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2023 | **مراكش Marrakech**
WORLD BANK GROUP
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WORLD BANK GROUP

World Bank Governor's Statement No. 5

October 13, 2023

Statement by the Hon. **SEYED EHSAN KHANDOOZI**,
Governor of the IBRD for **THE ISLAMIC REPUBLIC OF IRAN**

**Statement by the Hon. Seyed Ehsan Khandoozi,
Governor of the IBRD for the Islamic Republic of Iran**

In the name of God

We extend our warm expression of gratitude to the Moroccan government and the people of Marrakech for hosting the Annual Meetings. During the last month, Moroccan people have been suffering from the devastating impact of the Earthquake. We express our deepest sympathies to those affected. We pray to Almighty God to bestow forgiveness and blessing on the dead ones in the earthquake as well as patience for their families and speedy recovery to those injured in this tragedy.

The 2023 WBG-IMF annual meetings provide the opportunity to discuss the immense global challenges in today's world. The welfare of billions of people is under threat and unprecedented development challenges have pushed millions of people into extreme poverty and reversed decades of progress. The world and the global economy continue to face supply chain disruptions, high inflation, rising interest rates and sovereign debt risk exacerbated by pandemic induced borrowing. Slower growth in advanced economies further weakens external demand for EMDEs. Materialization of downside risks to the EMDEs regions, including further financial stress and persistent domestic inflation could lead to a slower growth in all EMDE regions.

In my country, real Economy experienced notable progress; economic growth rate reached to 7.2 percent and the unemployment rate decreased to 8.2 percent in the last quarter. During the pandemic, consistent with what was observed in other countries; Iranian women with the young children were the most affected. As the economy recovers, women's participation in labor market increased. Within the context of foreign economic relations, based on a 3-pillar policy, we undertook various measures; followed with development of economic ties to other countries, particularly, neighboring ones. For attracting more investment, foreign investment Law, was revised. This progress leads to more investments and would help meet part of the financing of development needs and trade linkages through regional integration could create new growth opportunities.

Notably, FDI trend drove up with approval of more than 460 projects, totaling \$8.5 billion during the current Administration.

On the Bretton Woods Institutions issues, as the World Bank evolution roadmap is on the agenda, we urge that the bank to remain focused on its Twin goals, boost the effectiveness of its support to the client countries and adjust the bank to the interest of all the shareholders with capturing their perspectives in shaping its strategies, operations and instruments.

World Bank should allocate part of its resources to the sectoral development of climate finance with the goal of poverty-fighting, but its target should not be missed. To cover its financial requirement for involvement in the climate project to a specific extent, inevitably, it requires fresh resources. Proposition of optimizing world bank balance sheet through lowering capital adequacy, better accounting for callable capital, preferred creditor treatment, and removal of statutory lending limitation was a good initiative that free up capital and add significant capacity, however, mobilizing resources and seeking funding for middle-income countries in this sector at the expense of these countries is not appropriate.

All the above, we believe that Bretton Woods institutions agenda beyond their core missions may entail adverse effect.

To conclude, we hope that under the stewardship of the new bank president, the rights of all the shareholders be fully respected by avoiding politicization of the bank engagements with member countries.