

WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
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Statement by the Hon. **M. SAIFUR RAHMAN**,
Governor of the Bank and the Fund for **BANGLADESH**,
at the Joint Annual Discussion

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Governor of the Bank and the Fund for Bangladesh,
at the Joint Annual Discussion**

1. I feel honored to have the privilege of addressing once again the Annual Meeting of the Bank and the Fund. I extend my warmest felicitations to Mr. Wolfowitz on taking over the stewardship of the Bank. I wish him all success. I also extend our deep appreciation to Mr. de Rato for the excellent leadership he has been providing the Fund.

2. The common goals we set for ourselves through Monterrey Consensus rekindled hopes of a better life for about three billion poor people of the world who earn less than two dollars a day. Insecurity of livelihood and lives of these poor people is a threat to peace and security anywhere in the world. Large scale awareness worldwide about the historic global compact brought about by Monterrey Consensus as well as the wide-ranging participatory process in developing PRSPs have popularized MDGs throughout the developing world. Three years have already elapsed, yet we are far away from our set goals. It is high time for us to act together to deliver on these promises in order to meet the growing aspirations of the poor. Our failure to do so will expose us to new challenges and risks.

3. Many developing countries across the regions have continued to improve their policies and governance framework within their own country – specific socio-economic realities. Faster reduction of income poverty is a formidable task without stronger economic growth led by sizeable investment in infrastructure

and capacity building. Reduction in the level of human poverty requires substantial investment focused in health and education sectors. Lack of availability of needed assistance would not only be a major roadblock to MDGs, but will also create new challenges for the developing countries to sustain domestic support to accelerate the pace of reforms.

4. We welcome recent initiatives to increase aid commitments, provide debt relief, introduce innovative sources of development financing and improve quality of aid and its effectiveness. We expect to see real actions on these initiatives and hope committed aid would be directed to the poorest countries on the basis of their actual needs, demonstrated utilization performance and improved governance. No amount of aid is likely to deliver poverty reduction without sound institutions and good governance.

5. Aid alone is not the panacea for poverty reduction. The Monterrey Consensus recognized trade as the engine of growth. We urge upon the developed countries to provide the needed market access to exports of low income countries. The Bretton Woods Institutions should also play greater advocacy role in this regard.

6. Global economic conditions, through their impact on trade and capital flows, play a major influencing role on prospects of economic growth and poverty reduction in the developing countries. Global imbalances continue to persist and inflationary pressure is building up. Recent oil price hike has become a nightmare for low income countries. As a result, their macro-economic balance and Poverty Reduction Strategies have been thrown out of gear. We must set

up a new financing facility to absorb the rising oil price shocks on the low income countries.

7. Let me now say a few words about the developments in my country over the last four years under the able leadership of Prime Minister Begum Khaleda Zia. We have achieved an annual average growth rate of about 5.5 percent in recent years. We have made impressive gains in human development raising our country to the category of medium developed countries in Human Development Index. We have already achieved two MDGs. We have liberalized our trade, tariff and investment regimes. As part of governance improvement we are implementing a series of institutional reforms in almost all sectors to minimize waste, inefficiency and curb corruption.

8. Let me conclude, Mr. Chairman, wishing the Bretton Woods Institutions continued success and hoping all of us would fulfill respective commitments and carry out respective responsibilities to translate our common vision into reality.