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**Statement by Abul Maal A. Muhith,
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Let me begin with a brief statement on Bangladesh economy and its performance since FY2009. Despite global turmoil, we maintained macroeconomic stability with an average growth of 6.2 percent and this largely remained inclusive and equitable. We have trebled revenue collection and doubled public expenditure, and thereby kept budget deficit within sustainable 4.0 percent limit. With robust export, market diversified and strong domestic demand, Bangladesh is poised to lift itself on a higher growth path. Our achievements on women empowerment, enrollment in primary education, reduction in maternal mortality rate and increase in life expectancy are enviable milestones. Even we have tackled the critical but so far unattended energy issue, and embarked on sustainable long-term energy policy. Political uncertainty in an election year does raise concern about performance this year but I believe that we shall overcome.

Next I would like to congratulate President Kim for articulating his vision and strategy with a view to shape the Bank as a dynamic “Solutions WBG” to realise the twin objectives of a poverty free world and shared prosperity for all people by 2030. A tripod for the new strategy is a policy package of selectivity of engagements in member countries, synergy gains from One World Bank Group and focus on transformational projects and programmes. This is very well-conceived and deserves all our support.

I have been wondering for quite a while that the global or regional DFIs should make a distinction between intermediation of funds for developing countries and providing concessional assistance to fragile, vulnerable and least developed countries. This requires a closer coordination with the role of private sector in financing development on the one hand and on the other having some separate institution for assisting the fragile group of countries or at least separate dedicated window for service to these countries, particularly when WBG do not have enough resources. (This group includes the least developed, the land-locked, the climate vulnerable and the small island developing states, which may number about 90 or so.) This should happen now and not in the future. For this new vision and strategy to function robustly we need a full recovery from the oft-recurring recession of the last six years. The Managing Director of the Fund Madam Lagarde does not have good news in this respect as yet. She has rightly emphasised prudential action in

Eurozone, which seems to be making progress. But the crisis in the US Congress is holding the global process of recovery somewhat as a hostage.

The G 20 provided good leadership from almost the beginning of the crisis and it needs to be formally institutionalised. The Financial Stability Board (FSB) must have universal acceptance. The membership of G 20 must embrace the fragile, vulnerable and the poor countries, who have very little economic or financial clout but who are the target of the global resolve for decent human existence. For the recovery to be speeded up and prove to be long lasting it is essential in my view for the IMF, World Bank and WTO to work in unison and coordinate their efforts. WTO must be an integral third wheel in the international public sector for economy, trade and finance.

The other requirements are primarily the following:

- Rigorous control of the banking and financial sector performance by the international public sector (IMF, WBG & WTO). The FSB should be carefully designed and constituted.
- The watchdog responsibility of the IMF must be performed with greater synergy and the early warning system must be more efficient and timely.
- The over-exposure of the IMF resources to Eurozone recovery should be held in check so that poor countries are not short of resources.
- Trade financing must be devised as a regular feature by the trio of WTO, IMF and WBG.
- For the small economies and climatically vulnerable countries a special economic package of a different nature including relocation of population should be considered. Green growth must be encouraged but its availability and affordability must receive due consideration.
- Adequate financing of development in the vulnerable, fragile and developed countries for upscaling their productive capacities and investing in their human development efforts should be ensured.
- Jobs creation, women empowerment and skills development must receive the highest priority as it is receiving in my country.
- Infrastructure deficit must be handled by all the nations of the world and development partners cannot shy away from it by leaving it to the fund-short DFIs.

I visited the Bank Fund building at 1818 H Street first exactly sixty years ago. At the time I knew the World Bank as a recipient party negotiating credit agreement for development projects. IMF then was concerned with mainly helping the rich

and well-to-do countries in tackling balance of payment difficulties. This association has continued off and on for long periods in different capacities. Taking advantage of this privilege I thought I should make some additional comments.

- First, the time taken for processing a project or programme is unusually long. A culture of conformity and application of tested models fails to be client-friendly especially in handling climate mitigation and adaptation fund or new ways of IMF financing. Ways, therefore, must be found to cut short the process generally and provide assistance at the hour of need.
- Second, the emphasis placed on technical cooperation was justifiable in the early days of the Bretton Woods institutions. It is doubtful if currently technical assistance programme is judiciously used. Our experience is that sometimes technical assistance is unnecessary and then negotiating contracts for technical assistance is usually a never ending process. With the growth of knowledge banks and rapid communication, a fast system for recruitment of consultants should not be difficult.
- Third, staffing of country offices and their backstopping units needs greater care and attention. It is good to have institutional knowledge but when a professional stays too long he or she tends to develop prejudices that are not conducive to innovation and speed. This is an easily remediable problem but is neglected at times under dubious considerations.
- Fourth, delegation of authority to the country offices of the Bank should be increased. The headquarters should be more involved in studies and codification of experiences as gathered from country offices.
- Finally I think an excessive number of offices undertake evaluation, monitoring and progressing of projects and programmes in the Bank:: Independent Evaluation Office, the Panel of Inspectors, Ombudsman, Entity of Ethics and Business and the Integrity Vice-Presidency. In the name of ensuring quality of work, prevention of irregularities and corruption and redress of injustice, is not it too many and too much? I feel very strongly that the Integrity unit should be wound up because of its crusading spirit and lack of accountability and alternative arrangements should be made to look at corruption prevention or corruption detection.