

# Statement by World Bank Group President Jim Yong Kim at Spring Meetings 2014 Opening Press Conference

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## As Prepared for Delivery

I would like to welcome you to the 2014 Spring Meetings of the World Bank Group and the IMF. Thank you for coming.

We live in a time of great contrasts, when fewer than **100 people** control as much of the world's wealth as the poorest **3.5 billion** combined. But we also live in a time when many developing countries have the strongest growth rates in the world, which each year helps millions of people lift themselves out of extreme poverty.

Our economists estimate that roughly **1 billion people** around the world live in extreme poverty today in 2014 – this is down from an estimated 1.2 billion people in 2010. This difficult-to-grasp number is falling steadily and surely, but reaching our twin goals of ending extreme poverty by 2030 and boosting shared prosperity won't be easy. Developing countries will have to grow at a pace stronger than any time in the past 20 years. To end extreme poverty by 2030, the vast rolls of the poorest – those earning less than \$1.25 a day – will have to decrease by **50 million people each year**.

Think about it. To reach our goal, **1 million people each week** will have to lift themselves out of poverty. That's each week for the next 16 years.

And we **strongly believe** this can happen.

Economic growth has been vital for reducing extreme poverty and improving the lives of many poor people. But if this mass migration of people moving from poverty to prosperity is really to gather strength, we need growth that is inclusive creates jobs, and assists the poor directly.

Growth, of course, remains critically important – responsible for three-quarters of the reduction in poverty numbers. So when we look at the global economy today, growth in high-income countries is accelerating and developing countries are growing, though less briskly than before.

Short term risks to the global economy have eased. Increasingly our worries are focused on the medium-term. Our concern is that the pace of reform could be slowing in this post-crisis period. The focus must return urgently to the structural reform agenda. Even a small setback can result in leaving millions of families in destitution rather than escaping poverty.

Today we're releasing a report called "Prosperity for All," which clearly makes the point that tackling poverty requires understanding where the greatest number of poor live. But it also shows that we must concentrate where hardship is most pervasive. Many smaller countries have far higher shares of their people living below the poverty line. In **16 countries**, more than half the population is living in extreme poverty.

Reducing poverty in these places is as important as making progress in countries where the absolute number of poor people is much bigger. **We also** must ensure that economic growth in the years ahead is sustainable and takes us off the destructive path of climate change. Climate change could reverse hard-won development gains and could stop our end poverty efforts completely. **We can't end poverty unless we take serious steps to protect our planet.**

In Tokyo, 18 months ago, we promised to become a "solutions bank." A year ago, in this same room, we announced our goal to end poverty by 2030 and boost shared prosperity. Six months ago, we announced our World Bank Group strategy for our twin goals. To implement this strategy, we needed to become fit for purpose and secure additional finance.

Starting in July, we will be working differently – we will have global communities of experts in all major areas of development whose work will be aligned to our goals and put us on the

path to become a true solutions bank. Our focus will be on providing the best services possible in countries, by keeping a strong presence in country offices and by providing global solutions to local problems.

There is good news on finance as well. Over the next decade, our annual capacity is expected to grow from **\$45 to \$50 billion a year** now to more than **\$70 billion**. This is possible thanks to a record IDA replenishment, our costs savings, our financial strength, and clients willing to pay for our knowledge and services.

We are now more and more fit for purpose. This allows us to make a huge contribution toward the global efforts to **end extreme poverty in a generation**. I'm optimistic that countries and their partners will take it on, seize this opportunity, and erase this stain from our collective moral conscience once and for all.

Thank you.