

WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

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INTERNATIONAL MONETARY FUND

Press Release No. 10

October 22, 2007

Statement by the Hon. **A.B. MIRZA MD. AZIZUL ISLAM**,
Governor of the Bank and the Fund for **BANGLADESH**,
at the Joint Annual Discussion

**Statement by the Hon. A.B. Mirza Md. Azizul Islam,
Governor of the Bank and the Fund for Bangladesh,
at the Joint Annual Discussion**

Mr. Chairman,
President of the World Bank,
Managing Director of International Monetary Fund,
Fellow Governors

It is an honor for me to address the 2007 Annual Meetings of the IMF and the World Bank. Let me join my fellow Governors in extending warmest felicitations to Mr. Zoellick on his assumption of the leadership of the Bank. Let me also congratulate Mr. Strauss-Kahn on his selection as the Managing Director of the IMF. On behalf of my government and my own behalf I wish them success in their challenging new assignments.

2. Since the Millennium Declaration some countries have made dramatic progress to reduce poverty. However, with considerable variation among countries, the end of poverty is not imminent. According to one World Bank estimate the number of people in extreme poverty will decline by a quarter, and not by half, by 2015. Limited progress will be made by many countries including middle-income ones toward non-income MDGs.

Mr. Chairman,

3. While private capital flows have, of late become the most dominant source of external finance for some prosperous developing countries, IDA recipient low-income countries remain and will continue to remain for quite some time to come, heavily dependent on ODA. But the progress in raising quantity and quality of aid by development partners even for countries with the requisite capacity to absorb increased aid has been slow and uneven. Net official development assistance from DAC countries declined by about 5 percent in real terms in 2006. The average level of predictability of aid remains low. Moreover, the evolving aid architecture characterized by proliferation of aid channels, fragmentation of aid flows and increasing earmarking of aid are posing new challenges to aid effectiveness.

4. I need not belabor the point that MDGs will remain mostly unrealized in many countries unless ODA reaches the target of 0.7 percent of gross national income of donor countries by 2015 and is disbursed on a predictable basis. The increased volume should be reinforced by greater effectiveness of aid through strengthened country ownership of development strategies, use of country

system and effective implementation of harmonization agenda. Market access of developing countries to the developed world must also be ensured through successful completion of the Doha Round. Aid cannot be a substitute for fair trade.

5. The increased pace of globalization has given rise to many concerns for developing countries. The most important one relates to the implications of climate change. Adaptation to climate change should be guided by the UNFCCC principle of “common but differentiated responsibilities and respective capacities” and should be consistent with developing countries’ basic objectives of accelerating and sustaining economic growth and reducing poverty. Additional concessional financing would be essential to help low-income countries adapt to climate change through their own development strategies without sacrificing these objectives. We are encouraged to see the efforts for development of a Long-Term Strategy by the World Bank Group to address these emerging challenges.

6. An important element of the Monetary Consensus is to enhance the voice and participation of developing countries in the decision making process of the World Bank Group. The work done so far on this issue is far from adequate. We urge fellow Governors to strengthen the international dialogue to resolve this issue in order to ensure the credibility and legitimacy of the Bretton Woods Institutions.

Mr. Chairman,

7. Let me now turn briefly to the developments in my country. The present Government assumed office at the beginning of this year when the whole country was in a chaotic situation arising from confrontational politics, prolonged general strikes and frequent street battles among political adversaries. The Government has successfully restored law and order and is determined to hold a free and fair election by the end of 2008 to establish a democratic government free from political corruption. The reconstituted Election Commission has initiated significant reforms in the election process in line with international best practice. The Government has established a truly independent Anti Corruption Commission, separated the judiciary from the executive and is in the process of implementation of wide ranging reforms in governance institutions and practices. The Anti Corruption Commission has already achieved notable progress to bring to justice corrupt people through due process of law.

8. On the economic front, notwithstanding several external and internal shocks, overall economic situation will continue to remain stable. We are on track to achieve most of the MDGs including reduction of income poverty. The present government has stepped up implementation of much needed structural

reforms in almost all sectors to firmly establish an enabling environment for private sector led economic growth.

Mr. Chairman,

9. In conclusion, allow me to remind ourselves that it is the mutual responsibility of all of us to fulfill the hope we gave to the world's poor and the under privileged through the Millennium Declaration. We must sincerely put our acts together to transform that hope into reality.