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Statement by the Hon. **IVARI PADAR**,  
Governor of the Bank for the **REPUBLIC OF ESTONIA**,  
on behalf of the Nordic-Baltic Countries,  
at the Joint Annual Discussion



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Governor of the Bank for the Republic of Estonia,  
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I am honored to address the 2008 Annual Meeting on behalf of the eight Nordic and Baltic countries – Denmark, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and Estonia. Our constituency strongly believes that the World Bank Group plays a crucial role in the fight against poverty and in the achievement of the Millennium Development Goals. We truly appreciate Mr. Zoellick's work as the President.

Today, I will mostly focus on gender issues that are very important. I will also talk about the needs of Africa, especially the fragile states, the World Bank's role in the Climate Change agenda and the importance of private sector development. But let me commence by saying a few words about the changing global economic environment.

Crisis in the financial markets, global slowdown and increased commodity prices that have led to high inflation, concern us all, not least the poorest countries. This changing external environment stresses the need for strong multilateral institutions to stand ready to play a counter-cyclical role. Indeed, the first priority for the use of IBRD and IFC capital must be preserving their ability to respond fast to potential increase in demand from client countries and companies. We all must remain committed to the long term development agenda, regardless of the present events. Despite the current financial crises we encourage all donors to fulfill their commitments as agreed in the Monterrey Consensus, including the 0.7 percent of GNI to ODA; and also the full financing of the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries initiative.

We strongly believe that in order to meet the Millennium Development Goals, it is of vital importance to enhance our efforts on two overarching issues, namely gender equality and climate change. As we all know, the aspect of gender is undeniably interlinked with all the development issues. Economic empowerment of women pays off and has a large impact on private sector development, health issues, child and maternal mortality, education and more.

The World Bank has estimated that it takes a doubling of resources in order to achieve the Millennium Development Goal number 3 on gender equality. With President Zoellick's six very concrete commitments to the gender equality and the timely implementation of the Gender Action Plan, the Bank is beginning to show a leadership in

placing women at the center of development. We expect to see this important political leadership translating soon into sufficient resource allocations.

We are happy to note the World Bank Group's increasing involvement in Sub-Saharan Africa, and especially in the fragile states. Fragile states are often plagued by violence, conflict and instability. In such situations, the women and children are suffering the most. These groups are also often excluded from processes and efforts to overcome conflict and violence. We have an obligation, as donors, to give specific attention to the needs of these vulnerable groups.

We commend the Bank for taking on an active role in combating climate change whilst underscoring the leadership role of the United Nations Framework Convention on Climate Change in the climate negotiations. The World Bank Group is well positioned to successfully address climate change challenges over the long-term; including partnering with developing countries in order to help them to establish and execute climate sensitive development policies. However, the social dimensions of climate change cannot be ignored. The climate change impacts often differ by gender and we believe that the Bank's regional and sector strategies must adequately address it.

The role of the private sector as an engine of growth is well-known. In order for the private sector to successfully contribute to national development policies, institutions and regulatory frameworks are essential. We encourage the IFC, in close cooperation with other World Bank institutions and donors, to continue to pursue private sector development in the most difficult environments, in particular to Africa. The IFC and other donors play an important catalytic effect; and should continue investing in countries and sectors where the private sector otherwise would not.

We welcome the Bank's increased attention on the role of women in business. The Doing Business Report illustrates numerous obstacles, limitations and discriminations that still exist against women in many developing countries. These are not only obstacles to women, but obstacles to development and economic growth. We commend the staffs of the World Bank and IFC for their ongoing work in developing the Gender indicator for Doing Business. We believe it will initiate debate and bring the much-needed attention to the regulatory issues confronting women entrepreneurs. The partnership between the World Bank and the Nike Foundation on the Adolescent Girls Initiative is another excellent example, supported by many countries in our constituency. We hope to see an increasing World Bank cooperation with the private sector also in terms of more strategic Corporate Social Responsibility and the economic empowerment of women. Our constituency will continue to work actively with the Bank on these matters.

The World Bank is a dynamic institution. This character allows its clients to fully benefit from the Bank's services. As they develop, former clients can take on more

responsibility. Our constituency is a good example of this– all the Baltic countries have now graduated from IBRD client country status and are gradually joining the donor activities; where our Nordic neighbors have already set an impressive standard in delivering up to ODA targets and even exceeding them substantially.

Mr. Zoellick, on behalf of our Nordic-Baltic constituency, I would like to thank you for your dedicated leadership of the World Bank Group and wish you success for the years to come.