



**INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE**

**Forty-Fifth Meeting  
April 21, 2022**

**IMFC Statement by Janet Yellen  
Secretary of the Treasury  
United States**

Secretary Yellen IMFC-DC Statement  
April 2022

The United States, in the strongest terms, condemns Russia's illegal, unprovoked war against Ukraine. Russia's invasion is an assault on fundamental international rules and norms and threatens the core of the international order. The United States stands resolutely with the Ukrainian government and the Ukrainian people. Russia's war against Ukraine has imperiled the global recovery from the pandemic and aggravated inflation, with vulnerable populations across the world feeling the effects of steeply rising food prices.

Over the last two years, international financial institutions have provided unprecedented financing in response to COVID-19. Now, they must step in to help low-income and developing countries respond to food and energy shocks caused by the war, address the expanding refugee crisis in Europe, and bolster and rebuild an independent Ukraine. Deepening food insecurity caused by Russia's unprovoked war requires an elevated response to address immediate, short-term pressures as well as increase resiliency in the long-term.

Countries are experiencing varying degrees of spillovers from the war that depend on the breadth and depth of their economic ties with Russia and Ukraine, reliance on net imported commodities, and pre-war macroeconomic policies and vulnerabilities. Macroeconomic policy responses should therefore be carefully calibrated. Countries most affected by the war should redeploy targeted fiscal support to protect the most vulnerable people, while net commodity exporters should build their external positions and make productive investments. IMF and World Bank partner countries will thus have to work toward multiple goals, including safeguarding the recovery while bringing down inflation, mitigating growing inequality, and laying the foundation for sustainable macroeconomic growth.

Russia's war on Ukraine has highlighted one of the consequences of our reliance on fossil fuels. We must continue to develop and deploy renewable and zero emissions energy and reduce dependency on energy sources that are volatile. The World Bank Group and IMF have made important efforts to date in adapting their analyses, policies, and instruments to account for the need to respond to climate change. I welcome that the two institutions have agreed on a framework to collaborate on supporting countries with addressing climate issues. The World Bank Group has a unique convening ability to rally momentum, energy, ideas as well as private and public financing to raise global climate ambition. To this end, I urge the World Bank Group to develop clear and ambitious targets on all dimensions of climate adaptation and the global energy transition. I welcome the Bank's new innovative Country Climate Development Reports that seek to effectively align climate action, development efforts and financing needs. These reports will serve as an important foundation for other international multilateral and bilateral partners to support countries' national climate goals. These efforts are part of a broader push to support sectoral decarbonization as we transition away from fossil fuel reliance, while protecting and expanding energy access. This work is imperative if we are to reach a net-zero future.

Meanwhile, the COVID-19 pandemic is not behind us. In the near term, we need to work together to accelerate vaccine deployment and increase access to therapeutics and diagnostics to reach global targets, including vaccinating 70% of the world, and end the acute phase of the COVID-19 pandemic. The United States has provided more than \$19 billion for health, economic, and humanitarian COVID-19 assistance to our partners and is progressing toward our target of sharing over 1.1 billion COVID-19 vaccines doses by the end of 2022. I call on

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partners at all levels—including the World Bank and the WHO—to support these efforts by working to identify obstacles to vaccine deployment, develop strategies to overcome these challenges, and deploy financing as needed. The United States stands ready to work with the UN Global Coordinator for COVID-19 Vaccine Country-Readiness and Delivery and other partners to address critical needs such as vaccine readiness in low-income countries. To this end, I welcome the World Bank’s high-level session on vaccine deployment this month as a way to bring the World Bank, donor governments, and borrowing countries to the table to prioritize investments in vaccine readiness. I also appreciate the related country-by-country report to the G20 on accelerating vaccine deployment.

Our near-term work to stop COVID-19 must also be complemented by efforts to address elevated debt burdens threatening many low-income countries and emerging markets. Spillovers from Russia’s invasion of Ukraine will further strain public sector balance sheets. I call on the IMF and World Bank to continue their efforts to help countries reduce their debt vulnerabilities through capacity development and policy advice, and to take measures to improve debt data transparency and reporting standards. The IMF and World Bank continue to provide critical support for the Common Framework process, but its effectiveness in delivering timely and comprehensive debt treatments will only be possible with the full, prompt cooperation from all official bilateral creditors. G20 and Paris Club members should move quickly to advance the debt treatments for Chad and Zambia and provide clear guidance to eligible countries on the Common Framework process.

Over the longer term, we need to increase our resilience to future health shocks. The G20 Finance Health Task Force is working to develop a joint understanding of evolving pandemic risks and will help us catalyze needed action. As highlighted in the World Bank and WHO’s recent assessment, national-level investments face a significant financing gap. Establishing a financial intermediary fund at the World Bank will provide a dedicated stream of funding to close critical preparedness gaps and protect against future pandemics.

Recovering from the COVID-19 pandemic and addressing the climate crisis also requires a commitment to bigger and bolder investments in sustainable, high-quality infrastructure around the world. That’s why the G7’s infrastructure initiative is so important. The United States’ contribution will focus on the key areas of climate, health, digital technology, and gender equity to connect people with opportunities and contribute to economic growth, greater social inclusion, and climate resilience. I call on the World Bank and the regional development banks to support and amplify this effort through renewed, ambitious commitments to support developing countries in addressing their trillions of dollars of unmet infrastructure needs, consistent with our climate goals and countries’ debt sustainability. Mobilizing private financing will be a key piece of this effort, and we must develop and deploy innovative financing tools that leverage and crowd in significant amounts of private capital while simultaneously working to improve countries’ investment environment.

To successfully address the multiple global challenges we face, our multilateral financial architecture must evolve and be strengthened. I encourage the World Bank Group to think well

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beyond the status quo to address the cross-border risks posed by climate, health, migration, and fragility, while also staying focused on poverty reduction at the country-level. These goals are mutually reinforcing. As we support food insecure populations with climate adaptive practices and poor countries with access to clean energy resources, we will be supporting development investments with an eye toward a net zero and climate resilient global economy. The Bank and its shareholders need to think creatively about how to increase and incentivize these longer-term investments and leverage its comparative advantage to address these global problems. There is a strong foundation to build on. The United States welcomes the successful conclusion of negotiations for the Twentieth Replenishment of the International Development Association. The IMF must also continue its efforts to address new challenges to the global financial and economic architecture, while delivering on its core mandate. The new Resilience and Sustainability Trust will provide financing to eligible developing and emerging countries to address balance of payments needs stemming from key reforms that enhance resilience to risks associated with pandemics and facilitate transitions to more secure and sustainable energy sources. The Biden Harris Administration is continuing to work with Congress to secure authorization for the United States to lend to this trust.

A commitment to good governance and the expectation of the highest levels of accountability must also be reflected in the institutional governance of international financial institutions like the World Bank and the IMF. World Bank Management has begun a comprehensive effort to build a respectful workplace that protects its greatest resource —its employees— and to instill trust. I look forward to the Task Force on Workplace Culture recommendations to President Malpass and the Board and will carefully follow how these are implemented. The IMF Executive Board and management have also begun work to enhance data integrity and strengthen internal governance frameworks. I look forward to the final report and recommendations and urge robust implementation of the findings.

Finally, the United States views diversity and inclusion as central to the effectiveness and sustainability of the World Bank and the IMF's work and mission. Diverse staff and leadership — of different genders, geographies, races, sexualities, educational backgrounds, and other dimensions — contribute a range of perspectives and opinions that lead to more balanced, thoughtful, and robust policy and programmatic decisions. Looking ahead, it is important for us as Governors of these institutions to explore ways in which we can champion diversity in our decision making here at the IMF and World Bank and at home.