

Remarks by Ajay Banga at the International Development Association (IDA) Midterm Review

Blogs

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As prepared for delivery

Your Excellencies – President Samia, President Mwinyi – it is a great honor to be with you today. Thank you for the warm welcome and the hospitality that both of your governments have conveyed to each of us.

Before I begin, I'd like to extend my condolences to you and the communities impacted in the floods a few days ago. You should rest assured that the World Bank will be by your side during the recovery and reconstruction.

At its founding, the International Development Association was charged with a simple yet noble mission – to raise standards of living and build momentum for growth in developing countries.

But the landscape we face today is far more complex: declining progress in our fight against poverty, an existential climate crisis, food insecurity, fragility, a fledgling pandemic recovery, and conflict that touches lives beyond the frontlines.

A perfect storm of intertwined challenges that exacerbate inequality.

Meanwhile, in the next 10 years, 1.1 billion young people across the Global South will become working age adults. Yet, in the same period and same countries, we are only expected to create 325 million jobs.... The cost of inaction is unimaginable.

But how can we hope to make even adequate progress while 600 million people in Africa – 36 million of whom live here in Tanzania – still don't have access to reliable electricity?

Put simply: We can't.

To confront these intertwined development challenges, our only option is to respond aggressively, simultaneously, and comprehensively.

That is why we have adopted a new vision: To create a world free of poverty – on a livable planet.

With this vision, we have widened the aperture of the World Bank, and the same motivations demand we expand the scope of IDA.

Many of you came with the same commitment to purpose. It is what compelled me to be here and begin this journey of reimagining concessional finance together.

This will be difficult but if we really want to incentivize change and help countries with their development goals, we can't just wish it – we need to fight for it.

We need to move beyond projects to platforms, we need to replicate and scale success, we need to steal shamelessly and share seamlessly.

For example, not too long ago I visited a town in Nigeria where IDA had helped fund a mini-grid system. The electricity it generated allowed small farmers to do their work in half the time, it enabled shop keepers to accept digital payments, and gave diabetics regular access to climate-controlled insulin.

And – with the new revenue flowing into the community – the school got a new roof, streetlamps improved safety, and classroom enrollment increased.

That is the real power of electricity. But this is just one example, I want to see 100,000 – 200,000 – half a million more. These benefits and opportunities shouldn't be for the well off or the lucky – or this community and not that.

It should be for everyone...

This is why – with \$5 billion from IDA – we are on a mission to deliver reliable, affordable, renewable electricity to 100 million Africans before 2030.

But our ambition comes at a cost.

The truth is we are pushing the limits of this important concessional resource and no amount of creative financial engineering will compensate for the fact that we need more funding.

This must drive each of us to make the next replenishment of IDA the largest of all time.

We need everyone – donors, shareholders, and philanthropies – to step up, join us, and bring their ambition to this fight, otherwise the potential for IDA will never be realized.

But the change we aspire to achieve cannot just be bought.

We must reform to be faster and more efficient.

We must make good on the World Bank's evolution roadmap and make IDA more approachable, accessible, and understandable.

And we must keep focus on our goal to be better partners and deliver more impact.

That is made difficult when we require the governments we serve – *often with limited capacity* – to navigate an opaque web of bespoke funds, each with a unique application processes, individual standards, and variable allocations. This overwhelms countries, makes planning difficult, and diverts attention away from impact.

Ultimately, development delayed is development denied.

If we could create fewer funds with more flexibility, streamline our standards, or bring uniformity to the application process – we can give back time.

There are other common sense reforms that we can pursue together.

Over the last 10 years, the number of items in IDA that we have been asked to measure has grown from 120 to more than 1,000. As a result, our team and governments spend more time trying to tick the box than we do delivering results.

That is why the World Bank Group is reconstructing our corporate scorecard from the ground up with an eye toward impact – how many girls went to school, how many people got jobs, how much greenhouse gas emissions we avoided.

If we can extend our focus on outcomes to IDA, we can pull our attention away from paper and focus on projects and people.

Achieving these reforms will require more from each of us. Fortunately, responding to these challenges is embedded in our origin.

After Bretton Woods, U.S. Treasury Secretary Morgenthau observed that the World Bank was the solution to one of the knottiest problems. But, he also said that solution was made possible because “Only the good will, good sense and sincerity of all the nations could have found it.”

That is the same spirit that is being asked of us now.

Over the next two days, we will have the opportunity to reflect on IDA’s journey, and reaffirm ourselves to its founding principles. Together we will reimagine what IDA could become and what we could achieve as a result.

We will have the opportunity to commit ourselves to the vision that sparked the creation of IDA—a vision of a world where poverty is not a barrier to human potential, but a world where every individual has the opportunity to thrive.

That is a journey I am glad to be on with you.

Thank you.

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