most effective way to improve the well-being of citizens, our people, and at the same time, it is the ultimate goal of building the New Uzbekistan". Uzbekistan tries to build up intellectual potential, knowledge, and experience, turn these factors into points of economic growth and a resource of development. The country has adopted Agriculture Development Strategy for 2020-2030, practical work has begun to increase the number of public-private partnership projects. Improving medical culture, widely affirming the principles of a healthy lifestyle is an urgent task not only for the medical sphere but also for our society as a whole.

The construction of the New Uzbekistan means an in-depth study of our recent and distant history, our unique cultural wealth and, relying on this, continue our path of independent national development at a new stage. In view of the growing role and influence of spiritual and educational work the Presidential Decrees adopted in March this year «On the Establishment of the Trust Fund to Support the Spheres of Spirituality and Creativity» and «On Measures to Radically Improve the System of Spiritual and Educational Work». Uzbekistan is playing an increasingly important role in enhancing the processes of integration and cooperation. At the international conference «Central and South Asia: Regional Connectivity. Challenges and Opportunities», our country has advanced the new proposals and initiatives, which aroused interest not only in the states of these regions, but also in



H.E. Shavkat Mirziyoyev

President of the Republic of Uzbekistan

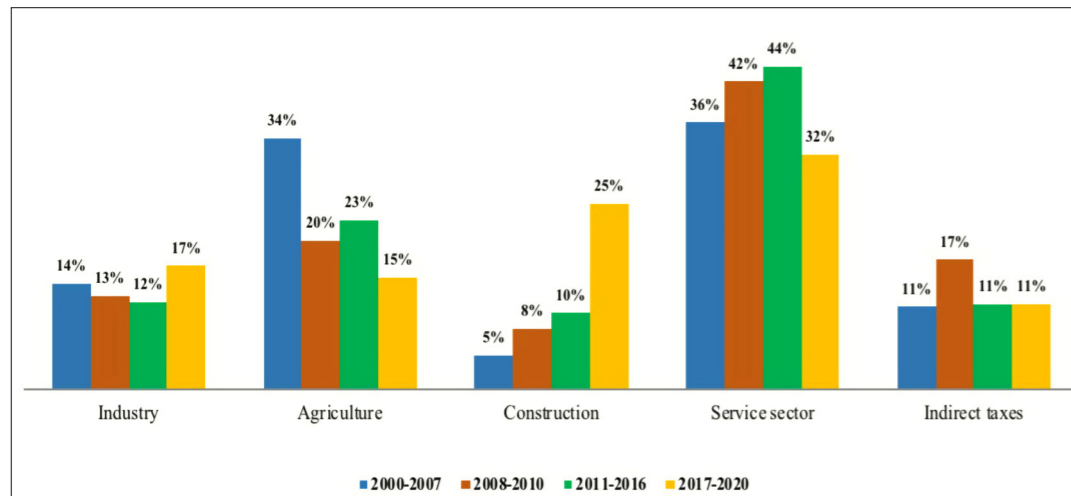


Ulugbek Maksudov

Message of Ambassador of the Republic of Uzbekistan to KSA

the world community. Currently, the Foreign Policy Concept of Uzbekistan is being improved. As it is well known, Uzbekistan chairs the Shanghai Cooperation Organization in 2021-2022. As in the rest of the world, Uzbekistan pays a serious attention to addressing environmental problems. On a thousand hectares of the dried bottom of the sea, the forests and shrubs are being created. An important role in this is played by the activities of the Multi-Partner Trust Fund for Human Security for the Aral Sea Region in Uzbekistan, jointly created with the United Nations. As far as it is concerned, it is appropriate to recall the major initiative of Uzbekistan on the adoption of a special resolution of the UN General Assembly on declaring the Aral Sea Region a zone of en-

Contributions of economic sectors to GDP growth (GDP growth on the supply side=100%, using 2010 prices)



The narrowness of the domestic consumer market dictates the need to expand the export potential to generate economies of scale and sustain high economic growth. In 2018-2019, exports played a major role in sustaining growth, rising from USD 12.6 billion in 2017 to USD 17.5 billion in 2019.

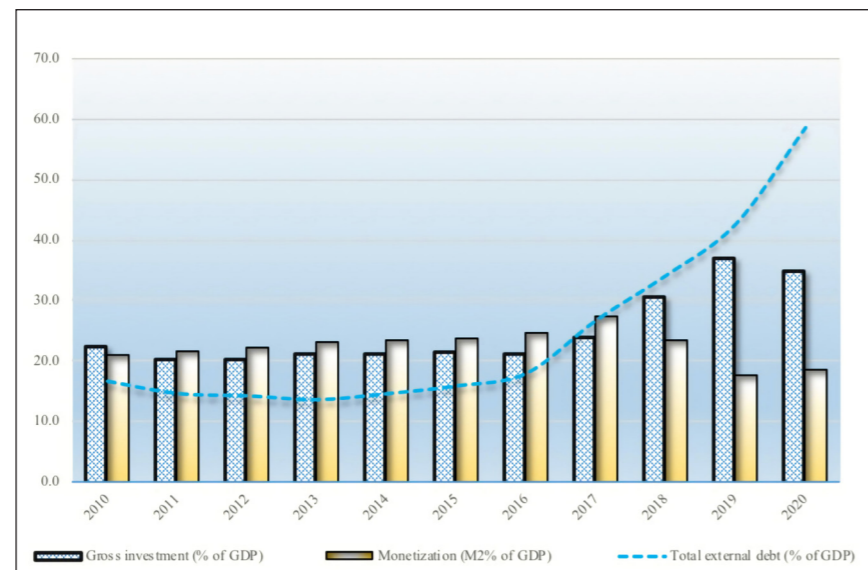
environmental innovations and technologies, which was unanimously approved by the Assembly on May 18, 2021.

Economy. In 2020 the economic growth was preserved even in the conditions of strict quarantine restrictions. In the last 5 years (2016-2020), the service sector has developed at the fastest rate. Over this period services have increased by a factor of 1.67. The industry also grew rapidly (1.4 times), while agriculture grew more moderately (1.15 times), reflecting deteriorating agricultural production conditions (more frequent dry years, deteriorating quality of land, and increase in interest rates on bank loans).

Sustained economic growth occurs when the potential of established sources of growth is maintained or they are gradually replaced by new sources as the potential of existing sources is depleted. Until 2017, the services sector was the main contributor to GDP growth. Its share in GDP growth increased from 36% in 2000-2007 to 42%, reflecting, among other things, the rapid growth of small businesses and

private entrepreneurship. In the last 4 years, the main drivers of economic growth have been construction and industry. While in previous years the contribution of the industry was declining (14% to 12%), in 2017-2020 it increased to 17%, which can be attributed to the implementation of many large investment projects launched in previous years. The largest increase in contribution to economic development was

demonstrated by the construction sector - from 10% to 25%, i.e. the sector's contribution has increased by 2.5 times, reflecting the process of rapid housing, commercial construction, and creation of infrastructure facilities that has unfolded in the country in recent years. More than 70% of Economic growth in recent years has been driven by small businesses, and less than 30% by growth in output



Dynamics of investment and external economic activity indicators in 2010-2020.

from large enterprises in basic industries and services (primarily transport).

Traditional growth factors are large-scale modernization of the real sector of the economy (with a focus on extractive industries and primary processing of raw materials), large-scale investment in expanding mineral production accelerated development of small business and the service sector. Thus, the share of the employed in small business has reached ¾ of all the employed and is close to its limit (taking into account those employed in large enterprises, state-financed and other sectors of the economy).

The search for and activation of new sources of development are only possible as part of the transition to a new economic model, which needs to be worked out with the joint efforts of all stakeholders. The key elements are: New industrialization; Reforming the economic management system with a focus on limiting excessive state interference in current economic processes; Changing economic policy priorities towards resource efficiency; Development of existing regulatory instruments and the creation of new ones aimed at the implementation of these priorities. Addressing these and the challenges will provide the first catalyzing step towards new sources of growth, thereby the sustainable development and the quality of life of Uzbekistan.

Our country maintains close practical ties with world financial institutions such as the World Bank, the IMF, the EBRD and the ADB, and of course the IsDB. We highly appreciate the cooperation and interaction with the IsDB, with which we are implementing 96 projects



worth \$2.4 billion. Of these, 49 projects have already been completed, and 47 are currently being implemented.

For us great honor that the Islamic Development Bank Group will hold its Annual Meetings of its Boards of Governors from 31st August to 4th September 2021 in Tashkent.

The Annual Meetings are attended by 57 IsDB Governors, who are primarily ministers of finance, economy, planning, and international cooperation, central bankers, and other high-ranking ministers from Member Countries, as well as high profile representatives from other multilateral development banks

(MDBs) and the international development community, business sector, civil society, academia, media, and other stakeholders. We expect more than 2,000 participants.

Government of Uzbekistan is taking all necessity COVID precautions for participants. We hope that Tashkent Annual Meetings give IsDB Group member countries' opportunities to discuss challenges and explore not only on the OIC area but also more developing Asian markets, rebuilding resilient global value chains as a pathway to global economic recovery. I would like to take this opportunity to wish IsDB great successes in its endeavors in serving to Muslim Umma and beyond.

Respond, Restore, Restart:

Post-Covid-19 Resilience And Prosperity For All Towards Resilient Socio-Economic Development In Brunei Darussalam



On behalf of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, let me convey our sincerest appreciation to His Excellency Br. Dr. Muhammed Sulaiman Al-Jasser, President of the IsDB Group and the Bank Secretariat for inviting me to contribute to the "Sustainable Development Bulletin" as a special issue to mark the Annual Meeting of the IsDB Board of Governors Meeting scheduled for 3-4 September 2021 in Tashkent, the Republic of Uzbekistan.

The ongoing unprecedented health crisis that has engulfed the world has affected lives, upended livelihoods, and stalled economies in ways that we have never seen before. It has indeed been a true test of the resiliency of our communities, our governments and our economies. Although Brunei Darussalam is still battling a second wave of the pandemic with recent surges in new cases, some of the key learning points that we can take away from the crisis is as follows:-

First, human capital is an important foundation for a resilient economic recovery. As we all know, COVID-19 is an ongoing threat that could reverse and wipe out gains in human capital outcomes. Particularly, weaknesses in the healthcare system could cost lives and reduce economic productivity, while prolonged structural unemployment and weaknesses in the education system such as inability to upskill and re-skill to current needs could make the labour force redundant and become an additional burden for the government and society. In other words, insufficient action



Dato Dr Amin Liew Abdullah
Minister at the Prime Minister's Office and
Minister of Finance and Economy II
Brunei Darussalam Alternate Governor IsDB

to protect and build our human capital could deepen the problem with long-lasting effect on future productivity. In light of the COVID-19 pandemic, Brunei Darussalam's government has been working closely with relevant agencies to safeguard the workforce. In March 2020 (first wave) and August 2021 (second wave), measures were announced among others with the objective to maintain job security and pro-

tect the well-being of the locals, especially in the private sector. Some of these initiatives include: (i) Supporting life-long learning initiatives, especially in the upskilling and reskilling of local employees to support private sector growth; (ii) Extending i-Ready Apprenticeship Programme to Diploma Level 5 (HND or Advanced Diploma) and Technical and Vocational Education Training (TVET); (iii) Salary payment subsidy of 25% for local workers working in MSMEs with employees of 100 people and below for a period of 3 months starting 1 April 2020 (first wave) and for a period of 5 months starting 1 August 2021 (Second wave); and (iv) Manpower Planning and Employment Council (MPEC) to continuously work together with companies to learn more about their projected manpower needs. Additionally, the government continued to invest in the nation's future by bolstering the education and healthcare systems. With a theme of 'Towards Resilient Socio-Economic Development', a budget of B\$5.86 billion has been approved for FY 2021/2022, of which

B\$376 million has been approved for healthcare and B\$760 million for education. Second, technological advancements play an important role in adapting to crises. As economies move towards contactless services to mitigate the spread of COVID-19, digital revolutions have accelerated across all parts of societies: consumers, businesses and governments alike. Such trends are confirmed by various sources including a report by Global-e (2020) which confirmed that while retail sales in general were hit hard by the pandemic, "the share of online sales has grown significantly across markets worldwide" with cross-border online purchases having increased by 21% overall compared to the same period a year ago (YoY YTD-mid-June 2020). The same transformation can also be observed in Brunei Darussalam with a surge in the usage of online platforms in resuming day-to-day activities such as online learning; and provision of government services. In the midst of the pandemic, to support local SMEs and consumption, a variety of e-commerce platforms has also been developed, not only for restaurants and eateries, but for local farmers and market vendors to sell their local produce and goods so that they can continue to generate income during these challenging times. As means to make it more convenient for the public and businesses and help them find trusted providers especially during the crisis, AITI and DARE have also launched the country's first local online e-commerce directory, known as eKadaiBrunei. As part of the nation's on-going plans to drive the digital economy, a Digital Economy Masterplan 2025 was unveiled in June 2020 with a vision of a "Smart Nation through Digital Transformation".

Guided by Maqasid Shariah, the Digital Economy Masterplan 2025 has the following strategic objectives: Vibrant and Sustainable Economy; Digital and Future Ready Society; and Digitally Conducive Ecosystem. Third, economic recovery will not be sustainable if it is not inclusive and the environment is not taken in consideration. As we have observed worldwide, devastating impacts of climate change such as wildfires, floods, and storms can instantaneously wipe out decades of development. To put such effects further into economic perspectives, allowing the global temperatures to rise to 2°C could cut the economic growth of several nations by 18% by 2050, if no mitigating measures are taken, with Asia being hardest hit as "crop yields fall, disease spreads and rising seas consume coastal cities". Meanwhile, inclusivity is also key to sustainable growth as it ensures that everyone can enjoy the positive spillovers from growth and global progress and contribute towards higher productivity and growth potentials. It is in this regard that, earlier this year, Brunei Darussalam launched its Economic Blueprint which paves the country's journey towards becoming a dynamic and sustainable economy, as envisioned in the nation's vision, Wawasan Brunei 2035. It contains six (6) well-defined aspirations which are include Productive and Vibrant Businesses; Skilled, Adaptive and Innovative People; Open and Globally Connected Economy; Sustainable Environment; High Quality and Competitive Economic Infrastructure; and Good Governance and Public Service Excellence. Brunei Darussalam prioritises policies that are inclusive and ensuring that no one is left behind. This includes making sure that everyone

has access to fundamental necessities such as education, healthcare and financial services that allows them to thrive in society and the economy. Equally important for Brunei Darussalam is the creation of a conducive economic environment that will ensure businesses, especially micro, small and medium enterprises, youth, and women are able to realise benefits of such economic advances. On the environmental aspect, recognising the need to do more to protect the environment and mitigate the devastating impacts of climate change, the Brunei Darussalam National Climate Change Policy (BNCCP) was launched on 25th July 2020 to pave the pathway towards a low carbon and climate-resilient Brunei. The policy focuses on 10 key strategies areas with objectives that are to be implemented in the next 15 years which include industrial emissions, forest cover, electric vehicles, renewable energy, power management, carbon pricing, waste management, climate resilience and adaptation, carbon inventory, and awareness and education. As the world continues to fight against a common enemy, it is important to emphasise on sustaining engagements towards a better future for all. On this note, I would like to underline the value of the work and the strong commitment by the IsDB Group to foster socio-economic progress and cooperation within member country as well as improving the welfare of Ummah. Brunei Darussalam continues to be a committed and engaged shareholder and partner of the Bank. We call on member countries to work in unity and solidarity and make the Bank ever more relevant to the people they represent, particularly in the current challenging time of battling the ongoing pandemic.



Islamic Development Bank Conference Financing for Recovery



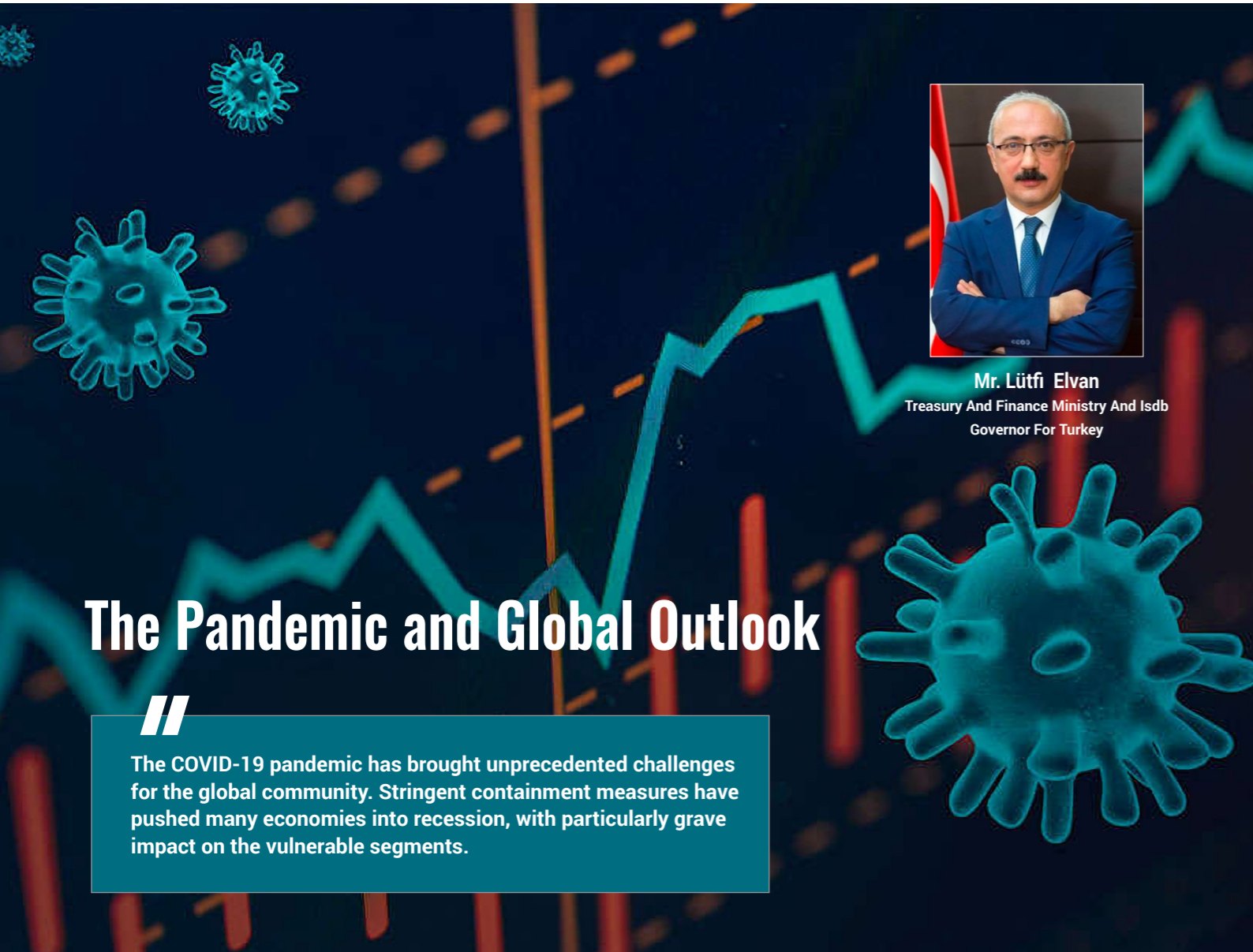
The future of economies across the globe is being shaped by many things, as are each country's own prospects for recovery. Health and social support, vaccination efforts, counter-cyclical fiscal responses, domestic resource mobilization, debt sustainability and fiscal space are the main dynamics that will be affecting each country's future outcome, with emerging and developing countries at risk of weaker growth.



Nasser Shraideh
Minister of Planning and
International Cooperation – Jordan

The economic aftermath of the pandemic was described as the sharpest global contraction since the Great Depression. Predictions are being made around poverty and unemployment with expectations that the pandemic will drive an additional 120 million people into extreme poverty with around 255 million full-time jobs lost worldwide. Many countries across the globe were able to develop financial responses to the crisis; with a total of US\$16 trillion in fiscal stimulus responses mobilized across the world, as of the first quarter of 2021. Out of this response, high-income countries mobilized over 16 percent of their GDP, compared to 4 percent for emerging economies and only 1.6% for low-income developing countries. This disparity in response is occurring despite universal calls for inclusive recovery and building back better, and unfortunately as it stands the current global context is absent of any significant efforts to scale up financing for development. Therefore, there are many questions being made on how we can ensure equitable growth and a better future without a comprehensive approach to support vulnerable countries and people. We know that future relief and recovery efforts will demand massive increases in government expenditures and unless more ambitious action is taken, countries will not be able to return to pre-pandemic levels of growth and continue with necessary reform agendas in order to restore progress towards attaining Sustainable Development Goals. In fact, without sufficient financing there is a risk of major development setbacks, and in some parts of the world the pandemic has already turned into a major humanitarian crisis. Nevertheless, all is not yet lost, and there still an opportunity to take significant broad-based international action that will help encourage a stronger more inclusive and equitable recovery, allowing developing countries to stay resilient, recapture growth and smoothly transition to financially more stable, inclusive and productive economies whilst creating the space for necessary SDG investments and reforms. This will require a new era of international cooperation with continued international dialogue and the development of new tools that will allow us as

a global community to adapt to our new world. In the meantime, as countries we must strive towards building stable livelihoods for the most vulnerable to ensure inclusive, equitable, and sustainable growth. Countries like Jordan have in fact put forward home-grown plans to put their economies on a trajectory of growth and recovery. These plans however, are at risk with the lack of economic activity over the last year drying up revenues, increased spending needed on mitigating the effects of the pandemic, and the challenges related to the hosting of a large refugee population. A significant portion of planning across various countries of the world cannot be fulfilled without substantial international support, including grants and concessional lending, as well as more creative tools in the longer term for debt management. How can we accelerate access to technology and address the digital divide without substantial investments into digitization as a key driver and enabler for inclusive and equitable economic recovery. Environmental sustainability has also been compromised by our consumption and production patterns; with consequences we are only just beginning to feel. Building back better will therefore require re-thinking of issues related to climate change, food security, and water and environmental management. Creating the foundations for more a greener future works hand in hand with more inclusive economic recovery and a holistic response to the crises facing our world – starting from the ground up through mutually beneficial, bilateral, trilateral and regional partnerships. Promises and calls need to be met with action: the introduction of flexible innovative financing tools like debt for development, debt for reforms or debt swaps for emerging and developing countries, as well as greater access to green financing mechanisms and sustainable development. Development financing is necessary to build resilience and help better prepare economies and societies to withstand external shocks. Emerging markets and developing countries need the financing to continue to strengthen their systems and implement reforms to support strong and sustainable growth and set the stage for long lasting recovery.



Mr. Lütfi Elvan
Treasury And Finance Ministry And Isdb
Governor For Turkey

The Pandemic and Global Outlook

The COVID-19 pandemic has brought unprecedented challenges for the global community. Stringent containment measures have pushed many economies into recession, with particularly grave impact on the vulnerable segments.

Global poverty is estimated to have increased in 2020 for the first time in 20 years, thus hard-won gains in poverty reduction are being reversed. It will take more time to develop and implement policies to support economies in the post-COVID era. As the global pandemic has required stronger international cooperation, Turkey has made important contributions to many countries as well as to international

organizations, including considerable amount of medical supplies.

Turkey's Response
Turkey has managed to diverge positively from peer countries during pandemic. Health toll was kept at minimal levels thanks to rapid and effective restriction measures and well-established healthcare capacity. Thanks to our fiscal space and prudent banking sector, we were able

to mobilize resources efficiently and promptly. We have provided various fiscal flexibilities, employment protection schemes and generous credit facilities. To minimize the negative effects of pandemic on employment and production, we implemented comprehensive set of policies such as short-time working allowances, unemployment benefits, cash wage supports and normalization supports. Also we extended and de-

ferred loans, tax and social security premiums. As a result of our holistic approach, Turkish economy grew by 1.8 percent in 2020. Economic activity has maintained its robust course since the second half of 2020 thanks to the well-designed measures. GDP growth was realized as 7 percent annually in the first quarter of 2021 with help of net exports and strong investment appetite. Lead indicators signal resilient recovery for the second and third quarters of the year. Export performance has been remarkably strong and tourism revenues have gradually improved with the help of widespread vaccination program. Given that, we expect higher growth rates for 2021 compared to our official program forecasts.

Reform Program

We would like to act promptly in this unpredictable environment and took early action to frame our economic priorities. Therefore, we announced our Economy Reform Program in March 2021 by designing a comprehensive set of economic actions to reduce vulnerabilities, boost productivity and improve competitiveness. All these actions will play a crucial role to achieve strong, sustainable and balanced growth. The Economy Reform Program has two main pillars as macroeconomic policies and structural reforms. Macroeconomic policies aim to strengthen fiscal discipline, ensure price stability, strengthen financial sector, improve current account balance and increase employment. Structural reforms aim to enhance corporate governance, stimulate investments, increase competition, improve investment environment and ensure a well-functioning market surveillance.

Investment Environment

Regarding the investment environment, our reform program includes direct actions on both fiscal and financial sides. Fiscal actions include simplifying tax regulations, revising the agreements on avoidance of double taxation, extending advance pricing agreements on transfer pricing, and reforming public procurement system. On the financial side, we will encourage equity financing, introduce selective credit programs for regional development, implement cash incentive models for high value-added investments, and establish an investment dispute authority to accelerate resolution process.

Foreign Direct Investment

Attracting Foreign Direct Investment (FDI) is another priority for us. This is critical for long term financing of current account deficit and further enhancing innovation capabilities of the country. The Foreign Direct Investment Strategy of Turkey for 2021-2023 provides a concrete roadmap for Turkey.

Green Transformation

Environmental priorities lie at the heart of the economic policies. Sustainable Development Goals and the European Green Deal force industry to comply with required regulations. We also released Green Deal Action Plan to transform our country to a sustainable, resource-efficient and green economy. In addition, we also continue to invest in renewable energy and sustainable urban development projects such as eco sensitive smart transportation infrastructure, electric vehicles, and green industrial zones. Furthermore,

we will strengthen green finance eco-system to enable eco-friendly investments by promoting green bonds/ sukuks issuances.

Digital Transformation

The pandemic has shifted up the pace of the digital transformation. Firms are finding new tools to boost their innovation capabilities. Digital products and services like remote working, online shopping, digital payments and distance learning have become our new realities. Turkish start-ups and tech-investors have also benefited from these opportunities and seen their valuations vault above the billion-dollar mark. As public authority, we aim to provide access to public services on digital platforms in a cost- and time-friendly way. In that regard, we also urge multilateral development banks to focus on accelerating digital transition in their members.

Conclusion

In conclusion, the pandemic has tested the resilience of economies. One important lesson learnt is that a problem that started locally can quickly turn into a global threat, highlighting the ever more vital role of strengthened international cooperation and solidarity. Also, the crisis has highlighted that green and digital transformation will shape the future. Acknowledging the lessons taken, Turkey has prepared a comprehensive reform agenda. We will continue to implement an innovative, high value-added and export-oriented development model to achieve our targets. We will also share our experiences and promote enhanced international solidarity through more efficient international organizations.

Socio-economic reforms in Azerbaijan: sustainable economy and high social welfare



The COVID-19 pandemic has had mostly disruptive effect on global economy and generated uncertainty unlike anything in recent history. Our world after COVID-19 is unlikely to return to the world it was. However, Azerbaijan could overcome challenges the pandemic created and turn them into opportunities. The Government of Azerbaijan has introduced a set of mechanisms to support the national economy and business in total amount of about 2.5 billion US dollars that is equal to 3% of GDP.



Mr. Mikayil Jabbarov,
Minister of Economy,
IsDB Governor for the Republic of Azerbaijan

To protect the jobs, the Government covered salaries of employees in the industries affected by the pandemic, granted a direct financial support to more than 130,000 individual (micro) entrepreneurs, and introduced tax holidays and concessions for businesses. Moreover, the Government has provided national business with an access to loans with low interest rates and sovereign guarantees to the bank loans, as

well as subsidized part of the loan interests and covered interest on the existing loan portfolio in the amount of 1 billion manats. At the same time, a number of social protection measures have been taken, including direct payments for low-income individuals, a coverage of tuition fees for students from vulnerable families, financial support programme to mortgage and credit guarantee mechanism, programme to assist

the population in utility payments for electricity consumption, as a part of the large-scale support mechanism. Due to reforms and systemic measures carried out in the pre-pandemic period, the socio-economic sphere could overcome the threats and create a basis for survival. Azerbaijan's economy has become stronger and able to resist challenges. Significant mitigation of the adverse effects of the pandemic along with rising oil prices facilitated restoration and acceleration of economic growth. In January-July of the current year, real GDP grew by 2.7%, whereas the real GDP growth rate in the non-oil sector reached 5.3%. Consumer market growth rate was about 3% and the service sector turnover growth rate reached 4.2%. In these good macro conditions tax collection projection

has been executed by 126.2% or roughly 1.1 bln manat tax revenues were collected above projections. For Azerbaijan, the year 2020 was especially hard due to the escalation of hostilities in Karabakh, which fortunately, resulted in liberation of almost 20% of our territories after the 30-year occupation. New realities established after the liberation will create new opportunities for economic development in the region. In particular development of international and regional transport and logistics corridors generate ample opportunities for the years to come. But first, the Government is re-integrating liberated territories and their economy to the national economy of Azerbaijan.

Development of the country is outlined in the «Azerbaijan 2030: National Priorities for Socio-Economic Development», approved by President of the Republic of Azerbaijan Ilham Aliyev, which defines strategic development goals and formulates a framework for policy and reforms for the next decade. The National Priorities have 5 goals, which are a steadily growing, competitive economy; a dynamic, inclusive society based on social justice; modern innovations and competitive human capital; the great return to the territories liberated from occupation; and a clean environment and country of "green growth". One of main directions of the National Priorities is to achieve new quality indicators in terms of economic development. Thus, the acceleration of inclusive and innovative economic development is among the goals. The main principle of inclusion here is that the population can benefit more from the economic value formed and

used, as well as preserve some of this value for future generations. Meanwhile, growing innovation in the economy through the development of human capital is considered as one of the foundations. Along with the above-mentioned, increasing economic competitiveness and innovative support to entrepreneurs, including a usage of new application mechanisms for them are also among the economic priorities set in the National Priorities. The realization of the set goals, strengthening the competition in the domestic market, technological innovations and wide application of new approaches will accelerate the expansion of domestic production and increase in non-oil exports. This, in turn, is an important factor for the growth of the country's non-oil economy and ensuring the sustainability and durability of economic development. The Government of Azerbaijan is considering the construction sector, mining and petrochemical industry, digital economy, transport, renewable energy, trade and logistics, ICT, agriculture, processing industry and domestic tourism as keystone fractions of non-oil sector for the medium-term. In this context, the formation of the digital economy is particularly important. Azerbaijan has already joined the World Economic Forum's Network of Centers of the Fourth Industrial Revolution, became first in the CIS region to establish its Affiliate Centre, and aims to benefit from its opportunities, as well as to be among the leading countries in this field. To this end, institutional reforms, technological advancement, strengthened economic governance, emergence of the digital economy and development of hu-

man capital are among the main directions to use the mentioned opportunities. At the same time, the world after the COVID-19 must be more inclusive, resilient, and sustainable. Economic growth of every citizen, equal and fair access to economic opportunities and social security are among main conditions for expanding the level of social welfare in the country. In addition, the economic reintegration of our liberated territories, development of "green economy" and introduction of smart technologies for sustainable settlement of population, including IDPs, in the liberated lands, as well as creation of eco-friendly production sites are in plan of the "Great Return". The scope of works to be carried out in the liberated territories is enormous and our partners have been widely welcomed to take part in restoration process. We invite the Islamic Development Bank to make its contribution to this process by supporting startup and innovation projects, urban and rural development, construction of water, energy and transport infrastructure. The Karabakh region of Azerbaijan, that had been under massive devastation for almost three decades, deserves rehabilitation now. We believe the Islamic Development Bank can play an important role in this process. As a leading country in the South Caucasus, Azerbaijan is confidently moving towards transforming to a state with rapid development, wider transit and logistics opportunities, and more favorable business conditions. The goal is to be a strong state with sustainable economy and high social welfare.

Navigating The Economy To Recover Stronger



For almost two years, we have seen and experienced the devastating impacts of the pandemic which has created intertwined of health, social and economic crisis. The pandemic has disrupted our economic gains and delayed, if not derailed, our prosperity prospects. It will also lead to global imbalances which are associated with inequality in the exchange of economic resources between countries of the world. The pandemic has alarmed us on the importance of improving our resilience against non-traditional potential economic shocks.



Febrio Kacaribu
Chairman of Fiscal Policy Agency
Ministry of Finance, the Republic of
Indonesia



The unprecedented and large-scale impact of the pandemic serve as a strong signal that we should never again return to a business-as-usual way in managing and governing our economy. Despite all the hardship it caused, the pandemic has provided us with a valuable opportunity to transform our economy into a more sustainable and greener one. Indonesia, like many other countries, is still struggling in addressing the pandemic, especially after the

second wave of the Delta variant. Our priority has been very clear: to protect our people's lives, health, and well-being. In this regard, we have strengthened the social protection program to maintain our people's purchasing power, especially the poor and vulnerable, by providing various cushions through conditional cash transfers, food subsidy, electricity tariff discount to internet subsidy. In the health program, we also have increased budget alloca-

tion to support testing, treatment, increase health facilities capacity, provide incentives for health workers, as well as speeding up vaccination programs. We will continue to accelerate vaccination to reach herd immunity target by the end of this year. We also continue to complement and strengthen the role of National Economic Recovery (PEN) Program in 2021. The program aimed to address the health crisis, provide social assistance as well as support business

activities to reduce employee layoff by fund placement, tax incentives, credit guarantees, and investment financing.

Those programs and its policies have resulting positive impacts to our economy. In the second quarter of 2021, our economic growth has reached 7.07 percent, year-on-year. Indonesia's economy grew quite fast compared to the first quarter of 2021. Domestic demand indicators such as Indonesia's car sales, Consumer Confidence Index, and public activity increased significantly in April 2021. On the production side, we have seen increased electricity consumption in industry and business, cement consumption, raw materials, and capital goods import. A signal of our economic recovery is underway.

We will embrace this momentum to accelerate the recovery. This is expected that this recovery trend to go more robust in the next quarters this year, fulfilling our target between 4.5 and 5.3 percent in 2021. The countercyclical policy in 2021 will continue with a smaller deficit and aim at below 3 percent target in 2023. Focus policies will be on the health sector, supporting vulnerable communities and jumpstart for the business. Fiscal consolidation and reforms are also carried out to support fiscal sustainability. We also keep the fiscal reform agenda be accelerated as the pandemic has forced the budget to expand unprecedentedly. In the revenue side, we attempt to optimize state revenue, including taxation by exploring the potential and expanding the tax base, increasing taxpayer compliance, and optimizing asset management and service innovation. In the expenditure side, we improve our spending through controlling the spending to be more efficient, productive, and produce a multiplier effect that is strong on the economy

and effective in protecting and improving welfare. In the financing side, we encourage flexible, prudent and innovative financing while strengthen the synergy with the Financial Services Authority and Bank Indonesia to continue deepen the financial sector market and control debt prudently. Our spending policy in 2022 includes supporting human resource reform, supporting bureaucratic reform, more efficient operations, basic services infrastructure development, integrated and more targeted subsidies policy. The general policy of Ministry/Institution spending in 2022 includes improving efficiency and effectiveness, supporting human resource development reforms, completing strategic infrastructure, supporting the implementation of priority areas to achieve development targets, and supporting bureaucratic reforms to increase public services. The transfer to regions and village funds in 2022 is directed to encourage economic recovery and improve the quality of public services to strengthen the national economy. Keeping the recovery momentum, we continue accelerating the reform in the financial sector. Our financial sector is arguably shallow and inadequate in supporting higher economic development as we are envisioning to achieve in the future. Enhancing the role of current markets, including banks, capital markets, pension funds, insurance companies, will bring considerable benefit to the economic recovery in the near future. Moreover, the rapidly developing sectors such as financial technology industries have to be positioned strategically in the financial sector development plan. Moreover, on the issue of sustainable development, we have noticed everywhere now, the terms Build Back Better and Green Recovery are looming. Domestically, while countries around

the world are focusing their efforts on health and restoring the economy, they have been increasingly taking climate considerations on board. The challenges are how in the face of fiscal stress arising from the handling of the crisis, countries could still spend on climate? The answer to this question may lie on the "timing". As the pandemic itself has underlined the importance of climate and environmental preservation, the design of our post pandemic economic recovery strategy should incorporate both medium and long-term green development strategy, including its financing.

We already adopted several reforms in our fiscal policy in achieving our climate agenda. On the revenue side, we reform several taxation regulations to provide some tax facilities including tax holiday, tax allowance, VAT facilities to leverage renewable energy development in Indonesia. On spending side, we already implement climate budget tagging in our national planning and budgeting system to track climate spending in our state budget. We also use fund transfer as an instrument to strengthen the role of sub-national government on the sustainable development effort. On financing side, we have launched the first sovereign green sukuk since 2018 to promote green infrastructure investment and deepening our sharia financial market.

We believe that the implementation of green recovery will be the driver for the world's economic transformation. A green, inclusive, and resilient recovery can stimulate economic activity, while laying down a solid foundation for a transformative shift towards resilient and sustainable development. In achieving this goal, it requires strong efforts and commitment from every single player in the global economy. Together, we can recover stronger.

Impact of Covid-19 on Pakistan's Economy and Implementation Of Respond, Restore and Restart Measures



Pakistan economy's hard-earned stabilization and nascent recovery was impeded during 2020-21 by a black swan event – the global emergence of COVID-19 in early 2020. Under the IMF program, Pakistan was implementing stabilization measures aimed at aggregate demand compression aimed at addressing severe macroeconomic imbalances. As a result, real economic growth sharply decelerated from 5.5 percent in 2017-18 to 2.1 percent in 2018-19. But, with the advent of COVID-19 pandemic and the ensuing worldwide collapse of aggregate demand accompanied by seizing up of global supply chains, Pakistan's economic growth posted -0.5 percent in 2019-20. Prior to COVID-19, the working population was estimated at 55.74 million. Unsurprisingly, during 2019-20, working population declined to 35.04 million which indicates people either lost their jobs or were not able to work.



Dr Saleem Mohsan,
 Deputy Chief (Plan-Coord Section),
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 Initiatives, Government of Pakistan,
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Government took several steps to implement important policy decisions under the three verticals: (i) well calibrated combination of fiscal and monetary measures to support economy recovery, (ii) targeted measures to protect lives & livelihood of the poor and low-income groups, and (iii) established a state-of-the-art National Command and Operating Centre (NCOC) as a single organization, which was made responsible to monitor and analyze real-time data on spread of pandemic, readiness and capacity of health centers across the country to provide emergency treatments, and to recommend key decisions on instituting 'smart' and 'micro' lockdowns, procurement and rapid delivery of vaccinations in collaboration with the provinces.

Under COVID-19 responsive plan, the government implemented well synchronized macroeconomic and social protection policies; protecting lives and supporting livelihood. Given fiscal constraints, support was targeted to most vulnerable and daily wage earners. As a result of government's timely decision making, both the health and economic impact of pandemic remained relatively well contained. Resultantly, economy resumed its pre-COVID-19 growth trajectory by posting a V-shape recovery of 3.9 percent in 2020-21 and the working population recovered to 52.56 million. The central bank provided a targeted monetary stimulus of over Rs 2 trillion (approximately US\$ 12.5 billion or 5 percent of GDP) through interest

rate cut, principal deferment & loan restructuring, payroll finance scheme to prevent layoffs, and concessional finance for investment in industry and health facilities. The central bank also announced reduction in discount rate by 625 basis points to 7 percent was made during the three months of pandemic amid lower demand and anticipated lower inflation rate. In order to contain build-up of inflationary pressures, the central bank targeted to decelerate growth of money supply. The fiscal stimulus measures were aimed at addressing socio-economic challenges by reaching out to the vulnerable segments of the society and business community to neutralize the negative impact of smart lockdown and unemployment. The

government launched a Stimulus Package worth Rs 1,200 billion (approximately US\$ 7.5 billion) that included cash transfers to daily wage workers and low-income families, accelerated tax refunds to the export industry and financial support to SMEs. Under the Package, relief in fuel prices, funds allocation for accelerated procurement of wheat and financial support to Utility Stores was also ensured. Moreover, relief by way of staggered payments of electricity bills was also granted.

Several financial measures were also undertaken to support restart of economic activities. For example, "Temporary Economic Refinance Facility (TERF)" was instituted to provide financing at a maximum end-user rate of 7 percent for 10 years for setting up of new industrial units; "Refinance Facility for Combating COVID-19 (RFCC)" to provide financing at a maximum end-user rate of 3 percent for 5 years for the purchase of equipment to detect, contain and treat the coronavirus patients; maximum financing limit to a single hospital/medical center under the RFCC and IRFCC has been enhanced from Rs. 200 million to Rs. 500 million. Other financial measures included: increase in banks' overall pool of loanable funds by reducing the Capital Conservation Buffer to 1.50 percent, increase in borrowing limits for individuals by relaxing the Debt Burden Ratio for consumer loans to 60 percent, and deferment of repayment of principal on loan obligations by one year. To facilitate exports/imports, a variety of different regulatory requirements were eased. For example, commercial banks were allowed to approve Electronic Import Form (EIF) for import of the equipment, donated by international donor agencies and foreign governments to facilitate their seamless and speedy imports.

As a result of concerted policy measures, the economy in 2020-21 rebounded with the highest large-scale manufacturing growth (9.3 percent) since 2005-06, highest export growth since 2011, highest production of rice, maize and wheat crops in a single year and received highest ever foreign remittance inflows of over US\$29 billion. After 2011, current account turned into surplus in 2020-21 whereas total debt and liabilities registered lowest ever growth in the last 15 years. Moreover, construction sector and export related industries were given support to spur backward and forward linkages. The services sector showed a healthy growth due to support from agriculture and industry. The story of Pakistan's economic recovery and relatively well contained and effective health sector response to pandemic will be incomplete without acknowledging the support of development partners. For instance, under the disbursement of Foreign Economic Assistance (FEA) during the first ten months of 2020-21, 83.3 percent of the budgeted amount was disbursed while it was 57 percent in the comparable period of 2019-20. During 2020, the G20 countries, together with the Paris Club creditors, had announced a Debt Service Suspension Initiative (DSSI) to provide much needed fiscal space to stressed countries in their fight against COVID-19. Pakistan also benefited from DSSI and entered into negotiations with 21 creditor countries for debt suspension amounting to US\$ 1.7 billion. Pakistan has successfully negotiated and concluded debt rescheduling agreements with 19 bilateral creditors, including members of the Paris Club. Pakistan has benefited from the temporary suspension of debt service to official bilateral creditors, which covered US\$ 2.5 billion falling due over May 2020-June 2021.

During 2020-21, IMF remained closely engaged with Pakistan to support stabilization programme in the context of mitigating fiscal pressures to tackle pandemic-related financing needs. The Fund also approved the disbursement of US\$ 1.4 billion under the Rapid Financing Instrument to mitigate the economic impact of the Covid-19 shock. It also provided US\$ 500 million for budgetary support under 39 months EFF in April 2021. World Bank, AsDB, AIIB and IsDB are the major multilateral development partners who have conducted important diagnostic studies as well as formulated well-aligned medium-term country partnership strategies. Developments in Pakistan economy are closely monitored and rated by important rating agencies like Fitch, Moody's and S&P which help Pakistan in accessing capital markets. As a result of economic recovery and stable growth prospects, Pakistan's Water and Power Development Authority (WAPDA) successfully priced its inaugural US\$ 500 million at 7.5 percent 10-year green bond offering, marking the first ever corporate transaction and first green bond from Pakistan. The proceeds of the transaction will be allocated to finance eligible Green Projects as defined in WAPDA's newly established Green Financing Framework. In conclusion, the smart lockdown policy by not shutting down the entire economic activities protected the lives & livelihood of daily wage workers and the poor. Concurrently, with well calibrated and comprehensive fiscal and monetary stimulus packages, Pakistan's economy was able to rapidly recovery and restart economic activities. In this endeavor, support from development partners remains critical to implementing government's agenda for sustained and balanced development agenda for the people.

Institutionalizing Public and Private Partnerships in Pakistan



The Government of Pakistan is committed to improving infrastructure, service delivery and private sector investment in Pakistan. With the objective of strengthening public service delivery, The Public Private Partnership Authority Act (P3A Act), 2017 (amended up to 2021) has been promulgated. Under the Act, the Public Private Partnership Authority (P3A), has been established as an autonomous statutory body in order to facilitate and assist various federal implementing agencies in developing, structuring and procuring their infrastructure projects on Public Private Partnership modalities and to regulate federal PPP transactions. The Board of P3A has been mandated to approve such transactions which provides value for money solution to the government while offering bankable investment opportunities to the private sector.

Dr Saleem Mohsan

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Ministry of Planning, Development & Special
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P3A is fully capacitated and ready to undertake the eligible infrastructure projects for implementation through private sector participation. The Authority is already providing advisory services to various implementing agencies for developing and preparing their infrastructure projects under PPP mode. Prominent ones are National Highway Authority (NHA), Pakistan Railways, National University of Science & Technology, Pakistan Post, and Ministry of Foreign Affairs. Similarly, P3A has

been appointed to look after operational responsibilities for almost one third of the total projects under the PPP modalities. P3A is actively engaging a number of implementing agencies in devising appropriate strategies for their projects for implementation in PPP mode. Following steps are being taken to stimulate private sector participation towards building / managing public infrastructure:

- Empowering implementing agencies to enter into PPP / private sector participation arrangements for 'Not-qualified' projects without having to undergo P3A approval processes;
- Empowering implementing agencies to provide 'project support' to improve financial viability / bankability of the projects;
- Encouraging private sector centric development

through private sector / implementing agencies to receive unsolicited proposals;

- Empowering P3A to provide Project Development Fund (PDF) support to the implementing agencies. This will significantly contribute towards procuring quality transaction advisory services and creating supply of bankable PPP projects. In addition, P3A will stay active throughout the entire project development and procurement process;
- Authorizing establishment of Viability Gap Fund to support financial viability of economically viable but financially unfeasible projects;
- Authorizing establishment of Risk Management Unit that will be assessing PPP project risks to align them with the Government's overall fiscal risk / debt management framework;
- Authorizing the formulation of PPP procurement rules to streamline PPP projects procurement processes in line with the global standards; and
- Strengthening P3A Board by allowing more participation from private sector.

In time, it is expected that the role of P3A will become

pivotal in terms of enabling government to pursue its development agenda through crowding-in private sector investment. P3A's support to the implementing agencies in developing PPP transactions is of utmost importance as PPP transactions, by default, are complex in nature. PPP agreements need to be structured to maximize prospects for creating a win-win for both the public and the private sectors.

To date, the Board of P3A has already approved the projects worth Rs. 264 billion (US\$1.65 billion). The Board of P3A also expects to approve projects (not mutually exclusive) worth Rs. 978 billion (US\$ 6.1 billion) in the first quarter of 2021-22. Out of the two federal road sector projects, Sialkot-Kharian is expected to be awarded to the concessionaire near the end of 2020-21 and Sukkur-Hyderabad Motorway is expected to be floated in the market after its tender documents are approved by the Board of P3A.

P3A is currently working on various projects. Details of P3A's high-impact projects which are at advanced stage of preparation and are expected to be awarded to the private sector in 2021-22 are given as under:

High Impact Projects under PPP Mode

Implementing Agency	Project	Status	Expected date for:		
			Completion of Feasibility Study	Tender Float	Awar
NHA	Sialkot-Kharian Motorway	Financial bids evaluation underway	Done	Done	July 2021
	Sukkur-Hyderabad Motorway	Bidding documents are being prepared by NHA	Done	June 2021	October 2021
	Kharian-Rawalpindi Motorway	Feasibility Study is in advanced stage of preparation	May 2021	July 2021	December 2021
	Karachi-Quetta-Chamman Road	Feasibility Study is under preparation	June 2021	August 2021	December 2021
	Mianwali-Muzaffargarh	Feasibility Study is under preparation	June 2021	August 2021	December 2021
Pakistan Railways	Upgradation of Hospitals on PPP basis	Almost prepared to be taken to P3A's Board	Done	June 2021	September 2021
	Thar Coal Block-II	Feasibility Study is under review by P3A	Done	June 2021	October 2021
	Karachi-Pipri Freight Corridor	Feasibility Study is complete	Done	July 2021	October 2021
	Karachi Circular Railways	Feasibility Study is under preparation	June 2021	August 2021	November
PIA	Islamabad Blue Area Plot measuring 4,608 sq. yd.	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021
	Karachi Hospital Plot measuring 48,061 sq. yd.	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021
	Sialkot Plot measuring 1,778 sq. yd.	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021

The P3A will welcome support of the Islamic Development Bank (IsDB) Group to directly invest in PPP portfolio as well as assist in mobilization of expression of interest by private sector investors from its

member countries. Such an effort by IsDB Group will be aligned with its strategic goals of promoting intra-investments and greater economic integration among its member countries.



International Financial Institutions, Multilateral Development Banks, and the Fourth Industrial Revolution in Africa



Every country has national and international development goals that it is working towards. On a global scale, all 193 United Nations members are working towards achieving the 17 Sustainable Development Goals (SDGs). However, according to the SDGs report for 2020, ten years away from the 2030 target set for achieving the SDGs, the world is not on track to achieve these goals. With the onset of the COVID-19 pandemic, several environmental disasters and continued fragility in some countries, progress has stalled and even regressed in some cases.

In many African countries, access to basic needs is a challenge, especially with substantial inequalities between urban and rural areas. In most conversations and commentaries, even in recent times, it is often argued that Governments must prioritise the provision of basic needs and leave investments in technology and other scientific advancements to more developed nations. However, to make up for lost time and accelerate progress, the whole world needs to revisit how interventions needed to achieve the SDGs, and other development outcomes are funded and delivered. Thus, being intentional about reaping the benefits of the fourth industrial revolution has never been more critical. The fourth industrial revolution combines technologies that bridge

the physical, biological and digital worlds. These technologies of Artificial intelligence (AI), the Internet of Things, 3D printing, robotics, quantum computing, genetic engineering, and others hold massive potential for addressing creativity, productivity and efficiency challenges across many sectors. In fact, the COVID-19 pandemic has significantly accelerated the spread of 4IR technologies globally. They are transformative, and their continued advancements can radically change life as we currently know it. Several developing countries, especially in Africa, missed out on earlier industrial revolutions. Even now, progress in developing and deploying 4IR technologies is grossly unevenly distributed. Much of the continent's improvements

in the technology space is driven by the rapid expansion in mobile digital financial services. Several countries are still grappling with the infrastructure, technological access and education needed to accelerate interventions to leverage the opportunities embedded in 4IR. In cases when governments and development partners tend to prioritise specific SDGs, they are encouraged to maintain «systems thinking» so as not to overlook overlaps and trade-offs with the other SDGs. International Financial Institutions and Multilateral Development Banks must apply this principle of «systems thinking» in designing and funding projects to support the rapid technological development and entry into the Fourth Industrial Revolution, especially in Africa. Sierra Leone's Medium Term National

Dr. Yakama Manty Jones

Director of the Research and Delivery Division, Ministry of Finance, Sierra Leone. The Research and Delivery Division leads collaborative efforts to generate the information needed for evidence-based policymaking and implementation while tracking the implementation of activities for the delivery of the Ministry's strategic plan

Development Plan (2019-2023), which prioritises human capital development with an inclusive growth lens, seeks to lay the foundation to achieve middle-income status by 2039. In the country's first National Innovation and Digital Strategy, the Government has provided a high-level roadmap to leverage science and technology for Sierra Leone's transformation driven by the core philosophy of «Digitisation for All: Digital Identity; Digital Economy; and Digital Governance. In addition to the dedicated Directorate of Science Technology and Innovation (DSTI) and Ministry of Information and Communications across Government, investments are being made to leverage science, technology and innovation in service delivery, especially in the human capital development and economic development space. The provision of some government services is being digitised, especially in the education sector. Some include an online teacher attendance monitoring tool; a dictionary you can access via a USSD platform on your mobile phone; exam results made accessible via a USSD platform; school placements done using special algorithms; and an online application for school approvals. Drones' use in the health and fisheries sector is being explored, and investments to deepen digital financial inclusion are in progress. Expanding internet connectivity access the country is also ongoing. Active engagements to ensure the environment for the private sector to also leverage 4IR offerings continue. As the Government continues to work to provide the basic needs for citizens, it has initiated efforts to ensure that we are not left behind in the 4IR. This is the only way to improve the efficiency of service delivery and leapfrog our development. Several countries are also on a simi-

lar journey. Still, the ever-persistent challenges with the availability of financial resources and gaps in «know-how» remain. As Bernard Marr, a world-renowned futurist, influencer and thought leader in the fields of business and technology, explains, «Humans must be proactive in shaping this technology and disruption. This requires global cooperation and a shared view of how technology is reshaping our economic, social, cultural, and individual lives.» Therefore, international financial institutions and multilateral development banks in dispensing their mandates must seek to help position countries increase their potential to benefit from the ongoing revolution fully. This includes co-designing and funding projects with governments, advising and assisting in their implementation, conducting research and deploying more creative financial models. Thus, the goal must be providing financial and technical support that will address the prevailing human capital and infrastructure gaps but with a view to leverage 4IR to accelerate the pace of sustainable, inclusive, gender sensitive, and environmentally friendly development. Education projects must seek to address the skills gap required to operate and deploy 4IR technologies to increase the future productivity of citizens. Robotics can be used in the health sector, manufacturing and even human assistance for Persons living with disabilities. Investments in the health sector could enhance specialist training and tools acquisition for biotech solutions, especially for diagnosis and developing new pharmaceutical products. In addition, 4IR offerings can enhance the continent's food and water security. Projects around institutional strengthening must explicitly address issues around data land-

scapes, data collection, management and analytics across sectors. Artificial Intelligence could use these to draw conclusions and make projections about key micro and macro-economic variables, supply chains, data on medical issues, and even voter patterns. Infrastructure projects should strengthen digital infrastructure. They must create the foundation for the provision and distribution of energy, including green energy and addressing connectivity shortfalls, not limited to the internet and transportation networks. 3D printing could be used in affordable housing schemes and other smart settlements. A general revolution of manufacturing and industrial processes through innovation is needed. The potential that digital financial inclusion, e-commerce and other digital economic offerings hold for economic development, job creation and entrepreneurship cannot be overemphasised. Policy, legislative and other regulatory reforms must facilitate greater private sector participation. At the top of all of these financing terms must complement domestic public financial management goals, significantly strengthening macro-economic stability, debt sustainability and enhanced domestic revenue mobilisation. The Fourth Industrial Revolution indeed presents both immense opportunities and challenges. Suppose International Financial Institutions and Multilateral Development Banks intentionally and successfully support governments and the private sector to leverage 4IR offering fully, subsequent progress reports on meeting national and international development benchmarks, especially the SDGs, would read differently. Therefore, it's up to all of us to work together to ensure that 4IR benefits everyone.

Responding to Covid-19 and Strengthening Resilience in Sierra Leone Through Human Capital Development Investments



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Sierra Leone is three years into implementing its medium term National Development Plan (2019-2023). This plan lays the foundation for achieving middle-income status by 2039 and prioritises a whole-of-government approach to human capital development. The Government believes that investments in human capital are the foundation for enhancing the productivity of citizens for sustainable, inclusive growth.

Globally, it is evident that prominent amongst the adverse effects of COVID-19 on economies and welfare are its impact on health and education systems, food security, employment, incomes, inequalities and long term growth prospects and productivity. Millions of children, especially girls, are missing out on learning. Health systems are being overwhelmed even for non-COVID-19 health care needs. Food insecurity has worsened, especially in rural areas. The livelihoods of the extremely poor, persons living with disabilities and other vulnerable groups have been strained. COVID-19 has also exacerbated poverty and general inequalities. Moreover, the continuous evolution of the disease has resulted in uncertainty around timelines for complete economic recovery.

When the COVID-19 pandemic first broke out in China, building on the lessons from the Ebola Virus Disease outbreak in 2014, the Government of Sierra Leone developed a COVID-19 Health Preparedness and Response Plan and the Quick Action Economic Response Programme (QAERP) even before Sierra Leone recorded its index case. The Health Plan focused on saving lives, while the QAERP focused on maintaining macroeconomic stability and mitigating the outbreak's impact on businesses and households. However, the implementation of both plans required resource allocation. To this end, a Supplementary Budget was presented to Parliament to authorise the reallocation of resources in the original National Budget for the 2020 fiscal year. Thus, amid COVID-19, when resources were reallocated to save lives and livelihoods, we maintained priority spending on human capital develop-

ment and supportive infrastructure for economic diversification and a resilient recovery. Effective public financial management for delivering domestic and global development targets remains the top amongst the plethora of decisions governments need to make daily. In periods of relative normality, domestic resources, even when complemented with foreign aid and support from the private sector, cannot fully fund the development aspirations of nations. Imagine the impact of financial, health and climate crises on resources and government economic management. The public financial management reforms and resource reallocation, especially direct expenditure on education, health, agriculture and social protection, are aligned with addressing the impact of COVID-19 and building resilience. Therefore, given the state of Sierra Leone's economy and medium term projections, it is evident that the Economic Management Team has made significant achievements in adapting our policies during this pandemic to respond to and recover from COVID-19.

Even in COVID-19, the country did not deviate from its core public financial management principles of enhancing domestic revenue mobilisation and expenditure rationalisation on a foundation of transparency and accountability. In anticipating the economic impact of COVID-19, Government revised domestic revenue targets downwards. We provided tax deferrals, not cancellations, for importing essentials commodities and businesses in the hardest-hit sector. This was complemented by the continued automation of revenue mobilisation and management processes and

taxpayers' education, resulting in the National Revenue Authority exceeding the revised revenue target. This was also possible because of numerous measures adopted by the National Revenue Authority, including developing and implementing a Business Continuity Plan (BCP) that ensured continued provision of revenue administration services whilst respecting the COVID-19 containment measures. Dedicated email addresses to facilitate the online filing of tax returns by large and medium taxpayers whilst drop boxes for the physical deposit of tax returns for taxpayers with no email facilities were provided. The NRA also increased efforts to appeal to and persuade taxpayers to settle their tax obligations rather than accumulate arrears by engaging them through telephone calls and SMS messages. Contact Officers explained the implications of accumulating arrears, current government financial constraints to fund the COVID-19 emergency and other critical expenditures. Other taxpayer education activities were also implemented using virtual sessions and electronic media.

Through the QAERP, the Bank of Sierra Leone established a Special Credit Facility for businesses to facilitate the importation, production and distribution of essential commodities. This facility helped keep those businesses operational. We were able to maintain adequate stock of essential commodities and minimise the volatility of domestic prices. A Food Stock and Price Tracking System is also being rolled out. On the human capital development space, the Government also increased expenditure on the health sector. This encompasses allocations to the Ministry of Health and

Sanitation and transfers to the National COVID-19 Emergency Response Centre (NaCOVERC). These resources are funding the response, including tracing, testing and treating infected persons, the nationwide COVID-19 vaccination drive, health workforce, health systems strengthening and health governance reforms. The allocation of 24 percent of the national budget to the education sector was also maintained. Through the Free Quality School Education (FQSE) programme, the Government pays tuition fees and provides teaching and learning materials for over two million children. Hybrid technologies, particularly radio teaching programmes, were leveraged to keep children learning during the pandemic. Continuous Professional Development programmes for teachers continued. Progressive sector policies like the Radical Inclusion Policy were also rolled out. Investment in critical education infrastructure also continued. Sierra Leone remains among the few countries that successfully conducted public transition examinations during COVID-19. The Government also provided support to thousands of farmers for the local food production to alleviate food security and enhance the sector's productivity. This support embedded the provision of seeds, fertilisers, equipment, machinery and farmer extension services. To further enhance the sector's resilience, the Government also launched a new policy shift to encourage greater private sector participation. In addition, to further improve service delivery, an e-voucher system for administering subsidies to farmers was also rolled out.



In times of crisis, inequalities worsen. Society's most vulnerable are at greater risk of further falling below the poverty line with lower economic and social recovery chances. With support from partners, the Government expanded its unconditional cash transfer programme targeting female-headed, extremely poor households. Cash Transfers and food aid was also provided for persons living with disabilities. Social safety nets in the form of cash transfers were also provided for traders in the informal sector and workers in the hospitality sector. This cushioned the impact of COVID-19 on livelihoods. A revolving National micro-credit scheme (MUNAFU Fund) was also launched to provide access to credit for hundreds of Small Medium Enterprises (SMEs).

Job creation, like always, remained central to the Government's economic growth agenda. While investing in roads to improve connectivity for farmers, the business community, and the general citizenry, the Government ensured that the private contractors built a labour-inten-

sive component, thereby providing jobs. Promotion of technical and vocational training to provide the skills required by the private sector is also ongoing. This is complemented by intentional investments in building science, technology and innovation know-how and strengthening the tech ecosystem whilst institutionalising public-private dialogue. Combining all these interventions helped maintain economic stability and paved the way for Sierra Leone's resilient recovery. They, however, required financial resources. So as we learn from each other, let us note that in responding to COVID-19, Sierra Leone increased the original 2020 Budget by 1.5 percent of GDP. At the end of 2020, actual expenditure was 7.6 percent higher. In 2021, we continue to respond to COVID-19 within the context of our National Development Plan. Our budget is focused on 'Economic Recovery for Job Creation and Human Capital Development'. The Government is working to maintain a healthy balance between undertaking necessary expenditures and reducing fiscal and debt sustainability risks. The foundation is more robust domestic revenue mobilisation, fiscal discipline, investments in human capital development with a gender-sensitive and inclusive growth lens, accountability and strong anti-corruption stance, leveraging science technology and innovation for efficient service delivery whilst not losing sight of emerging climate and environmental issues and protection of human rights. Of course, it is not a 'one-size fits all' situation. However, combining all these measures in varying degrees will definitely help every country pave the way for a resilient recovery.



Overview of Public-Private Partnership in Bangladesh



Bangladesh, having emerged as one of the global economic success stories and a frontier market, is seen to be among the Top-5 most resilient economies in the face of the pandemic adversities. Being a rapidly growing economy with a consistent 7% annual GDP growth over the past decades, Bangladesh had a 5.5% GDP growth in 2020 even under the pandemic. This high growth is expected to be maintained as we aim to become a developed nation by 2041.

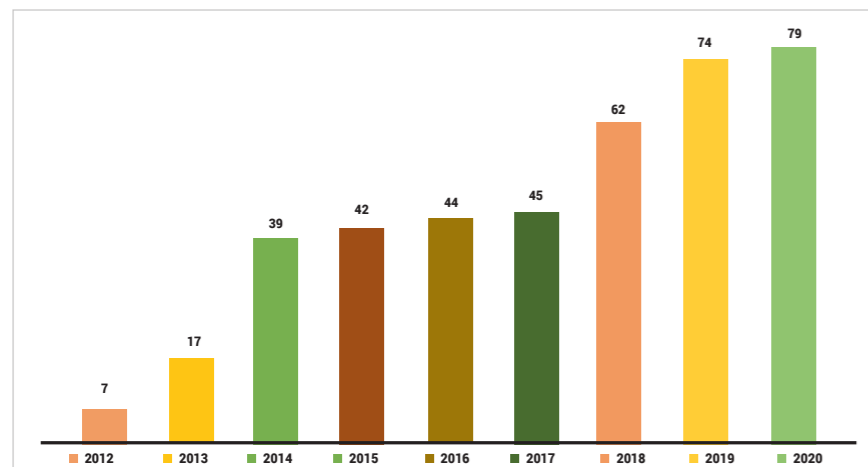
Md. Abul Bashar
Director General (Investment Promotion)
PPP Authority, Prime Minister's Office,
Bangladesh

In the SDG Financing Strategy, it is evident that an additional amount of 928.48 billion US Dollars would be needed to achieve our target and the government has identified five potential sources of filling up the gap of financing SDGs to achieve those 17 goals by 2030. Out of the 85% Domestic Financing, 5.5% target has been put on Public-Private partnership (PPP). So, with the private sector contributing 42% and PPP accounting for 5.5%, almost half of the total finance for SDGs will have to come from the private sector. This is why PPP Authority has a massive

role to play in terms of attracting the private sector and giving them the right atmosphere to bring in the required investment to fulfill the SDG target of the country. The Eighth Five Year Plan (8YFP, July2020-June 2025) financing strategy would combine ADP allocations with a strong public-private partnership (PPP) effort, mindful of the resource constraints and high investment costs. The 8YFP illustrates that the lessons of implementation of the Sixth and Seventh Plans suggest rethinking strategy for the implementation of the large,

complex, and capital-intensive projects through turnkey contracts to reputed international firms using multilateral development partner funding of PPP contracts. In the 8YFP, the government focused on ensuring sustainable financing in the power, energy, transport, tourism, ICT, education, housing, agriculture and food security and, the health sector through PPP. PPPs can deliver a solution that provides services to citizens, enables the government to meet its responsibility of the provision of services while providing sufficient financial

Number of Projects by Year



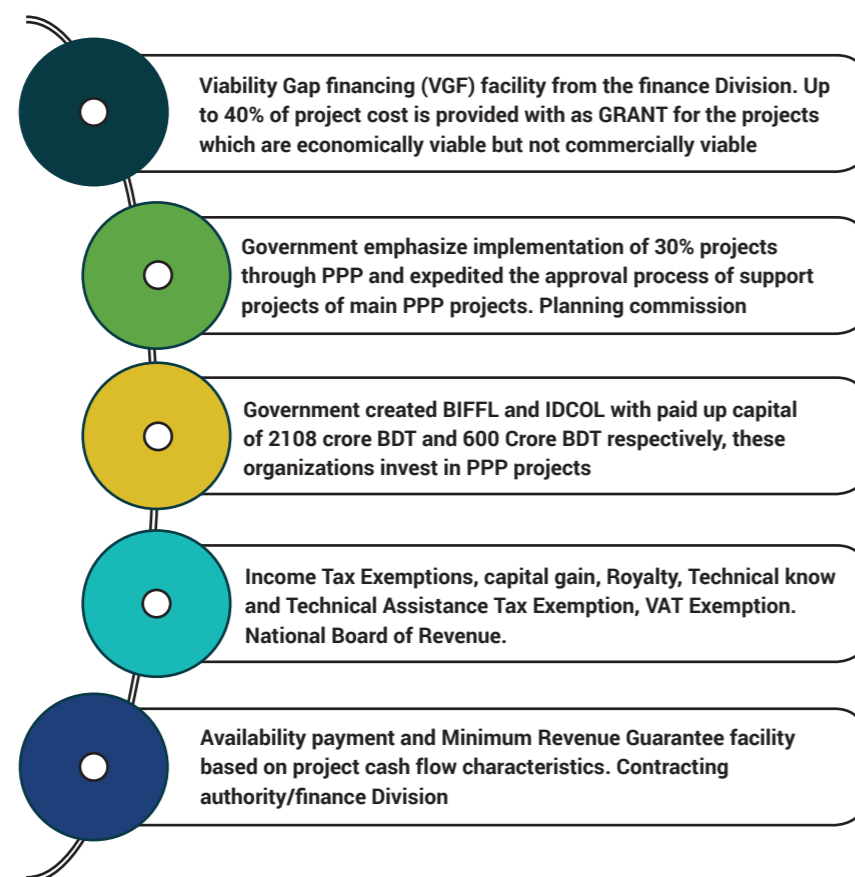
returns to the private sector. Hence well-structured PPP projects are widely acknowledged to deliver a 'win-win-win solution' that benefits all stakeholders.

The PPP Policy 2010, paved the way for the establishment of the PPP Office, which was founded in 2011 by a gazette. The key impetus in the development of the program started from 2012. To re-invigorate PPPs in Bangladesh, PPP Authority is established having significant autonomy on administrative and financial matters under the Prime Minister's Office after enactment of PPP Act in 2015. The PPP Authority in 2015 with acted as the central point for promoting the PPP concept and in supporting Line Ministries and Agencies in developing PPP projects.

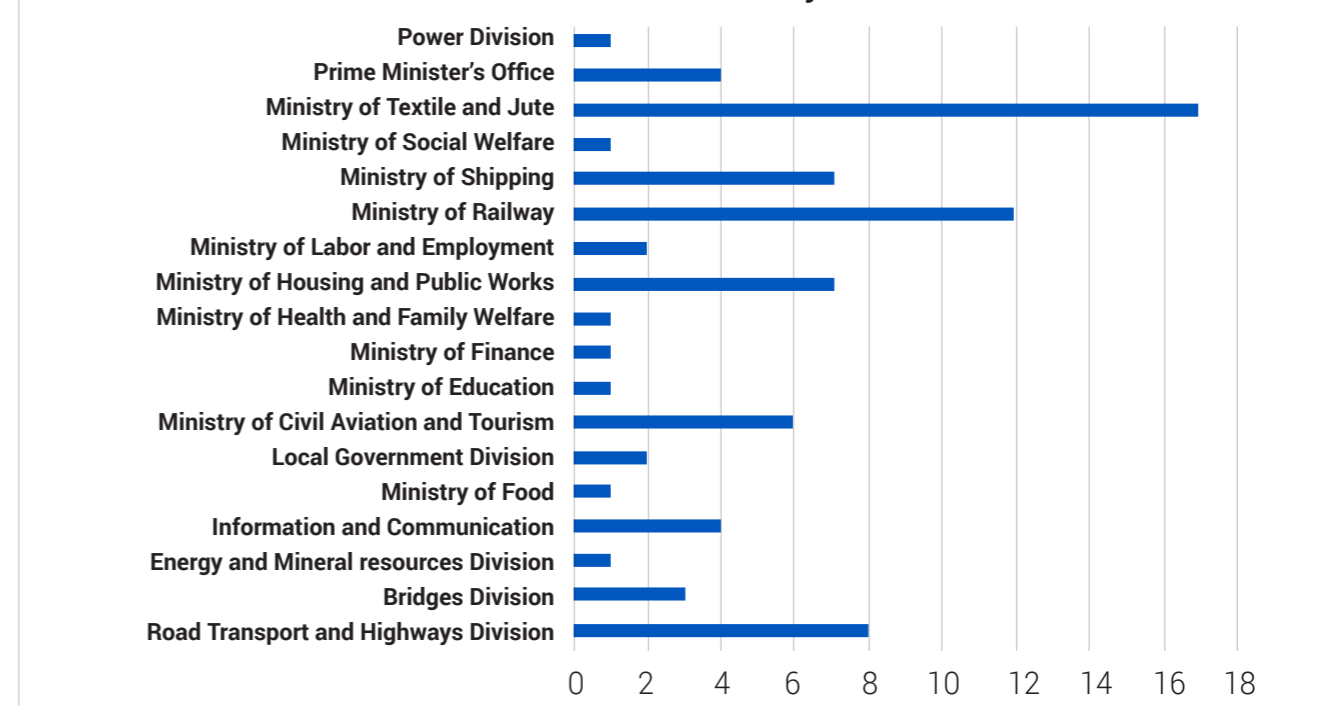
A number of other institutions were also created to provide comprehensive support to ensure the success of the PPP program. The PPP Unit was established in the Finance Division to oversee, support and process request for financing for the PPP program. The Bangladesh Infrastructure Finance Fund Ltd. (BIFFL) was established to provide lending support to PPP project sponsors. The PPP Authority had also developed a network of focal points at

all relevant Line Ministries in order to support the processing of PPP projects and started the process of establishing PPP cells at selected Agencies who were developing multiple PPP projects. A good number of PPP cells have already been established in several ministries and agencies.

The government has made progress putting in place an institutional and policy framework for PPPs in recent years in increasing service delivery, quality, and efficiency through private investment. Over the past decade, Bangladesh has made greater efforts and has put in place a regulatory framework, including a PPP law (2015), a PPP policy, and various guidelines, policies & rules (2010, 2018) and has set up technical assistance and viability gap funding (2018). Bangladesh has shown success in building a pipeline of PPP projects and implementing projects. The government is currently addressing internal capacity issues to increase the quality of project proposals, understand and be prepared to manage contingent liability issues, and increase transparency by putting appropriate guardrails around USPs and G2G undertakings.



Sectoral Distribution of Projects



The following initiatives have been taken as part of promoting PPPs in Bangladesh

- A list of incentives has been granted for investors in PPP projects
- Act and Procurement Guidelines have been updated to international standards for smooth implementation of the projects
- The government has to undertake 30% of ADP projects under PPP in each sector in the 8th Five Year Plan.
- Partnered with development partners and Multilateral Development Banks such as World Bank, Asian Development Bank, Islamic Development Bank, United Nations Development Programme and others to better prepare, develop, finance, manage and monitor PPP project implementation
- PPP projects are developed by international consulting firms who are market leaders in the relevant fields. Government has allowed PPPA with special authority to empanel the Transaction Advisors so that the

project development time significantly reduces.

- PPP Authority has been granted with a revolving fund to exclusively use in PPP project development which is very unique.
- PPP Authority is continuously arranging trainings, workshops, seminars and capacity building activities to strengthen the implementation and management capacity of the Line Ministries, Implementing Agencies, private investors and financial institutions in Bangladesh. PPP Authority, Line Ministries and Procuring Authorities are currently dealing with projects from different sectors. The summary is as follows: The government recently has expressed interest in exploring more strategic engagement with the private sector through PPPs and other partnership models in the areas of healthcare, transport, and logistics. Growth and prospect of PPP projects are expected in healthcare, all modes of transports, renewable

energy, power transmission and State-Owned Enterprise (SOE) in the coming days.

In light of Bangladesh's limited fiscal resources, a greater use of PPP instruments could unlock much-needed investment in infrastructure, health care, education, and other critical services. Public-Private Partnership Authority (PPPA) is relentlessly working to overcome and strengthen implementation capacity in the relevant entities such as the PPPA and implementing line ministries; increase structuring experience, understanding of risk sharing between public and private entities, and bankability requirements for projects; coordination between the PPPA and line ministries in aspects like project evaluation and implementation; transparency regarding G2G agreements as well as USPs; availability of donor and bilateral government funding that discourages line agencies from exploring private or commercial sources of financing.



Priorités de développement post-COVID-19: Il faut changer les paradigmes

Le monde entier est plongé depuis plusieurs mois dans une profonde crise économique. Selon les perspectives de l'économie mondiale du FMI mis à jour en juillet 2021, l'Afrique subsaharienne a connu une récession (-1,8%) comme la majorité de ses économies. Certains pays ont même connu leur plus grave récession depuis plusieurs décennies. Les perspectives pour 2021 indiquent une croissance de 3,4% pour le continent contre une moyenne mondiale de 6,0%. Le Bénin n'a pas échappé à la brutalité des effets de la pandémie puisqu'environ la moitié de ses perspectives de croissance pour 2020 ont été amputées.



Monsieur Romuald WADAGNI
Ministre d'Etat, Ministre de l'Economie et des Finances
Gouverneur de la BID pour le Bénin

Et pourtant, le continent est beaucoup moins impacté par la crise sanitaire que les autres parties du monde. Rapporté à l'effectif de la population, il compte à la date du 15 août 2021, 11 fois moins de cas que l'Europe et 13 fois moins de cas que l'Amérique du Nord. Pourquoi donc les effets économiques

de la pandémie sont-ils aussi importants ? L'une des explications à cette situation réside dans la nature extravertie des économies africaines. Selon la CNUCED, le commerce intra-africain ne représente que 15% du commerce total de l'Afrique, bien que des opportunités exis-

tent. Le Bénin par exemple exporte l'essentiel de son coton vers le continent asiatique, alors que le Nigéria, pays limitrophe, dispose d'importantes capacités de transformation. Alors que le Gouvernement du Bénin s'appête à publier un nouveau programme d'action pour la période

2021-2026, la question se pose sur les meilleurs choix de développement à faire. Faut-il se contenter des programmes conçus avant la crise, en tablant sur un retour rapide à la normale ou faut-il ajuster les priorités de développement, changer de fusil d'épaule ? Ce qui semble très probable, c'est que la crise de la COVID-19, avec ses conséquences sur la mobilité des personnes et la baisse du commerce international, pourrait durer bien plus longtemps que prévue et devrait nous amener, notamment en Afrique, à changer nos paradigmes, en misant davantage sur le renforcement de la résilience de nos économies aux chocs externes ; ce qui passe par des politiques de développement endogènes.

En termes clairs, il faudra revoir nos priorités, et mettre l'accent sur celles qui favorisent la production et la transformation locales ainsi que l'accès aux marchés national et sous régional.

Au Bénin, par exemple, alors que la promotion du tourisme était au cœur de la stratégie de développement nationale, la construction d'une nouvelle centrale électrique, Maria-Gléta 3, d'une capacité de 130 MW, en plus de celle de Maria-Gléta 2, d'une capacité de 127 MW, construite sur le financement de la BID, devient la priorité absolue et urgente. L'énergie est en effet indispensable pour la production. Avec cette centrale, le Bénin pourra entièrement couvrir ses besoins énergétiques et favoriser un regain de l'activité économique que ce soit au niveau des PME/PMI que des grandes et moyennes unités de production.

Une autre priorité pour 2021-2026, est l'investissement dans le capital humain. Nous formons assez

d'économistes, de sociologues, de géographes, de philosophes, d'avocats, de comptables, etc. Notre système éducatif produit majoritairement des diplômés en sciences humaines. Il est urgent de renverser cette situation au profit d'un système éducatif orienté vers l'enseignement technique et la formation professionnelle. L'objectif est de disposer de femmes et d'hommes capables de soutenir l'appareil de production. Le Bénin a d'ailleurs anticipé sur cette option en organisant les 29 et 30 juillet 2019 une Table ronde technique sur la professionnalisation de l'enseignement et la formation technique, avec la participation de plusieurs partenaires techniques et financiers (PTF) dont la Banque Islamique de Développement. La nouvelle stratégie adoptée, est en cours de mise en œuvre et nécessite le renforcement de la contribution des PTF.

Afin d'assurer la connexion des zones de production aux marchés, les infrastructures de transport devraient s'inscrire en bonne place. Nous devrions à cet effet accorder plus d'attention à l'aboutissement des projets de construction d'infrastructures dans une logique d'intégration régionale. La BID est l'un de nos importants partenaires dans ce domaine.

Par ailleurs, le numérique s'est montré comme un important facteur de résilience et de productivité dans un contexte de distanciation physique. La crise a montré que, quasiment tout peut se faire à distance. Il s'agit là d'un acquis à consolider en mettant en place les infrastructures permettant le développement et l'accès des services numériques de haute qualité pour tous.

Au plan des finances publiques, la crise sanitaire s'est traduite par une

baisse des recettes intérieures et une explosion des déficits budgétaires, tirés par les dépenses liées à la mise en œuvre des plans de riposte sanitaire et économique à la pandémie. Le Bénin salue à juste titre, l'appui de la BID dans le cadre de la mise en œuvre de ses mesures urgentes de riposte à la COVID-19.

Dans un contexte d'une prépondérance de l'économie informelle dans la grande majorité des pays africains, la mise en œuvre de ces plans, notamment dans leurs volets économique et social, devrait porter les germes d'une croissance future des recettes intérieures, en accordant plus d'attention et de soutien aux entreprises formelles, régulièrement déclarées. Concrètement, il s'agit d'une discrimination positive assumée, au profit des entreprises qui participent à l'effort de mobilisation de ressources publiques.

Au Bénin, la détention d'un identifiant fiscal a été une condition nécessaire pour le bénéfice du soutien de l'État en faveur des entreprises, face à la crise. S'agissant des artisans et acteurs de petits métiers de service, les individus régulièrement déclarés bénéficient d'un soutien de 50% au moins plus important que leurs pairs inconnus des registres publics.

En somme, la crise économique induite par la pandémie de la COVID-19 révèle la nécessité pour l'Afrique de mieux travailler à la résilience de ses économies, afin d'être mieux préparée à d'autres chocs exogènes éventuels.

L'atteinte de cet objectif passe par la densification des tissus productifs nationaux, la multiplication des ressorts de la croissance et l'amélioration de notre capacité de mobilisation de ressources internes.