

Introduction.

Your Excellencies Prime Minister Sheikh Hasina, Finance Minister Abul Maal Muhith, distinguished ladies and gentlemen.

As President-designate of the Asian Infrastructure Investment Bank, it is my great honour to be here today for the Bangladesh Development Forum 2015.

I would like to start by congratulating Bangladesh's government on achieving remarkable economic success over the past, with average annual GDP growth of nearly 6 per cent over the past decade.

Bangladesh is an important regional member of the AIIB and was one of the 22 countries that joined the Memorandum of Understanding on Establishing the AIIB just over a year ago.

The conference today and tomorrow is all about supporting Bangladesh's economic development, thereby contributing towards reducing levels of poverty in Bangladesh.

You might have noticed that the words 'poverty reduction' do not appear in the name of the AIIB.

This isn't because we don't believe in reducing poverty or promoting sustainable development. Not at all.

It is because we believe that supporting infrastructure investment is the best contribution that a new international financial organization can make towards these crucial goals.

China own experience provides a good example of this in practice.

In the late 1970s, when I was a young man, China's GDP per capita stood at less than \$300. The country lacked the most basic infrastructure.

Over the past 30 years, the Chinese government has invested huge amounts in infrastructure, covering highways, railways – conventional, high-speed and underground, air- and sea-ports, power generation and transmission and other infrastructure sectors.

During this period, annual growth has averaged 10 percent. According to the Chinese government's measures, 600 million people have been lifted out of poverty during this period. A massive achievement, undoubtedly supported by infrastructure investment.

This explains why China first called on the world to establish the AIIB – a call which Bangladesh was quick to answer.

Since I was first appointed Head of the initial AIIB working group, I have been asked many times about my goals for the organisation. I say that we must be LEAN, CLEAN and GREEN.

- By lean, I mean that AIIB should remain a relatively small organization, relying on centralized management and a non-resident Board. This allows us to pass on savings to our clients and helps accelerate our decision-making.
- By clean, I mean that AIIB will have zero tolerance for corruption, either among our staff or the companies that we contract with. Maintaining the highest levels of transparency will be critical; and

- By green, I mean that AIIB will emphasis climate adaptation, resilience and mitigation, pioneering new approaches to green finance and procurement.

Our Charter, signed so far by 54 countries, including Bangladesh, enshrines our commitment to world-class governance and operational arrangements.

Our policies are being developed by international experts with decades of experience in other international organisations and the private sector.

The existing International Financial Institutions, including the World Bank and the ADB, have welcomed the AIIB, and I greatly appreciate the support we have received from our older siblings.

So please rest assured: the AIIB will not ignore lessons that have been learnt over the past 7 decades of international experience.

However, it is not sufficient to just be a guardian of international best practice. The AIIB must be offering something different. We must try different things and do things differently.

In particular, I believe that we must disburse loans efficiently and expeditiously, thereby providing practical support to the proven infrastructure financing gap in Asia. Second, we keep costs low to maximize benefits to our clients and avoid repeated capital increases.

Achieving this won't be easy. I am confident that our policies are first rate but the big test will come next year, when we start lending money and implementing these policies.

However, with the continued support of our shareholders, including from the Government of Bangladesh, and by working in partnership with other international financial institutions, I am confident we will prevail.

And this will allow us to make our own contribution to economic development and poverty reduction across Asia including, of course, in Bangladesh.

Thank-you once more for inviting me to speak and I wish the Bangladesh Development Forum every success over the next two days.