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Remarks by Ajay Banga at the 2024 G20 Finance Ministers - The Role of Economic Policies in Addressing Inequalities: National Experiences and International Cooperation

Blogs

February 28, 2024 -- Sao Paulo, Brazil

Good morning.

We've spoken before about the landscape we face today: declining progress in our fight against poverty, a climate crisis, food insecurity, and conflict that touches lives beyond the frontlines.

A perfect storm of intertwined challenges that is exacerbating inequality.

That inequality is laid bare in one simple data point that should concern us all.

We know that one of the best ways to impact inequality is jobs. But, 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 forecasts are not destiny, and it is within our power to harness the energy of this generation as the wind in our sails – or reap the whirlwind.

Fortunately, we have the tools at hand to act.

Since its founding, the International Development Association has provided \$533 billion to 115 countries. It has lifted entire communities out of poverty, protected

children from disease, connected homes to electricity, and brought water access to villages.

But, legacy will not turn the tide on today's challenges.

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.

The New Delhi Declaration recognizes this truth. The leaders set us on a journey for an “ambitious IDA21 replenishment.”

Yet, while journeys are fueled by hope, they are realized by deeds. This must drive each of us to make the next replenishment of IDA the largest of all time.

But the change we aspire to achieve cannot just be bought. We must reform to be faster and more efficient. We must make IDA more approachable, accessible, and understandable.

Over the last 10 years, the number of items in IDA that we have been asked to measure has grown from 120 to over 1,000.

These rules overwhelm clients' capacity and diverts attention away from impact.

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

This spirit drives the Better Bank work we are realizing bit-by-bit.

We are on a path to slash our project review and approval time by one-third – 6 months – by mid next year.

Already, we've reduced the expected preparation time of our projects by two months.

How have we done it? We've started to cut down on the complicated rules and processes that waste time.

We have capped the time from initial engagement to concept note submission at three months. And just by applying common sense risk weighing to our

environmental and social impact reviews, we've saved three weeks in preparation time. Many small changes taken together mean real savings.

All of these steps to become better and faster are pointed at one thing – impact. That is our watch word and yardstick of accountability.

The cornerstone of this input to output transition will be our reconstructed corporate scorecard, moving from 153 indicators to 22. We will soon be sharing the list of indicators and are on track to report initial metrics this year.

This scorecard is already driving teams to break silos across IBRD, IDA, MIGA, and IFC. And we are further multiplying our impact by working with other development banks as partners – we have developed workplans with the InterAmerican Development Bank and Islamic Development Bank, and are progressing similar action plans with others.

We have more work to do but our pace is set and our ambition is clear. When we are done, the world will have a Better Bank.

Thank you.

Source: o2_Remarks by Ajay Banga at the 2024 G20 Finance Mini.html