

THE WORLD BANK GROUP

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P R O C E E D I N G S

MR. WOLFENSOHN: I'm very grateful to you all for the invitation to participate in this conference by video. I regret greatly that I cannot be there personally, but I thought it was important that we should express to you the admiration and regard that all of us in the World Bank have for the work that you're doing.

I was very struck last year by your Madrid Declaration which dealt with the issue of globalization with a human face. And this could never be more important than it is today. As I look around the world and as I look at the work that we in the World Bank are doing, we're confronted with the challenges of terrorism and wars which have diverted the attention of the world to immediate threats.

What is important for us, as I know it's important to you, is to reach the millions of poor people in this world who are crying out for the opportunity to have hope and to have opportunity for their children. That is our task broadly, to try and deal with the question of hope, to try and deal with the question of opportunity, to try and broaden the possibilities for the nearly 2.8 billion people in the world that live under two dollars a day, and reach down to the more than billion people that live under one dollar a day.

These are the people that together make up half the world, along with an enormous volume of young people where half the world is under 24 years of age and a third of the world is under 14. The challenge before us is enormous. And what is of such great importance in the work that you are doing is that you reach out to the largest body of people to offer financial services than any other group of which I know. For that reason I want to salute you and encourage you to continue in your theme of a double bottom line, to think not just of profit, but to think also of social responsibility which you carry out so well.

And this is then not just an issue of a financial industry that's doing well, this is ultimately an issue of peace, and it's ultimately an issue of stability, so that when we're hopefully through these days immediately of wars and terror, we can help construct a world that is peaceful and stable.

Now, that is what we try and do at the World Bank and why we are so anxious to broaden the relationships that we have with all of you. We look at the essential need to scale up activities, to reach out to poor people everywhere, and you have the channels of distribution. You have your base in communities. You know the local communities. You know your customers person by person, and you're engaged in trying to give them a range of financial services that are of considerable value to them.

As you look at the range of services that you offer, you are now starting to reach down into areas of microcredit, of providing the millions of people who do not have the opportunity for an account or financial services to provide them with services and also an education in terms of managing their money and opportunities to start their businesses with small loans. CGAP, our institution that works as the consultative group to assist the poorest people, is ever ready to work with you, as we do already, I'm happy to say, with some of your members.

In the first instance we together need to work on the questions of setting the environment for lending, setting the environment for collecting monies so that they're not defrauded, setting an environment in which we can broaden the range of services which are offered. I speak particularly of one of your members, BANSEFI, a Mexican [institution] with whom we are working, which as you know, have established a signal, "LA RED DE LA GENTE", which indicates that these savings institutions in small locations throughout the country are safe and are good places to go because they care about the locality, they care about the people, and they have a sense of honesty and integrity.

We are looking to build that sort of relationship, and in Mexico, Senegal, Madagascar and Albania we're now seeking to follow that model and to extend this opportunity that is offered to us to build with you on the base that you

have, a cohesive force for servicing the less wealthy people in the society.

We know already that there are some 750 million accounts being served in institutions that have this double bottom line, but it is a fraction--well, a large fraction--of the possibilities that are available to us, and it's our view that together we can broaden the base both to the profit of your institutions and to the stability of our planet.

We are working together with you to try and establish the legal framework, the operational framework and the social framework. These are the three pillars upon which we need to help build a better world. And the issue of finance and the issue of financial services merits a place alongside education, health and infrastructure as one of the pillars to a peaceful world.

We look forward to working with you in the years ahead, and I can assure you that the World Bank and CGAP will do everything that we can to try and build relationships that can lead to the stability that we all seek.

[End of speech.]