Remarks by World Bank Group
President Jim Yong Kim at “Speak Up Against Corruption” Event

December 19, 2013

World Bank Group President Jim Yong Kim
"Speak Up Against Corruption" Event
Washington, D.C., United States

As Prepared for Delivery

Thank you for coming.

We have with us today two truly great men who laid the foundation for the World Bank Group’s efforts to fight corruption. Jim Wolfensohn dared to utter the word corruption at the 1996 Annual Meetings, and as a result, pressured other international financial institutions not to look the other way. Eleven years later, Paul Volcker provided us with a clear blueprint for attacking corruption. This is an historic occasion to have both of you with us today -- and a new opportunity to learn from you once again. Thank you, Jim, and thank you, Paul.

I’m also pleased to welcome Huguette Labelle from Transparency International and Cesar Purisima, the Finance Minister from the Philippines.

Right from the start, I’d like to make clear why fighting corruption is a critical priority for me personally, and for the entire World Bank Group: Every dollar that a corrupt official or a corrupt business person puts in their pocket is a dollar stolen from a pregnant woman who needs health care; or from a girl or a boy who deserves an education; or from communities that need water, roads, and schools. Every dollar is critical if we are to reach our goals to end extreme poverty by 2030 and to boost shared prosperity.
Let’s not mince words: In the developing world, corruption is public enemy number one. We will never tolerate corruption, and I pledge to do all in our power to build upon our strong fight against it.

How do we build institutions with greater integrity so we can help more people lead better lives? I believe there are three important elements in our approach: First, we need to improve the way we share and apply knowledge about building institutions with greater integrity; second, we need to empower citizens with information and tools to make their governments more effective and accountable; and third, we need to build a global movement to prevail over corruption.

The World Bank Group will be creating a single pool of technical experts in rule of law, public sector, financial and state management, and public procurement. This global practice on good governance will become a major player in the anti-corruption effort for years to come.

We already know that we and our partners have had an impact. For instance, when corruption threatened to derail a critical power project for southern African countries, the World Bank intervened, preventing more than $6 million dollars from being misused. In Afghanistan, we supported the Network for Integrity in Reconstruction which trained 980 people who have monitored 281 infrastructure projects worth $247 million dollars -- and 83 percent of the concerns they raised have been addressed. Through innovative solutions in key sectors like engineering consulting, we have convinced major firms to commit to clean business practices.

We also advocate for greater transparency, because it leads to citizen education, which in turn leads to citizen action and real change. Transparency on ownership, budgets, contracts, and procurement will empower citizens -- and government officials. As one finance minister said to us recently, transparency can “turn bureaucrats into activists.”

In just three years, the Open Government Partnership has grown from 8 to 62 countries, and has produced important reforms, led by government and civil society.

But we know we can do better. Global law enforcement and regulatory authorities know that their ability to track, interdict, and recover money stolen from the poor has not been optimal. For example, a recent report found that the Democratic Republic of Congo lost $1.35 billion dollars through under-valued prices in the sale of natural resources. That’s double Congo's
budgets for health and education. The World Bank is developing new ways to track and measure the financial impact of fraud and corruption in our projects -- and the amount we recover or save through our investigations.

Yet we need more than governmental action. We need to build a movement. Movements only work if they are inclusive, leaving no one behind. This is why our new strategy calls for us to engage with all parts of society -- governments, the private sector, and especially citizens -- as we help countries solve their development challenges.

At our Annual Meetings this fall, we committed to step up our engagement with citizens, seeking feedback on whether the proceeds of Bank-financed projects are reaching those who should benefit. We recently launched the Global Partnership for Social Accountability to provide citizen groups with knowledge and financing so they can work constructively with governments to solve such challenges.

The private sector has to be part of the solution as well. Oil, gas, and mining firms are increasingly disclosing their contracts with governments. This gives everyone a chance to scrutinize the behavior of corporate and public officials. The World Bank-supported Extractive Industries Transparency Initiative has had significant impact in key countries. In Nigeria, recent reports showed $8.3 billion dollars in missing tax payments, and so far, they have recovered $443 million dollars.

We can stop corruption from sapping public trust in institutions. To do this, we need to show that corruption is not how business gets done.

Today we recognize three Integrity Award winners who embody this principle. The first is the Royal Canadian Mounted Police, whose cooperation resulted not only in World Bank sanctions, but also legal action; the second is a senior financial management specialist whose vigilance in reviewing a project prompted corrective actions in the audit and treasury functions of the local government in China; and the third is a concerned person working in Timor Leste whose tenacity ultimately unveiled fraud and corruption affecting $44 million dollars of Bank-financed contracts.

Inspired by these examples, the World Bank Group is more committed than ever to continue the fight against corruption -- and that will be a critical part of our work to end extreme poverty and to boost shared prosperity.