

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at Millennium Challenge Corporation Indonesia Compact Signing Ceremony

April 13, 2023

As Prepared for Delivery

Good morning, thank you all for being here today. I am pleased to join Her Excellency Sri Mulyani Indrawati in signing the Millennium Challenge Corporation's Compact with the Government of Indonesia.

This Compact is a tangible expression of the important partnership between the United States and Indonesia, grounded in our shared belief in democracy, innovation-driven economic growth, and investing in our people.

These tenets also underpin the Millennium Challenge Corporation's unique model, guiding its mission to reduce poverty and achieve sustainable and inclusive economic growth.

The \$649 million Compact with Indonesia represents a catalytic use of grant funds to improve infrastructure, increase access to finance, and promote women's economic empowerment.

The Compact will leverage Indonesia's own resources rather than simply adding to them, making use of the Government of Indonesia's own funding and revenue-generating models that can be taken up and expanded upon by the private sector.

I am particularly pleased that the Compact also supports the Just Energy Transition Partnership with Indonesia. This is a fine example of the partnership between our two countries and a testament to both the United States' dedication to bold and impactful climate action and Indonesia's admirably high climate ambition.

The Compact includes \$50 million in grants that will lower financing costs to catalyze private investment in Indonesia's transition, including coal decommissioning, and \$15 million in technical assistance that will help Indonesia accelerate its transition to a cleaner energy future.

We are working, along with our public and private partners, to support Indonesia's development of an Investment and Policy Plan to direct implementation of the partnership over

the next three to five years.

Through this Compact and our Just Energy Transition Partnership with Indonesia, we are not only delivering on strong emissions reductions, but taking a people-centered approach to driving sustainable development and economic growth. It is vital that the energy transition be just.

The time is now for creative solutions, for innovative partnerships, and for heightened ambition in investments in sustainable infrastructure and climate resilience.

Transformative collaborations such as the Compact we are signing today will help us deliver on our collective commitment, and indeed obligation, to secure a sustainable future for all.

Thank you.