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World Bank President Abruptly Resigns

By Alan Rappeport

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WASHINGTON — The World Bank said on Monday that its president, Jim Yong Kim, would step down from his post in February to join a private infrastructure investment firm, an unexpected departure that comes nearly three years before the end of his term.

The abrupt resignation, which is effective Feb. 1, could prompt a clash between the Trump administration and other governments over the future of the international body. The United States traditionally selects the president of the World Bank, which is made up of more than 100 countries, but Mr. Trump has taken a skeptical view about the importance of multilateral institutions. The World Bank's priorities — like combating climate change and engaging in foreign aid — also tend to be at odds with those of the Trump administration. Last month, the bank announced it would invest \$200 billion toward fighting climate change over a five-year period.

The Trump administration did surprise some development experts last year when it supported a \$13 billion capital increase for the World Bank, the first such boost since 2010. The increase, which the White House had initially resisted, was conditional on the bank putting cost controls in place and came with the understanding that lending to China would be expected to decline. The bank lent \$64 billion to developing countries last year, a figure that included China.

“Jim Kim had deftly struck a balance between keeping the Trump administration mollified and involving the World Bank in work on areas that the administration has been openly hostile to,” said Eswar Prasad, the former head of the International Monetary Fund's China division. “The new head of the institution will face a difficult challenge in maintaining the institution's legitimacy and relevance while hewing to the Trump administration's open hostility to multilateralism.”

Since the institutions were created at the end of World War II, an American has led the World Bank and a European has led the International Monetary Fund. But there have been rumblings in recent years about changing that tradition, and some have suggested that if Mr. Trump makes an unorthodox selection, other countries on the bank's board could break precedent and block his pick.

“The Trump administration folks have some hard thinking to do about the path forward,” said Scott Morris, a former Treasury official who is now a fellow at the Center for Global Development. “It is not a given that an American pick will be the next bank president.”

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Mr. Kim was first appointed by the Obama administration in 2012, on the recommendation of Secretary of State Hillary Clinton, and was reappointed by President Barack Obama in 2016 to serve a second five-year term.

“We appreciate Mr. Kim’s service to the World Bank,” a Treasury Department spokeswoman said, adding that Steven Mnuchin, the department’s secretary, “looks forward to working with his fellow governors in selecting a new leader.”

During his time at the helm of the bank, Mr. Kim worked to overhaul its structure, which historically was built around a model of rich countries financing the development of poor countries. Mr. Kim sought new sources of financing, encouraging private investors such as sovereign wealth funds, private equity firms and insurance companies to contribute trillions of dollars for projects in places like Indonesia, Zambia and India. The strategy rankled some traditionalists at the bank.

Mr. Kim, the son of Korean immigrants, also spearheaded the bank’s response to the Ebola epidemic and the refugee crisis in Europe, the Middle East and North Africa.

Mr. Kim said that in addition to joining a fund focused on investment in developing countries, he will rejoin the board of Partners in Health, a nonprofit health care organization that he helped found more than 30 years ago. The name of the investment fund was not released by the bank.

“The work of the World Bank Group is more important now than ever as the aspirations of the poor rise all over the world, and problems like climate change, pandemics, famine and refugees continue to grow in both their scale and complexity,” Mr. Kim said in a statement.

Kristalina Georgieva, the World Bank’s chief executive, will serve as interim president until Mr. Trump selects a new chief.