

U.S. DEPARTMENT OF THE TREASURY

Secretary of the Treasury Janet L. Yellen Convenes Finance and Development Ministers and Multilateral Development Bank Leaders to Discuss Scaling Up High-Quality Infrastructure Investment

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WASHINGTON - On April 26, 2022, to mark progress on President Biden's contribution to the values-driven, high quality infrastructure initiative announced at the Carbis Bay G7 Summit last year, U.S. Secretary of the Treasury Janet L. Yellen convened leaders of the multilateral development banks (MDBs) and ministries of finance and development that are shareholders of these development banks. The discussions focused on how to redouble efforts to increase infrastructure investment in low- and middle-income countries. Secretary Yellen closed the event with a call to action for the MDB leaders—with support from their shareholders—to implement bold and innovative approaches to step up quality infrastructure, including actionable plans to mobilize new private capital within six months.

Participants included Canadian Deputy Prime Minister and Finance Minister Chrystia Freeland, French Finance Minister Bruno Le Maire, Italian Minister of Economy and Finance Daniele Franco, Japanese Vice Finance Minister Masato Kanda, UK Minister of State for Asia and the Middle East Amanda Milling, German Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development Bärbel Kofler, and European Commission Director General of International Partnerships Koen Doens. Leaders of the African Development Bank, Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, and the World Bank also joined.

Secretary Yellen highlighted the necessity of coming together to fill the multi-trillion-dollar gap between current infrastructure investment and need in developing countries. “We know that infrastructure investment—when done right—drives sustained and sustainable growth... and is essential to deliver basic services to people, to keep trade flowing, and to create jobs,” said the Secretary. Secretary Yellen also called for participants to step up their support for infrastructure by leveraging public funds to mobilize private capital, and collective action

solutions, adding that “multilateralism is the only effective response to global challenges. That’s why our approach to infrastructure must emphasize collective action.”

Deputy Prime Minister and Minister Freeland noted the importance of social infrastructure and gender equality. “At a time when working together and supporting our democratic partners is more important than ever, President Biden’s high quality infrastructure initiative will play a vital role in boosting infrastructure investments—including social infrastructure—in the countries that need it most,” she said. “Canada will help mobilize private sector investment, build lasting and quality infrastructure around the world, and ensure that strategic plans for infrastructure take into account the barriers women face and promote gender equality.”

Minister Franco of Italy emphasized the importance of investing in health infrastructure. “Several countries in the world still show deficiencies in health infrastructure. MDBs can play a critical role in the design of inclusive and efficient healthcare systems,” he said. “Importantly, any financing must ensure that the most vulnerable components of the populations are reached.”

On increasing climate finance ambition, President Malpass described innovations at the World Bank, “The World Bank’s climate-related diagnostic tools will encourage investment in climate-smart infrastructure including for adaptation and greenhouse gas emission reduction,” he said. “Debt transparency and sustainability are also necessary steps toward building quality infrastructure as an asset class for developing countries.”

Secretary Yellen looks forward to the MDBs’ issuance of new private capital mobilization targets and ideas on more effectively leveraging shareholder engagement to further their work and complementary infrastructure initiatives. Treasury will continue to actively engage on these issues with the MDBs and in multilateral fora such as the G7 Partnership for Infrastructure Investment and the G20 Infrastructure Working Group.