Ajay Banga

President, World Bank Group

Remarks by Ajay Banga at the Opening of the 4th International Conference on Financing for Development

Blogs

As Prepared for Delivery

We are at an inflection point for development.

On one hand, the familiar challenges of poverty, fragility, conflict, rising debt, and the need to build climate resiliency into all that we do.

On the other, a fast-approaching demographic surge in emerging markets—presenting an opportunity for our future. But only if these young people have access to clean air and water, education, and health care while growing up. And then the chance of a job when they are ready.

This requires resources at an unprecedented pace and scale.

We know there isn't enough money in government, philanthropies, or development institutions to meet every projection or promise. That's why we need the private sector.

It's also why we must be more strategic and change how each of us approaches this issue.

Let's start with the World Bank Group.

We were asked to move faster, simplify, operate more efficiently, and deliver more impact. We've responded with a set of reforms aimed at one goal: be a better partner to our private sector and government clients. For example:

- We've cut project approval times by one-third—from 19 to 13 months—with some projects moving in under 30 days.

- Helped deepen collaboration across the MDB and DFI system.
- Given clients a single point of contact by merging our structures in more than 40 offices, with more to come.
- We replaced a 153-item scorecard with 22 outcome-focused metrics—sharpening ambition around clear goals like connecting 1.5 billion people to healthcare, providing capital to 80 million women, and doubling agribusiness financing to build ecosystems of growth.
- And with new instruments and capital efficacy measures, we've expanding our lending capacity by $100 billion over the next decade.

For governments, it means spending better.

If developing countries raise revenues to 15% of GDP, they could unlock $400 billion annually. In partnership with the IMF, we're helping them get there—and then assist them with budget reviews, cutting what doesn't work, and shifting spending to what does. We've done this in 13 countries and are working with 11 more.

These reviews often uncover hidden potential—like the $1.25 trillion spent annually on subsidies for agriculture, fisheries, and fossil fuels. Some are necessary, but many are inefficient. Repurposing even a portion could free up funds while still protecting the vulnerable.

Such actions take us far.

Still, we need the private sector and the jobs they create—because jobs are the surest way to put a nail in the coffin of poverty. But the private sector cannot succeed alone. Our communal efforts are needed to create the right conditions:

- First, essential infrastructure—both physical (roads, ports, water, power) and human (healthcare, education, skills). Each with resiliency built in.
- Second, a business-friendly environment—clear laws and transparent institutions.
- Third, support to scale—through capital and tools that reward risk-taking.

The Bank delivers each, operating across a continuum of public financing, knowledge, and private sector tools.

We're focused on five sectors that generate local job creation, not dependent on outsourcing from developed economies: Infrastructure, Agribusiness, Healthcare, Tourism, and local value add manufacturing

The potential of these sectors will only be realized if capital flows.

Private investors don't fund good intentions. They fund opportunity. And go where there's a probability of return.

Over five years, the World Bank Group provided $560 billion in financing, mobilized $200 billion in private capital and raised $250 billion from investors through bonds—but it's still not enough.

That's why we created the Private Sector Investment Lab. It identified five barriers to investment—and we are now deploying practical tools to overcome each.

Regulatory and Policy Certainty

We're helping governments create investable environments—proving it works through energy compacts in Africa that commit governments to regulatory reforms and advance our goal of delivering electricity to 300 million people by 2030 in partnership with the African Development Bank.

Political Risk Insurance

We've streamlined our guarantees, and early signs—both in volume and client feedback—are promising.

Foreign Exchange—volatility deters long-term investment.

One-third of IFC's long-term commitments are now in local currency, with a target of 40% by 2030.

Junior Equity Capital

We launched the Frontier Opportunities Fund—a vehicle seeded with $100 million of IFC income and designed to absorb first-loss risk. It's built to grow through donor and philanthropic contributions.

Securitization

We're working with global financial partners to standardize and package our loan portfolios—making it easier for large institutional investors to come into emerging markets.

Each of these efforts is aimed at lowering barriers that keep capital on the sidelines.

But the real measure of success is whether we make a difference in people's lives.

And there is no greater difference than helping a person find dignity and hope—the kind that only comes with a job. Poverty is a state of being—and a state of mind.

By 2050, more than 80% of the world's population will live in countries we now call developing. In just the next decade, 1.2 billion young people will reach working age, competing for only 400 million jobs. A gap of 800 million.

This generation has the collective power to shape the course of humanity for the next century.

And whether that power ignites or impedes will depend on the choices we make now.

We have the opportunity, but do we have the will, to create the conditions for jobs —and unlock a generation's potential.

Source: 06_Remarks by Ajay Banga at the Opening of the 4th In.html