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# World Bank's most important decision

*From Jeremy Lefroy MP.*

Sir, Your editorial "Restructuring hell at the World Bank" (April 10) does not mention the most important act of the World Bank under Jim Yong Kim's leadership: the decision to focus on improving the incomes of the poorest 40 per cent (boosting shared prosperity) and to eliminate extreme poverty by 2030.

The increase in income inequality everywhere and the continuing presence of extreme poverty are, together with the impact of climate change and the attack on fundamental freedoms by extremists, the biggest challenges to the world in the coming decades. Mr Kim's reforms, as you point out, aim to make the bank "relevant both to middle-income economies seeking infrastructure finance and for the least-developed countries that continue to be shut off from private capital".

Most of the poorest people in the world (70 per cent of those living on less than \$1.35 per day – 2010) live in middle-income countries. These countries are increasingly affected by growing income inequality. Finance for infrastructure, whether electricity generation to bring power to all or roads to connect producers with markets, is essential to raise the incomes of the poorest 40 per cent. World Bank finance can help attract many times the amount of private capital and accelerate that growth.

In least-developed countries the move toward solutions, whether in agriculture, health or education, is a sensible path to take provided they are based on clear evidence and not wishful thinking. Mr Kim's proposed grouping of experts in "global practices", learning from each other, may well work better than groupings based largely on geography.

Your criticisms are of his management style. They should and will be taken seriously. Most reorganisations are difficult, none more so than in a body answerable to more than 190 national governments. Even if the criticisms are valid, they can be addressed. What would be much more difficult to remedy would be an efficient, happy organisation going in entirely the wrong direction. The leadership of Mr Kim and his team has spared us that, and for that they deserve credit.

**Jeremy Lefroy, Conservative, Stafford, UK House of Commons**

**Chairman of the Board, Parliamentary Network on the World Bank and IMF**

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