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

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



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

I feel privileged to have the opportunity to attend the 2008 Annual Meetings of the IMF and the World Bank at a very challenging time confronting the world economy. The financial market turmoil in some of the developed countries has the potential of exerting considerable negative impact on growth and poverty reduction in developing countries. We hope the ongoing government interventions would help calm the volatile situation and restore stability and confidence in the market place. This year, we are also halfway through our quest to achieving the Millennium Development Goals (MDGs). It is high time for us to take stock of the progress we have made and evaluate our performance on the mutual accountability framework enunciated in the Monterrey Consensus for future course of effective action.

2. According to current estimates while poverty will be halved on a global level by 2015 many countries are likely to miss this target by a wide margin. The MDGs relating to human development are unlikely to be met even at the global level. Climate change in conjunction with spikes in the prices of energy and food poses grave threats to the sustainability of development and to poverty reduction. The challenges ahead of us are, therefore, daunting. The core constraint in achieving progress in MDGs continues to be lack of adequate development financing. We note with concern that real official development assistance from Development Assistance Committee (DAC) donors declined in 2006 and 2007. Many poor countries across regions have by now proved their ability to effectively absorb increased volume of aid. There is an urgent need now for the developed countries to fulfill their obligations to increase core development assistance to 0.7 percent of their gross national income.

3. We must also renew our commitment to further improve predictability and effectiveness of aid. We firmly believe that the Accra Agenda for Action provides an adequate blueprint to accelerate the progress we have made since the Paris Declaration. Strengthened donor harmonization and alignment with country systems are more critical now in view of the emergence of increasing number of donors and new aid modalities. We believe country ownership of the development agenda, use of country systems and a monitorable results framework will be critical for implementing the Accra Agenda for Action.

4. The recent surge in prices of commodities, oil and food in particular, has seriously affected the poor in many low income countries. While welcoming the call by President Zoellick for a 'New Deal for Global Food Policy' and his initiative to set up a 'Global Food Crisis Response Program' we call upon the World Bank to ensure that assistance under this facility is additional to the normal IDA allocation. We also welcome World

Bank's recent moves to bring back agriculture sector in the forefront of its agenda for development assistance. Simultaneously, the international community must delve into the root causes of this crisis and remove policy distortions to ensure food security.

5. The worst victims of climate change are the low income developing countries and the poor communities whose contribution to this catastrophic change is minimal. Recognizing the inextricable linkage between climate change and development we welcome the strategic framework of the World Bank Group on development and climate change. We also welcome the establishment of two new Climate Investment Funds. We, however, reiterate our call to address the climate change issue on the basis of the principle of "common but differentiated responsibility" as articulated in the UN Framework Convention on Climate Change. While we support the need for integrating actions on climate change into the development process, we believe that these actions should not compromise growth. Climate change action plans must be country-owned and backed by additional grant resources and technology transfer. Countries most vulnerable to climate change due to their geographic locations should be given adequate grant assistance, additional to normal assistance package, to meet both adaptation and mitigation needs.

6. Enhancing the voice and representation of developing countries in the decision making of the Bank is critical for its legitimacy and credibility as a multilateral development institution. We reiterate our view that the package of reforms to achieve this should address, amongst others, realignment of shareholding through a Bank-specific formula including weight of member countries in the global economy.

7. Let me now say a few words about the Bangladesh economy. Despite successive natural calamities and exogenous shocks macro economic situation continues to remain stable with growth over 6 percent per annum. Most of the MDGs are within our reach. Surge in fuel and food prices generated some inflationary pressure, as in many other countries. Notwithstanding targeted safety net programs of the government, the inflationary pressure has somewhat retarded our progress in poverty alleviation. Let me conclude, Mr. Chairman with the renewed hope that we will translate our commitments into concrete actions to build a world free of poverty.