

PRESS RELEASE

# World Bank Group President: No More Business as Usual

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Kim announces changes to align staff, finances and priorities to meet strategic goals

**WASHINGTON, October 11, 2013—World Bank Group President Jim Yong Kim** today announced a set of sweeping changes to align the staff, finances, and priorities of the global institution to meet the twin goals of ending extreme poverty by 2030 and boosting shared prosperity for the bottom 40 percent of the population in developing countries.

Addressing representatives of the Bank Group's 188 member countries at the plenary of the World Bank/International Monetary Fund Annual Meetings, **Kim** noted that for too long, the organization had not followed its own advice and had avoided tough choices.

*That's changing. We are taking our own medicine. We will show much more financial discipline than we have in the past in order to become more efficient and identify new ways to reduce spending. Just as we tell finance ministers, we also need to plan for the longer term, shoring up our revenue base, seeking ways to save, and building a stronger foundation for years to come,* said **Kim**.

**Kim** praised the hard work of Bank Group staff and said he wanted to create a structure that brings out the best of their talents and expertise.

*We can't revert to business as usual. When I started my tenure at the World Bank Group some 16 months ago, I discovered a staff with a tremendous depth of knowledge and experience. I also found a staff frustrated with the institution. Many wanted their work to have greater impact. They chafed at a bureaucracy that had turned our six regional units into silos, with each one reluctant to share its technical expertise with the others.*

*Over the next three years, the World Bank will find at least a \$400 million reduction in annual administrative costs,* said **Kim**. These savings will directly benefit clients, as the organization will work to reinvest these resources toward new financing.

**Kim** noted that in addition to savings, the Bank Group needed to reform the way it designs its budget, to align budgets with strategy, to selectively invest in the future, and to aggressively explore new ways to grow revenue to better serve our clients.

*If we have high aspirations for the poor, if our work is to be aligned with our goals, we must be as efficient and focused as possible,* said **Kim**.

**Kim** illustrated the importance of ending extreme poverty with a recent World Bank report which found that of those in poverty, one in three is a child.

*For all the people living in extreme poverty, 400 million are children. What more motivation do we need to accelerate progress toward the goal of ending extreme poverty by 2030? How can we in good conscience not do all we can to lift 400 million children, their families, and hundreds of millions of others out of poverty and into a life of opportunity?*

To make the poverty goal more urgent, **Kim** hailed the Bank's new interim goal of cutting extreme poverty roughly in half by 2020, from its rate of 18 percent in 2010 to 9 percent in 2020. *If we are going to be on the path of reaching 3 percent of population living in extreme poverty by 2030, we must get to 9 percent by 2020, said Kim.*

In addition, **Kim** announced a new initiative to provide universal financial access to all working-age adults by 2020.

*Globally, 2.5 billion adults have no mechanisms to save money, let alone pay bills through a transactional account or through a mobile phone. We believe we can chart a path toward universal financial access by bringing together multiple approaches and technologies. This is exactly the type of ambitious project that can help lift many people, especially women, out of poverty.*

**Kim** called for a new approach to measuring whether Bank-financed projects are successful and said he was creating a "Presidential Delivery Unit" to focus on the Bank Group's performance as an institution and to share data and lessons across the institution and with the rest of the world.

**Kim** described three aspects of the Bank Group's work in which the new delivery unit will measure outcomes:

- *First, we know we must decrease administrative barriers. We promise to reduce transaction times by a third from conception of a project to first disbursement of funds.*
- *Second, we must become a better listener. Last year, we had beneficiary feedback on 34 percent of our projects. We promise that for our projects with clear beneficiaries, we will get feedback – from every single one of them, 100 percent.*
- *Third, we know that our partners and clients need to know where we work in order to better coordinate all of our collective resources. We promise to add rich details to our maps so that anyone will be able to go online, click on maps, and immediately learn where we are working and what we are doing.*

**Kim** told assembled member countries that the Bank was recommitting itself to work in fragile and conflict-affected states, with significant increases in financing in the next three years.

However, Kim noted that having transformational impact in these fragile states depended upon donor support for the International Development Association (IDA), the World Bank's fund for the poorest, which is seeking a replenishment of resources in 2013.

*We need a strong IDA replenishment this year. It will help create more jobs, increase educational opportunities for girls, and address climate change risks, said **Kim**.*

**Kim** concluded with a unifying call for the international community to demonstrate its commitment to the world's poorest:

*Our purpose is clear, our voice unwavering. No one should live in the abysmal conditions of extreme poverty, living on a dollar or two a day. Extreme poverty in our world is morally reprehensible, and more painful to witness with each passing day. We must urgently lift a billion people from extreme poverty, help them to regain dignity, help them find hope, and help them change their own lives -- and the whole world's future -- for the better.*