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Written Statement by
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H. E. Finance Minister
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Theme: Rural development: a prerequisite for global resilience

Mr. Chairperson,
President of International Fund for Agricultural Development (IFAD), Mr. Gilbert Fousoun Hougbo,
Distinguished Governors and Delegates,
Excellencies,
Ladies and Gentlemen,

It is indeed a great honour for me to join virtually, with all the iconic personalities who work for the cause of humanity, to represent the People's Republic of Bangladesh to the 44th session of IFAD's Governing Council. At the very outset, I respectfully recall the presence of the Hon'ble Prime Minister of Bangladesh H. E. Sheikh Hasinain the 41st Governing Council meeting during her visit to Italy in 2018 and my earlier participation at the 42nd session in 2019 in Rome, Italy. Those meetings were remarkable particularly meeting many of the Governors and obviously the President of IFAD. The outbreak of pandemic Covid-19 impedes the opportunity of joining this important event in person but we are together in spirit today as we continue to fight the pandemic globally. I am very much sure that this august gathering would bring immense benefit for all of us regarding knowledge sharing.

The pandemic Covid-19 is not only harming the lives and livelihoods across the globe, but also hampering our economic structure, social cohesion, and global partnership. The pandemic has made many people poorer while many others are sliding back to poverty. While everyone is affected by the pandemic, the poorest of the poor, the marginalized and disadvantaged groups of the society are the worst affected. Investment for rural people is required because rural areas that host the majority of the world's poor are hit hardest by the Covid-19. In this context, the theme of this year's session '*rural development: a prerequisite for global resilience*' will certainly advent a new window for faster development of small-scale agriculture and inclusive growth of the rural economy, among others.

Rural development is of utmost priority in today's globalized world which requires a comprehensive approach for a long-term solution taking into consideration hunger, poverty, youth unemployment, and migration aspects to achieve sustainable development Goal 1 and Goal -2 through adequate investment.

The economic activities of our country has faced a slow-moving pace due to pandemic resulting GDP growth falling below its remarkable target. Our lives and livelihoods, migrant communities, and low-paid workers have been adversely affected by the pandemic. However, our Honorable Prime Minister H. E. Sheikh Hasina realized the possible consequences of pandemic at the very outset and has taken various measures to protect from the fall outs of the pandemic. The government of Bangladesh adopted a comprehensive response plan to minimize the impact of the pandemic and announced stimulus packages of US\$ 14.6 billion equivalent to 4.44% of GDP, the highest in its recorded history to minimize the impacts on our business, employment, and productivity. These stimulus packages helped a lot to economic recovery.

Our government unveiled \$590 million stimulus package of soft loans for the farmers, expanded social safety-net coverage assisting more than 25 million people since the early days of the outbreak. I am very pleased to share with you all that during the covid-19 pandemic, Hon'ble Prime Minister Sheikh Hasina provided ho0mes for free among 70,000 landless and homeless families across the country on 23 January 2021 as part of the government's pledge to provide houses to all the landless and homeless families to mark "Mujib Borsho (Birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman)" and "Golden Jubilee of the Independence of Bangladesh".

Extensive supportive measures have been put in place to contain the second wave of the pandemic keeping our economy move forward on all fronts. We have effectively engaged our people and materials to stabilize our production, ecosystems and keep our trade and investment flowing.

Mr. Chair,

Bangladesh, a country of over 165 million people, is one of the most densely populated countries in the world. About 72 percent of our population live in rural areas while 44 percent are engaged as labour in the agriculture sector that contributes 15 percent to the country's GDP. The rural non-farm sector accounts for 40 percent of rural employment but earns more than 50 percent of rural income. Hence, inclusive and sustainable rural transformation is key to reaching the goals of ending poverty and hunger and leaving no one behind that was set in the Agenda 2030.

During the last decade, we succeeded in bringing diversity to the rural economy. As a result, rural off-farm activities have expanded manifolds. The government has given utmost priority towards building rural infrastructure, developing rural transport and communication, and investing in the expansion of trade and commerce in rural areas. This has enhanced the contribution of the non-agricultural sector to the growth of income and employment in rural families. The growth of mobile financial services in rural Bangladesh has contributed notably to the financial inclusion of poor people. Extensive rural development initiatives and social protection programmes in Bangladesh like ‘My Village My Town’, ‘Ashrayan’, Bidova-bhatha (Widow’s Allowance), Food for Work, VGF (Vulnerable Group Feeding) Card, ‘Amar Bari Amar Khamar’ (My home My farm),etc, have contributed greatly to our ‘inclusive development and reduction of inequality’ policy. Bangladesh has been ranked 34th in World Economic Forum’s *Inclusive Development Index* leaving other countries in this region way behind. World Bank disclosed that Bangladesh lifted 8 million people out of poverty only within the last 6 years, from 2010 to 2016. Hon'ble Prime Minister has also declared the “**My Village - My Town**” program under which all relevant civic and urban amenities will be made available in villages preserving the natural tradition and heritages of villages. Developed infrastructure, portable water supply, modern healthcare, quality education, sanitation, and waste management, power and energy supply, high-speed internet connectivity, etc. will be extended to every village. To deepen the mechanization in agriculture, workshops, service centers for agricultural equipment will be established through which rural youth and entrepreneurs will be trained for productive employment. Innovation will be the driving force in transforming their ideas and plans into reality.

Mr. Chair,

I would like to take this opportunity to highlight briefly the stunning successes of Bangladesh in the areas of agriculture and poverty alleviation which received global recognition. Soon after the independence, our Father of the Nation Bangabandhu Sheikh Mujibur Rahman gave utmost importance on increasing agricultural production when it was at a subsistence level. He called for ‘Green Revolution’ in the country. To boost production, he took some pragmatic measures, including land reform, tax waiver, establishment of research organizations, installation of irrigation pumps and distribution of agricultural inputs at free of cost. The purpose was to make the country self-sufficient in food production.

Now the legacy of blood of our Father of the Nation Hon’ble Prime Minister H.E. Sheikh Hasina, took up the task, and I am happy to inform that under her dynamic leadership and dedication, the country has shown an outstanding performance in agriculture sector particularly during the last 12 years turning the

country into a self sufficient in food production. Bangladesh has been able to attain global rank of third place in inland capture fisheries production and fifth place in aquaculture production; third place in rice production ;and third place in vegetable production.

However, agricultural growth has accelerated from an average annual rate of less than 2 percent during the 1970s-1990s to around 3.0 per cent in the 2000s and to 3.5 per cent in the next decade. As one of the leading factors of growth and rural development, agriculture sector is generating employment opportunities for more than 40 percent of the country's workforce. Marginal farmers and landless workers in the agriculture sector constitute a major portion of the population living below the poverty line and thus the strategic importance of agriculture in meeting food and nutrition security and providing livelihoods for a substantial part of the population deserves special attention. In the light of Vision 2021, the National development plan, implementation of SDGs, the government has formulated agricultural development policy along with other pro-poor inclusive growth strategies resulting in significant progress in reducing poverty, which is about 20.2%; and extreme poverty is down to 10.5% in 2020. Moreover, the government has launched a long-term perspective plan to transform Bangladesh into a high-income country by 2041. To reduce poverty to 2.59% and extreme poverty to 0.68% a multi-pronged approach had been adopted that will help explore the inequality of the society.

Excellencies,

Rural investment, transformation and demographic dividend are two important drivers in our development journey and a large number of our young people, almost one-third of 165 million population, remain active partners to take the development gains forward. We are committed to making our young population a well-organized and productive labor force while facilitating their involvement in a sustainable agriculture system. Hon'ble Prime Minister has declared a program titled "**Youth Power – Bangladesh's Prosperity**". The government strives to enhance entrepreneurship among youths by providing collateral-free loans, and government facilities including funding, technology, and innovation. We aim to create 15 million new job opportunities by 2023.

Mr. Chair,

Bangladesh is recognized as one of the most vulnerable countries in terms of climate change issues. Due to flat topography and geographical location, Bangladesh is facing critical extreme weather challenges such as flooding, storm surges, cyclones, drought, etc. Just a one-degree centigrade increase of global temperature and consequences of sea-level rise, saltwater intrusion will result in inundation of a large area of Bangladesh and thus the displacement of 40 million people by the end of this century. Around 2% of our GDP is regularly lost due to

natural calamities and environmental degradation. Salinity, flood, drought, and other disasters have to devastating impact on our rice and other crop production significantly. In addition, we have been hosting 1.1 million Rohingya refugees forcibly displaced from neighbouring Myanmar. This phenomenon has also impacted our society, economy, and environment enormously.

Bangladesh needs an additional amount of US\$ 39.4 billion to eradicate extreme poverty by 2030. It is imperative to revitalize our external sources of financing including export earnings, remittances, ODA, and private financing to ensure a high momentum on our poverty eradication journey. Our development partners should come forward with targeted support to revive these sources of financing, especially now to build back better from the crisis. The government unveiled its Eighth Five-Year Plan in December 2020 projecting ambitious targets of 10.1 million new jobs with average 8 percent yearly economic growth and a reduction of the poverty rate to 15.6 percent by substantially increasing the tax-GDP ratio. However, Bangladesh needs support from the international community in addition to our national plans and strategies to overcome the challenges.

In fighting against climate change, Bangladesh has emerged as a global leader for home-grown tools and strategies including adaptation measures. The beginning of January 2019 witnessed Bangladesh taking necessary steps to become a climate-resilient country by 2030 by achieving transformational adaptation to climate change impacts. Former United Nations Secretary-General Mr. Ban Ki-moon said that “Bangladesh is the best teacher in climate change adaptation”.

With the support of the Netherlands, we have developed the **Bangladesh Delta Plan-2100**. On the occasion of the celebration of the birth centenary of our Father of the Nation Bangabandhu Sheikh Mujibur Rahman, we have planted 11.5 million saplings and launched a program called "Mujib Climate Prosperity Plan" in 2020. We have undertaken 789 projects worth 450 million USD from our own Climate Change Trust Fund based on locally-led measures. The vibrancy and resilience of the people had always been a driving force for the country to move on despite numerous odds.

Mr. Chair,

I am very happy to inform you that Bangladesh is very fortunate that many development partners have been extremely supportive towards Bangladesh and its development. I would like to convey my gratitude once again to IFAD for its continued support and investment to Bangladesh since 1979. I would highly appreciate the efforts of IFAD for their relentless work and good initiative towards enhancing the current investment.

I believe that this effort will play a key role in the transformation of rural development and building resilience. According to **the portfolio of IFAD, Bangladesh is recognized as Second Highest Performing Country Program** in IFAD globally, with a cumulative portfolio amounting US\$ 2.3 billion. Starting with its first loan with GOB in 1979, **IFAD has invested US\$ 913.4 million in loans and grants for 34 rural development projects and improving the livelihoods of 11.7 million households.** 27 projects have already been completed and seven projects are currently under implementation. Government of Bangladesh (GOB) has contributed about US\$ 342.43 million to these projects jointly financed by IFAD and GOB. In addition, IFAD mobilizes additional resources and financing through partnership with other financing institutions, namely World Bank and the Asian Development Bank, and bilateral partners from the Netherlands, Spain and Denmark.

I am profoundly thankful to IFAD as Bangladesh is among the first batch of eight countries that receives grant funds from RPSF (Rural Poor Stimulus Facility) to address the challenges of Covid-19. It also became the first country in the Asia Pacific Region (APR) to roll it out on the ground. I would also like to express my deep appreciation to IFAD and all member States to nominate Bangladesh once again as the Alternate Member in 2021 Executive Board. We are very pleased to share our field experiences with the distinguished Board Members.

In fine, on behalf of the people of Bangladesh, I would also like to take this privilege reiterating our commitment for expanding our partnership with IFAD in the coming days.

Thank you all.