



Islamic Development Bank Group

**Statement by the
Islamic Development Bank**

at the

**Seventh Regional Economic Cooperation Conference on
Afghanistan (RECCA-VII)**

Ashgabat, Turkmenistan on 14-15 November 2017

H.E. Mr. Rashid Meredov, Deputy Chairman of the Cabinet of Ministers, Minister of Foreign Affairs of Turkmenistan

H.E. Sallahuddin Rabbani, Minister of Foreign Affairs, Islamic Republic of Afghanistan

Excellencies, Ladies and Gentlemen

السلامو عليكم

On behalf of the Islamic Development Bank (IDB) Group, I would like to express my sincere thanks and appreciation to the Government of Turkmenistan for hosting this very important conference of RECCA VII.

Our profound appreciations are extended to the Government of Afghanistan for making their sincere efforts to rebuild the country for long-term socio-economic development. Capitalizing on the gains made over the past decade, and with the active and sustained support of the international development community and neighboring Central Asian countries, Afghanistan will be able to achieve its cherished development aspirations highlighted in the “Transformation Decade 2015-2024”, In Sha Allah.

Today we are gathered here to discuss about the progress of the National Unity Government on the ambitious Reforms Agenda, continued international political and financial support for Afghanistan which was culminated from an impressive US\$15.2 billion pledged by the ministerial of more than 75 countries and 26 international organizations and agencies during the Brussels Conference on Afghanistan, which was held on 5 October 2016.

Further, the last RECCA-VI (6) held in Kabul have underlined the practical approach towards greater intervention of the International community to support the Government of Afghanistan realizing the regional economic integration via transportation networking with all its neighbor.

Thus, today this gathering will be a momentous occasion for all to further declare their collective commitments and genuine support to deepen and strengthen our mutual cooperation to achieve Afghanistan's self-reliance in the transformation decade (2015-2024).

The stronger support of all partners around the table will be absolutely critical to put in place the foundations for a socially acceptable Transformation, and to support Afghanistan's efforts to achieve self-reliance and reforms agenda.

Honorable Chairman

Distinguished Delegates

The IDB Group would like to reaffirms its support to the development of Afghanistan. I am glad to report that IDB has worked closely with the Government of Afghanistan with focus on power and renewable energy as well as transportation. The IDB has already approved about US\$74 million financing to support the construction of the “Kabul Ring Road Project” that will be disbursed in 4 tranches. This IDB financial support is expected to ease traffic congestion in the city and enhance regional trade. The IDB is also considering several projects such as construction of Kabul Solar Energy Program and providing technical support in cancer control and treatment during its annual Work Program 2017-18. Recently, the Bank via its Islamic Solidarity Fund have developed a joint microfinance program with the Government of Afghanistan for promoting self-employment and investment opportunities for low-income people and disadvantaged entrepreneurs and communities.

More importantly, the IDB is supporting regional energy and transport corridors crossing through Afghanistan. It has already approved US\$ 700 million for TAPI Gas pipeline in Turkmenistan and US\$ 155 million for CASA-1000 in Kyrgyzstan, Tajikistan and Pakistan as regionally important energy corridors crossing through Afghanistan. These initiatives will transform the country into a regional energy transmission hub generating revenues for its socio-economic development. Similarly, the IDB is also

supporting Afghanistan's connection to one road-one belt initiative and the regionally important trade routes connecting Afghanistan and the landlocked Central Asia countries to the global market. The Bank has supported discussions with the Ministries of Transport of Afghanistan and Iran for connection of Afghanistan to Middle East and Europe via Iranian railway network. The railway segment between Khaf (Iran) and Herat (Afghanistan) has already been completed, while the Shamtigh to Jeno Section in Afghanistan is under construction.

These projects and similar other initiatives for connecting Afghanistan to its neighboring countries could unlock its trade potentials and lead to socio-economic development of the country. The corridor initiatives should include easy access and concessional facilities for Afghanistan in the ports of Iran and Pakistan in the south and the rail and road networks of Turkey and Central Asia in the West and North.

Afghanistan is already member of numerous international organizations, such as WTO, ECO, CAREC, SAARS, and other. All these facilitate the easy access of the country to regional and global markets. However, as a landlocked country, Afghanistan is still in need of special trade facilitation measures by the neighboring countries for reducing time and cost of the trade to and from Afghanistan and investment in value chains and enhancement of the capacity of entrepreneurs and exporting companies.

Honorable Chairman

Distinguished Delegates

Going forward, the IDB Group fully supports the Afghan Government's domestic credible reform program, In the noble efforts to support the Government's long-term Vision, the IDB will also mobilize additional funds from other development partners and Arab Coordination Group.

I also would like to stress here the important role of the private sector, which is, after all, the real engine of growth.

The IDB Group private entities namely Islamic Corporation for the Development of the Private Sector (ICD), International Islamic Trade Finance Corporation (ITFC), and Islamic Corporation for Insurance of Investments and Export Credits (ICIEC) will strive to encourage both local and foreign private investments into the country. On that note, we are pleased to announce that the Government of Afghanistan has taken a major step towards the ICD membership. IDB urges the private sector in Afghanistan to benefit maximum from the IDB Group's private sector windows.

Honorable Chairman

Distinguished Delegates

Ladies and Gentlemen

Once again, on behalf of the IDB Group, I would like to reassure that the Bank is desirous for supporting the Transformation process in Afghanistan in the coming decade. We believe that it could only be possible through a coordinated strategy among all the development partners to help the country in achieving self-reliance and strengthening regional connectivity.

In the end of my statement, allow me to express my appreciations to the Governments of Turkmenistan and Afghanistan for hosting this important conference, whose outcome will certainly contribute to the socio-economic development of Afghanistan.

Thank you.