

**Statement by H.E. A H M Mustafa Kamal, FCA, MP Hon'ble Finance  
Minister of Bangladesh**

**Financing for Development Forum  
Special Segment on Financing the Recovery from COVID-19  
Monday, 12 April 2021**

**Mr/Madam Chair  
Distinguished Delegates**

The COVID-19 pandemic struck the world economy last year with the biggest shock since the second world war. Like many other developing countries, COVID-19 has hard hit Bangladesh with its serious impacts. These include sharp decline in domestic demand and disruptions of trade, production and supply. The Government of Bangladesh, under the prudent leadership of H.E. Prime Minister Sheikh Hasina, has rolled out 23 stimulus packages of US\$ 14.6 billion which is 4.44% of GDP to overcome the negative impacts of pandemic. Four-pronged stimulus program includes increasing public expenditures; stimulus package for the manufacturing sector; widening social safety net coverage; and increasing money supply to maintain liquidity of the economy. The Government has brought over 25 million people under social safety-net coverage. A far-sighted balance between lives and livelihood has not only saved lives from pandemic but also returned jobs to millions and protected the most vulnerable sections of society.

Building on previous experience in rolling out robust vaccination programs, Bangladesh started early vaccination from 7<sup>th</sup> February 2021 and has been ahead of many developing and developed countries. As of 25<sup>th</sup> March 2021, Bangladesh has administered at least 5.14 million doses COVID vaccine.

Our Prime Minister H. E. Sheikh Hasina has been named by the Commonwealth among the top three inspirational women leaders who have demonstrated extraordinary leadership during Covid-19 pandemic.

**Ladies and Gentlemen**

A recent study of the United Nations-Committee for Development Policy reveals that COVID-19 pandemic spread less rapidly and less severely in LDCs than in the rest of the world. Effective policy response was the key factor for this less severity of COVID-19 in LDCs. However, the study cautioned that socio-economic fallout of the pandemic would be more devastating for LDCs than for others. Limited fiscal space of the LDCs is the key constraint to respond to the pandemic. The size of the per capita fiscal stimulus in LDCs is still 580 times lower than the developed economies. Though some development partners have come up with immediate supports but those are still far below what is needed.

The health crisis is still evolving, many of the countries are facing 2<sup>nd</sup> or 3<sup>rd</sup> wave and it seems the socio-economic crisis will last longer. We need to vaccinate each and every eligible person of this world to thwart the pandemic. ‘Vaccine nationalism’ approach has to be shunned, which is a wrong way to reduce transmission, new eruptions of the disease, and disruptions of global supply chains. Vaccine should be treated as ‘global public good’ and it should be made available to LDCs at zero or minimal costs. We need to keep in mind our global commitment ‘reaching the furthest behind first’.

COVID-19 has pushed back many economies in reaching the targets of SDGs. Most LDCs were not on track even before the crisis. We should further renew our commitment to attain the Agenda 2030 to make this world sustainable for future generations.

### **Ladies and Gentlemen**

This pandemic unlike other global crises in history has put formidable challenges on two fronts- lives and livelihood. The developing countries need extensive long-term, low-cost financial support to overcome the adverse economic and social impact. There are needs for recapitalizing the multilateral and regional development banks and issuing and reallocating more special drawing rights. Global insurance mechanism has to be devised for the current and future pandemics and to minimize the risk. Lastly, we would like to call upon the development partners to continue with their unfaltering commitment to making the development assistance effective to overcome the challenges of the current humanitarian crisis.

I thank you all for your attention.