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United States

Secretary Bessent IMFC-DC Statement
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I look forward to this year's Spring Meetings of the International Monetary Fund (IMF) and World Bank, and meeting with counterparts as we discuss critical issues facing the global economy and the important role of these institutions.

In the United States, we aim to support a sustained economic expansion that improves the lives of all Americans. The Trump Administration remains focused on driving economic growth supported by private-sector demand, bringing down inflation, controlling federal spending, and restoring fairness in U.S. trade relationships.

I see several opportunities for the IMF and World Bank to serve their membership better and contribute to making America safer, stronger, and more prosperous, with ample opportunities for American citizens and companies to benefit. International Financial Institutions that promote sustainable global economic growth and stability will help the private sector thrive and expand economic opportunities for all.

After 80 years, we need to restore the foundations of the IMF and World Bank. The United States continues to appreciate the value the Bretton Woods Institutions can provide, but they must step back from the expansive policy agendas that stifle their ability to deliver on their core missions. In the case of the IMF, its core mission remains macroeconomic and financial stability. And for the World Bank, this is poverty reduction and economic growth. For low-income countries in particular, both the IMF and World Bank should promote policy discipline for countries to strengthen their institutions, tackle corruption, and ultimately lay the foundation for sound investment so that they see a future that no longer relies on donor assistance. These economies should instead be driven by job-rich, private sector-led growth and underpinned by fiscal prudence and domestic revenue mobilization.

The IMF plays a key role in the international monetary system, particularly through its core functions of macroeconomic surveillance and lending to members facing balance of payments crises. However, in recent years, the IMF has strayed from its mandate, trying to develop expertise in nearly all global issues and participate in every forum. In doing so, the IMF has overburdened its staff and lost focus on the core macroeconomic issues it was created to address.

With global growth prospects weighed down by persistent imbalances, high debt, and low productivity growth, we need the IMF to return to its core mandate through a renewed focus on its areas of expertise, including exchange rate, fiscal, monetary, and financial sector issues.

As part of a return to its core mandate, the IMF must conduct robust analysis and put greater pressure on members to maintain fair and transparent currency practices. We must work together to tackle excess capacity in systemic economies like China and respond to unfair practices. To do so, the IMF needs to step up and provide a frank and evenhanded assessment of policies that hold back domestic demand and generate negative spillovers, harming workers and businesses in other countries.

In lending, the IMF must improve the quality and effectiveness of its programs so that countries exit these arrangements on a stable footing and avoid prolonged dependence on IMF support. To do so, the IMF must renew its emphasis on traditional lending programs that resolve members' balance of payments problems in the short term so that countries can quickly exit IMF financial support. As part of this effort, the IMF must shift its focus from lending quantity to program quality and implementation. This means holding countries accountable to program performance and empowering IMF staff to walk away if reform commitment is lacking.

The IMF must also strengthen the implementation of its debt sustainability and transparency policies. For countries in debt distress, I welcome the IMF's leadership in helping to improve the debt restructuring process and its work toward preventing the buildup of unsustainable debt through early, active engagement with countries facing debt challenges, including on debt transparency. But more is needed in this space. I expect the IMF to identify and highlight unsustainable lending practices and to more proactively push recalcitrant bilateral creditors to come to the table to work with borrower countries.

The World Bank plays an important role in helping developing countries grow their economies, reduce poverty, increase private investment, and support private sector job creation, all conditions that enable countries to reduce their reliance on World Bank financing. Moving countries to greater self-reliance must be the goal of the World Bank's efforts as it returns to focusing on its core mandate of poverty reduction and economic growth.

A shift from the World Bank's expansive policy overreach will clear the way for greater focus on foundational objectives that promote market-based economic growth and stability that will engender benefits for the world and the United States. A stronger focus on investments in infrastructure, health, education, and agriculture, and work to strengthen governance, including debt sustainability and transparency, will help reduce fragility and migration pressure and better equip countries to thrive and prosper, ultimately making Americans safer and more secure at home. Private sector-led, job-rich economic growth and market development will also help lay a solid foundation overseas that will attract U.S. exports and investment.

Getting back to basics must also come with greater effectiveness and efficiency through better use of the World Bank's existing resources and maximizing opportunities to mobilize private investment. In that vein, it is past time for the World Bank to start applying its graduation policy, so it can focus its resources on poorer countries rather than crowding out markets or amplifying countries' distortionary policy choices. IDA has historically played an important role in poverty alleviation for the poorest countries, but it too must be upgraded to ensure that the IDA program is tightly focused on maximizing the benefits of donor resources for recipients.

Ending energy poverty through a focus on energy access and security is vital for enabling private investment and boosting growth. The World Bank and African Development Bank's joint initiative to expand energy access to 300 million more people in Africa is a welcome contribution to this effort. However, the Bank should be responsive to countries' priorities and needs rather than trying to meet poorly defined and arbitrary climate financing targets. This requires adopting an all-of-the-above approach to energy that also includes gas. We applaud recent announcements that the Bank will seek to remove prohibitions on support for nuclear energy.

Effective and efficient support for development also depends on full implementation of policies for transparent procurement based on quality. The World Bank must assist countries in moving toward value-for-money procurement approaches, and away from those focused just on lowest cost bids that reward distortive industrial policies that undermine development, encourage subsidies that stifle the private sector, incentivize corruption and collusion, and result in higher long-term costs.

Finally, as the United States and other shareholders seek to rein in fiscal deficits and boost efficiency, we expect the World Bank and IMF to follow suit. Better budget and salary discipline at both institutions will demonstrate that they can walk the talk when it comes to public efficiencies, and will also create space for important investments to upgrade risk management, oversight, and controls to improve these institutions.

Strengthening the IMF and World Bank means a renewed focus on their core missions. The United States stands ready to work with their respective management and staff, as well as other shareholders, to realize these priorities, to the benefit of all our economies.