

Remarks by Secretary of the Treasury Janet L. Yellen at the Partnership for Global Infrastructure Investment Investor Forum in New York, New York

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Hello everyone. Thank you for joining us today for the first U.S. Partnership for Global Infrastructure and Investment Investor Forum. And to Secretary Blinken for his introductory remarks. I'm also glad to be here alongside President Banda, who has been leading so much crucial work.

When President Biden and the G7 launched the Partnership for Global Infrastructure and Investment last June, they set a target of mobilizing \$600 billion for global infrastructure investments over five years. The United States plans to mobilize one-third of that, or \$200 billion. Alongside financial resources, the Treasury Department is working to accelerate the delivery of transformative infrastructure projects, through this Partnership, as well as through Just Energy Transition Partnerships and our broader work on evolving the multilateral development banks. The projects that result will fuel the energy transition, provide basic services, and drive sustainable and inclusive growth.

This is because infrastructure provides an excellent return on investment. A 2021 meta-study by the Global Infrastructure Hub found that every dollar invested in infrastructure produces a 150% return in economic output, after two to five years. And a large body of evidence shows that infrastructure investment increases productivity, benefitting both firms and households. When done right, infrastructure investment raises long-term growth and increases social inclusivity.

Return on investment is one reason we're focused on quality infrastructure. With many countries facing fiscal constraints, every dollar—or peso, rand, or rupee—counts. We need projects that meet the most pressing needs of our partners over the long term. And we need projects that respect environmental, social and technical standards, including having buy-in from local communities.

We are partnering with governments in need of investment to create the right policy environments. This a core tenet, for example, of the Just Energy Transition Partnerships, or JETPs. In the Indonesia JETP, Treasury is working with a network of banks to identify policy barriers to private investment and discuss solutions with the Government of Indonesia that would unlock significant amounts of private investment in Indonesia's energy transition.

And Treasury is also working to tackle other barriers to investment. We know that the lack of investment-ready projects is a challenge, so we are seeking to increase funding for project preparation. We've also been helping to play a matchmaking role between governments, investors, and the opportunities we and others identify. We're seeing exciting opportunities. PGI partners are hard at work on the Trans-African Corridor, and on the India-Middle East-Europe Economic Corridor, which was announced just this month at the G20 Summit.

The multilateral development banks also have a crucial role to play in supporting policy change, providing risk mitigation instruments, and developing bankable projects. This is one of Treasury's priorities in our ongoing work to evolve the multilateral development banks. Last year, I asked the MDBs to set ambitious private capital mobilization targets and to implement consistent data reporting to track their progress and speed up adoption of impactful solutions. We are also asking the MDBs to assess their operating and financing models for opportunities to enhance mobilization, and to align staff incentives to reward interventions that increase private investment. We are looking forward to the results of President Banga's Private Sector Investment Lab, which will help us identify "what works" for achieving better integration between the MDBs and private investors. And at the upcoming Annual Meetings, I expect to endorse a robust package of reforms that will embed addressing global challenges into the institution's DNA and further increase its ability to make investments in infrastructure that boosts countries' resilience.

As Secretary Blinken highlighted, convenings like today's roundtable are an important way for public and private leaders with diverse perspectives to exchange feedback. I previously met with members of the Investor Leadership Network in Paris in June, and I look forward to upcoming meetings with public and private partners. Today, we hope to discuss not only what the opportunities and challenges are but also how you're approaching them and how we can further support you. The power of these convenings is when they lead to renewed commitment and action. We should determine where exactly we're making progress, where the gaps are, and how to drive more progress.

Thank you again for being here, and I look forward to your thoughts.

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