The Future of Development Banks

New world order sets a double goal

The idea of rich countries funding development in poor countries is becoming a thing of the past, explains James Politi

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ob Zoellick summed up the “new age of globalization” that he believed would follow after they left the Pardee RAND Graduate school in Santa Monica, California, in June. He said the balance of power in the world economy had shifted, with developing countries now the “engines of global growth” and “stewards of their own futures.”

Meanwhile, said Mr Zoellick, who was about to hand over the reins of the World Bank presidency, “policy makers will need to break free of old constraints to connect the private sector to public policies” amid a new "pragmatism" in emerging markets regarding involving private businesses in development finance and projects.

That section of Mr Zoellick’s speech delivered shortly before he passed the mantle to Jim Kim, his successor as World Bank chief, offers a concise summary of the huge changes the global development banks have been grappling with over the past few years, and will continue to face over the coming decade.

First, they are adapting to the new global economic order. The old notion of rich countries funding development in poor countries is no longer appropriate, as emerging markets rise in economic clout and are as much sources of development cash as they are recipients.

Emerging markets are as much sources of development cash as they are recipients

Global challenge: Jim Kim, president of the World Bank, with an aid initiative on the Ivory Coast

"If you think of the old world, it was the OECD [wealthy] countries funding all of the others, and that’s no longer the case," says Todd Moss, vice-president for programmes and senior fellow at the Center for Global Development, a Washington think-tank.

Caroline Anstey, managing director of the World Bank, says that while “the North no longer offers the model for development, it’s much more about South to South!" It is also the case that “there’s a whole world that’s new with expectations of volatility.”

Ms Anstey adds: “It’s not as if the needs are any less. For an institution like us, there’s still a need to focus on those areas.”

But even if the principal raison d’être for the global development banks has not been diminished, emerging market countries are demanding big shifts in governance – and a much bigger say in how development finance is carried out.

For instance, although Mr Kim – an American – ultimately prevailed in the race for the World Bank presidency, he faced stiffer competition than has been the case in the past, from Ngozi Okonjo-Iweala, the Nigerian finance minister, and José Antonio Ocampo, the former Colombian finance minister.

And at the staff level, there has been some movement. For instance, the World Bank this month appointed Kaushik Basu of India as its chief economist, replacing Justin Lin, the first Chinese to serve in that role, which had previously been reserved for candidates from Europe and the US.

Dr Lael Brainard, undersecretary of the Treasury for international affairs, adds: “There has been quite a substantial evolution in governance structure, and we have been out in front in terms of supporting the demand for larger responsibilities.”

Inside

Capital change

A revolution in how the developing world is financed

Page 2

Double-edged sword

Why does China borrow when it can afford to lend?

Page 2

Top dollar

President Obama’s request for funding wins bipartisan support

Page 3

Mission statement

The World Bank leader sets out his vision

Page 4

Andean venture

How mutual aid is putting Latin America in a position of strength

Page 4

Continued on Page 2


**The Future of the Development Banks**

Globalisation changed the movement of capital funds

A loan in a financing the developing world is under way, says John Paul Ruthbone

**Lighting in the dark Mexican energy project**


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**Loans in a changing developing the world is under way**

**Mr Nag plays down this worry.**

In spite of China’s growing economic might on the world stage, it is still a poor country

As China’s economic power continues to grow, and its influence to the world, China seems to be following the path of industrialisation and modernisation. China’s growing economic might is likely to be a major concern for the rest of the world, particularly in the developed world. China’s economic growth is likely to further drive the global economy, and its influence is likely to grow even more.

The global financial system is likely to be affected by China’s economic growth, and the world’s economies are likely to be impacted by China’s economic policies. China’s economic growth is likely to further drive the global economy, and its influence is likely to grow even more.

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**Funding ADB and China still in partnership**

The Asian Development Bank (ADB) and China are still in partnership, despite some challenges.

The ADB is a regional development bank that provides loans and grants for social and economic development projects in the Asia-Pacific region. China is a major investor in the ADB, and both entities have a long history of working together on development projects.

However, there have been some challenges to this partnership in recent years. One of the biggest challenges has been China’s rapid economic growth and its increasing influence in the region. China has become a major investor in the ADB, and there have been concerns about whether the ADB can continue to provide loans and grants to projects in China.

There have also been concerns about the ADB’s role in promoting good governance and sustainability in its projects. China has been pushing for more flexible lending practices, and some critics have worried that this could undermine the ADB’s ability to ensure that its projects are implemented in a responsible way.

Despite these challenges, ADB and China remain committed to working together to support development in the region. The ADB continues to provide loans and grants to projects in China, and both entities are actively working to address the challenges that have arisen.

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**New world order sets goal**

The world order is in transition, and new goals are being set for the future. One of the main goals is to promote sustainable development and help combat climate change.

To achieve this goal, new strategies are being developed to help countries reduce their carbon footprint and transition to renewable energy sources. This involves investing in clean technologies and renewable energy projects, as well as promoting energy efficiency and conservation.

Governments around the world are starting to take action to address climate change and promote sustainable development. Many countries are setting targets to reduce their emissions and invest in renewable energy sources.

The future of the world order is an exciting time, and there are many opportunities for innovation and progress. However, significant challenges remain, and it will take a concerted effort from governments, businesses, and individuals to achieve the goals for a sustainable future.
How to get more bangs for your buck

The Future of Development Banks

A bank too big to be beautiful

**Aid funding**

The role of multilateral development banks in supporting poor countries received bipartisan support in Congress when President Obama went looking for funds, writes James Politi

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I t is early June and the US Treasury department hosted a big celebration to mark the 60th birthday of multilateral development banks (MDBs) — otherwise known as international organizations that hand out cash to poor countries. The $475bn in loans handed out, for the first time, four months up to the best projects after a tough competition.

But the day was not just about marking the birthday of global development banks. It was also about spelling out the welcome convergence six months out — of a capital increase for the banks of which the US alone could raise $70.4bn of the $130.5bn committed.

There was a fear that if the US did not step in, China and other countries were more than willing to fill the gap.

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FINANCIAL TIMES

**July 24 2012**

**3**
Mission statement

The World Bank head has passionate ambition, says Robin Harding

It is still early days for Jim Yong Kim but he has already made his mark. Kim was named World Bank president in July. He had been a front-runner for the job and his appointment comes as the world’s most important development bank, the World Bank, gives up one of its key roles. Kim’s background in international finance is well known but his reputation has been made by his work on health in developing countries. Kim’s departure from his position as president of the World Bank’s International Finance Corporation (IFC) in July has opened the way for a new leader. He is expected to announce his decision soon.

Kim’s appointment is significant because he has been a proponent of the need for greater development in Africa. In a speech to the Brookings Institution, Kim said: “Africa is a region of great promise and potential. But for many years, it has been let down by the lack of investment in its infrastructure and human capital.”

Kim’s focus on Africa is not new. He has been a vocal advocate for increased investment in the continent, particularly in areas such as health, education, and infrastructure. He has also been a strong supporter of the African Union (AU), which he served as president from 2004 to 2010. Kim’s appointment as World Bank president comes at a time when Africa is experiencing a period of rapid growth and development. The continent is the world’s fastest-growing region, with GDP growth averaging more than 5% per year. Kim’s appointment is seen as a sign of the increasing importance of Africa in the global economy.

Kim’s appointment is also seen as a sign of the increasing importance of the World Bank in the global economy. The World Bank is one of the world’s largest multilateral development banks, and it plays a crucial role in supporting economic growth and development in developing countries. The bank’s mandate is to support the development of countries by providing loans, grants, and technical assistance. Kim’s appointment is seen as a sign of the increasing importance of the World Bank in the global economy, as the bank continues to play a crucial role in supporting economic growth and development in developing countries.

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