

# U.S. DEPARTMENT OF THE TREASURY

## Testimony of Secretary of the Treasury Janet L. Yellen Before the State, Foreign Operations, and Related Programs Appropriations Subcommittee, U.S. House

March 29, 2023

### *As Prepared for Delivery*

Chairman Diaz-Balart and Congresswoman Meng: thank you for inviting me to join you today. I would also like to thank you for your leadership and support of the Treasury Department's international programs.

Over the past two years, the world has faced serious global challenges. Thanks to the support you have provided, Treasury has strengthened U.S. leadership of the global economic system and advanced our national interests. We have led the world in our efforts to combat the global pandemic and prepare for future ones. We have made critical investments to build a more resilient food security ecosystem and mobilize the world to combat and adapt to a changing climate. And there is perhaps no place where our impact is felt more acutely than in Kyiv. In my trip to Ukraine last month, I heard personally about how our coalition's work has enabled Ukraine to defend itself against a brutal and illegal assault by Russia.

We take these actions not out of charity – but because they are in our economic and national security interests. As I've said before, in today's world, no country alone can suitably provide a strong and sustainable economy for its people. That's why our Administration is restoring and strengthening America's standing in the world.

The President's FY 2024 Budget advances our nation's international priorities. Let me speak to the two pillars of our request.

First, we request \$2.3 billion for the multilateral development banks. These banks promote resilient and inclusive economic growth across the world. They also support countries recovering from disaster and conflict. Importantly, these banks offer nations a sustainable, high-quality alternative to non-transparent sources of borrowing. Over the past three years, for example, the World Bank has provided 48 million people with access to clean water. And it has connected over 500 million people with essential health and nutrition services. The development banks have also been on the

frontlines of the response to two major challenges we have faced: COVID and Russia's war against Ukraine.

Over the next few months, you will see the World Bank undergo an important transition. We expect that Ajay Banga – President Biden's nominee – will be elected President of the World Bank. He will be charged with accelerating our progress to evolve the institution to better address 21st century challenges. This evolution will help the Bank deliver on its vital poverty alleviation and development goals. Our budget request enhances U.S. leadership of the World Bank at this critical juncture.

Beyond the World Bank, the President's Budget also supports other development banks that provide critical assistance to highly vulnerable low-income and middle-income countries.

The second pillar of our request is for specific multilateral funds that help deliver on our nation's core priorities.

Food and energy security is a core focus. The President's Budget requests \$122 million for food security programs. These initiatives not only mitigate hunger around the world, they also help grow the global supply of food that Americans depend on. As an example, since 2010, the Global Agriculture and Food Security Program has pooled more than \$2 billion to improve food and nutrition security for millions of people.

The budget also requests about \$1.4 billion to promote energy security and resilience. It funds programs like the Clean Technology Fund, which advances large-scale, transformational clean technology projects in major emerging economies. The budget also requests \$800 million from Treasury for the Green Climate Fund, in addition to the same amount from the Department of State. We deploy our public funds effectively. As an example, we mobilize an average of \$3.40 in private co-finance for every dollar invested by the Clean Technology Fund program.

We also request funding for our debt relief and restructuring efforts. This comes at a moment when about half of all low-income countries are in or near debt distress. We are asking for \$52 million for multilateral debt initiatives, which will help us avoid delays in urgently needed debt treatments. We are also requesting \$45 million for Treasury's Office of Technical Assistance, which helps low-income countries responsibly manage their government finances.

Thank you again for your support of Treasury's international programs, and for your partnership in strengthening U.S. leadership in the world. I'm happy to take your questions.

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