



Banking With Ideas

Posted: 05/ 2/2012 5:01 pm

[Mahmoud Mohieldin](#)

Managing Director, World Bank

[World Bank](#), [Development](#), [International Development](#), [Business News](#)

Whether or not a child survives a bout with malaria or diarrhea may have something to do with resources, but not money alone. It also has something to do with the parents and whether they know how to keep their baby healthy or where to get help. It has to do with the effectiveness of a health system in responding to the child's needs. Are medical professionals trained? Are they organized to deliver? Does the supply chain ensure that the needed drugs are in stock?

Similarly, on a macro level knowledge, not capital alone, makes the most difference in whether a country is able to make progress in addressing the challenges of economic growth, poverty reduction, and improved livelihoods for its people. The knowledge that countries acquire not only helps them deal with immediate challenges, it can give them a competitive edge.

The World Bank's goal is to reduce poverty, with services that combine financing and technical expertise. The Bank invests more than \$600 million annually in knowledge services, including original data collection, research, and technical assistance on topics ranging from education to health, infrastructure, communications, government reforms. In addition, the Bank seeks to promote learning through its project financing, testing new approaches to deliver public services and seeking to understand what works best to alleviate poverty. Total spending on knowledge services -- through the Bank's loans, budget and partnership activities -- is approximately \$4 billion per year. It's banking with ideas.

For example, when the Philippines sought to strengthen the safety net for its poorest citizens, the Bank worked closely with officials to collect and assess information on vulnerability. It worked with stakeholders to *produce* a comprehensive profile of poverty in the Philippines and the factors that put households at risk. It *connected* officials with counterparts who lead groundbreaking safety net programs in Mexico and Brazil so that they could learn from experience. And it helped to *customize* a program for the Philippines which today provides income support to 2.3 million households, helping them raise healthier and better educated children. The project does not stop there -- it clearly defines eligibility criteria, helping to make government more transparent and more efficient. And it builds the capacity of government to do better policy analysis and strategic planning, ensuring that the safety net evolves as the profile of the poverty changes.

Producer, customizer, connector: in today's world, knowledge-based development institutions must fulfill all of these roles.

The revolution in technologies, growth of research centers around the world, and the accumulated experience of fast developing countries has democratized development knowledge. They have created opportunities for new and exciting partnerships.

The Bank will remain a key part of this new landscape for knowledge by continuing to adapt the way it works. Six new "knowledge platforms" seek to co-generate knowledge with partners on transformational issues in the areas of: [Green Growth](#), [Urbanization](#), [ICT Knowledge Platform: Open Development Technology Alliance](#), [Secure Nutrition](#), [Jobs](#), and [The Hive: Knowledge Platform on Fragility, Conflict and Violence](#).

Many of the platforms are building an interactive portal which allows interested parties around the world to freely access data sets and encourages them to build applications to solve particular problems.

As an example, the [Climate Change Knowledge Portal](#) provides a central hub of information, data and reports about climate change. Visitors are encouraged to query, map, chart and summarize key climate related information. It's a foundational resource for "Data and Decisions", a new program that is helping policy makers understand how to make choices under great uncertainty. Ho Chi Minh City is testing this program ability to optimize its urban flood management system; with results to be shared through a new and expanding global network of policy makers. During the 2011 Climate Change talks in Durban the Bank launched an "Apps for Climate" contest to encourage development of innovative software applications that take advantage of newly available data to solve some of the development problems that climate change pose.

Today's world has no shortage of development challenges. The good news is that there is also no shortage of ideas for solving them. The role of the Bank must continue to be not just a financier, but a financier with ideas drawn from an increasingly knowledge rich, creative and connected world.