Billions To Trillions: Ideas to Actions

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World Bank Group President Jim Yong Kim
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Thank you for the kind introduction, Henry. Mr. Secretary-General, ladies and gentlemen,

I’d like to extend a warm welcome to our partners from the UN, the multilateral development banks, the private sector, and to the broader development community. I’m very pleased you’ve joined us today for this discussion on moving from ideas to action for mobilizing the trillions of dollars we need for development. I’d also like to thank my MDB and IMF colleagues for their strong collaboration with us on this important agenda over the past year. This is a true example of what we can achieve through partnership.

With the end of the Millennium Development Goals and the introduction of the Sustainable Development Goals comes an opportunity to make important changes in how we approach development. We’ll meet at the UN in September, in a process led by UN Secretary General Ban Ki Moon, to finalize a vision for sustainable development that embraces economic, social and environmental priorities.

Many of these goals are aligned with our mission at the World Bank Group, which is to end extreme poverty by 2030 and boost shared prosperity for the bottom 40 percent in developing countries.

Today, we’re here because of the Secretary-General’s foresight. After countries in the world endorsed the Millennium Development Goals, it took two years for them to discuss the financing needed to meet those targets. In contrast, the Secretary-General and the government of Ethiopia have brought us together today two months before the endorsement of the Sustainable Development Goals to find financing to meet the new targets. Thank you,
Secretary-General, because of you we are moving rapidly to find answers to the all-important question of financing development for the next generation.

Official development assistance, which stands today at about $135 billion a year, is a cornerstone of financing, especially in the poorest and most fragile countries. Now we have a responsibility to find new ways to leverage such generosity to crowd in private sector funding. We also must stop illicit financial flows and increase domestic resource mobilization. These measures will allow us to leverage the billions of dollars in official development assistance to trillions in investment of all kinds, whether public or private, national or global.

Tackling this challenge requires us to think creatively and act collaboratively. Over the past year, at the request of the Secretary-General, the international financial institutions have collaborated with new purpose and with the SDG goals in mind. We’re exploring ways to use our shareholder capital, innovative financing solutions, knowledge, and convening power to catalyze and crowd-in trillions of public and private sector dollars.

We already generate up to an additional $2 to $5 for every dollar invested in us. We do this by making smart use of our balance sheets and focusing on growth. We announced last week that this leverage enables us to make a combined commitment of more than $400 billion in financing over the next three years.

The speakers today will talk about the flexibility of the MDB model, which allows us to leverage these investments through the development of innovative solutions to global challenges. One example of this flexibility is World Bank Group’s pandemic emergency facility, which is being designed to finance in a matter of days, not months, the containment of health crises like Ebola, or potentially worse pandemics in the future.

In the effort to greatly expand financing for development, one of the most promising areas is to increase domestic resource mobilization. We are working with the IMF to help developing countries strengthen their tax systems through targeted technical assistance. Through this joint initiative, we will develop improved diagnostic tools to assess and strengthen tax policies and the effectiveness of fiscal revenue systems. More broadly, the initiative also aims to deepen the dialogue with developing countries on international tax issues. This joint effort builds on the Bank Group’s current tax programs in more than 48 developing countries and the Fund’s technical assistance projects in more than 120 countries.
These initiatives are underpinned by a simple idea: to have a big impact, we must share ideas and collaborate. Our recent Development Finance Forum held in Rotterdam spurred us to look for new areas of cooperation and identify initiatives that are working and can be scaled up.

Now is time to translate the best ideas and expertise of our institutions into action. To go from billions in official assistance to trillions in investments, we will have to push even further our willingness to collaborate through creative partnerships. All the world is watching us in Addis to see if our aspirations and courage will match those of the nearly billion people who live in extreme poverty today. Only by doing so can we be the first generation in human history to end extreme poverty in our lifetime.

Thank you very much.