

# Remarks by Secretary of the Treasury Janet L. Yellen at the Multilateral Development Bank Evolution Roundtable in Marrakech, Morocco

October 13, 2023

## *As Prepared for Delivery*

Good morning. And welcome to the Multilateral Development Bank Evolution Roundtable. I am looking forward to a robust discussion with all of you today.

We are at an important moment for the World Bank. One year ago, just ahead of the Annual Meetings, I issued an urgent call for the evolution of the MDB system to better meet the challenges we face in an interconnected world.

As we heard yesterday at the Development Committee Plenary, we now have a broad coalition of shareholders standing by the World Bank as it evolves to deliver better and with a greater sense of urgency for low-income and emerging market nations.

Bold action is needed – both to protect against eroding past development gains and to drive progress on new development opportunities.

The World Bank evolution reforms that we have collectively pursued over the last year are a big step in the right direction and Ajay's arrival has certainly sparked a fire to accelerate this work. But there is still more to be done.

The United States is seeking to do its part. Our proposal to scale up World Bank concessional financing capacity reflects our commitment to evolution and our recognition that it will not succeed without sufficient attention to the immediate needs of the poorest and most vulnerable countries.

President Biden has requested funding from our Congress for this proposal.

It includes a guarantee to the new IBRD Portfolio Guarantee Platform that would enable \$25 billion in new lending capacity and a large grant to the Global Public Goods Fund to buy down the cost of that new capacity to incentivize countries to invest in addressing global challenges.

It also includes a \$1 billion grant for IDA's Enhanced Crisis Response window to support crisis response in IDA countries and limit the decline in IDA commitments over the last two years of the current replenishment.

I was encouraged by G20 Leaders voicing support for this effort in the September communique and thank Germany for your announcement on hybrid capital. I encourage others to join us.

There is plenty of work left to do -- the hard work of implementing the reforms we've adopted, completing the reforms that are already underway, and starting work on the longer-term and harder reforms that have yet to be taken up.

And we are also extending this evolution agenda to the regional development banks. Ultimately, we will have done well when each institution is delivering better and faster, and when the MDBs are also working better together as a system.

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