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United States

U.S. Governor's Statement – October 2026

This year's Annual Meetings of the International Monetary Fund (IMF) and World Bank provide an important opportunity to engage on current global economic challenges as well as our work with partners and the international financial institutions to support a pro-growth agenda, macroeconomic and financial stability, and poverty reduction. We thank Thailand for hosting us for the Annual Meetings.

In the United States, President Trump's America First Investment Policy is promoting robust economic growth and prosperity, fiscal prudence, energy abundance, and regulatory modernization. Internationally, we are getting back to basics by forging a broad consensus on the need to promote growth as the key condition on which durable prosperity depends. As G20 President, the United States is focused on promoting strong economic growth, and has prioritized increasing productivity, addressing global imbalances, engaging with the private sector, advancing financial literacy, improving the sovereign debt architecture, and promoting financial sector innovation and regulatory modernization. When focused on their core missions, the IMF and World Bank are well-placed to help advance these important objectives.

The IMF is making progress at getting back to basics. Through recent policy reviews, the IMF is upgrading its policy toolkit for surveillance and lending and restoring its focus on its core responsibilities. This includes the external sector issues at the heart of the IMF's mandate, strengthening surveillance of debt vulnerabilities in low-income countries, and making the financial sector surveillance more risk-based. Moreover, the IMF has rightly focused on strengthening program design to enhance the effectiveness of IMF-supported reform programs to durably address balance of payments challenges and restore external viability.

One area where this refocus must go further is in the IMF's work on global imbalances. This especially includes strengthening its analysis and engagement on the role non-market policies and practices and exchange rates play in driving external imbalances. Policymakers around the world are having difficult discussions about how to sustain market-based systems amid distortionary policies from some economies that skew competition and hurt employment. The IMF was founded to prevent these kinds of distortive policies and negative spillovers, and must exercise its voice on this critical issue or risk being sidelined.

With recent major policy reviews complete, the hard work of implementation begins. The United States will hold the IMF accountable for translating these reforms into stronger surveillance, more effective lending, and more robust assessment of debt sustainability. Successfully delivering on the IMF's core mandate will require commitment from IMF management to be an unflinching truth-teller through surveillance and to hold borrowers accountable in IMF-supported programs. That same commitment is required of the authorities undertaking painful but necessary macroeconomic adjustments and structural reforms.

The IMF must continue to prioritize its work and focus its resources on its core mandate. New and emerging issues warrant IMF engagement only where they are clearly macrocritical and within the Fund's mandate, and adding new priorities should require reducing lower-value work, rather than continually expanding the Fund's agenda such as financing provided through the

Resilience and Sustainability Trust that lacks a clear linkage to balance of payments pressures and veers into development-policy lending.

The IMF has sufficient resources to accomplish its mission. The United States remains committed to a strong, quota-based, and adequately resourced IMF, and we continue to work to secure congressional approval for the 16th General Review of Quotas. Future quota reviews should be based on resource adequacy needs, as reflected in the recently approved Diriyah Guiding Principles on IMF Quota and Governance Reforms. Any future quota realignment should reflect members' relative position in the world economy and be based on a new quota formula.

After years of mission creep, the World Bank is beginning to refocus on its core mission of reducing poverty and raising economic growth. Over the last year, the Bank has strengthened its development agenda by further implementing its jobs initiative, removing inefficient and distortionary climate finance targets, beginning to phase out lending to certain advanced client countries that have not needed Bank support for years, taking steps to better implement its graduation policy, and devising a strategy for supporting a more diversified minerals value chain.

These are necessary steps in returning the Bank to its core mission, but significantly more is needed. The Bank must promote country self-reliance by deploying resources where they are most needed and impactful, graduating more advanced countries from Bank support, delivering better access to reliable, affordable, and abundant energy, and increasing competition and quality in Bank-financed procurement to improve development outcomes. And, in doing these things, the Bank must be more efficient and selective, pursuing operations with the greatest development impact, rather than simply pushing as much money as possible out the door.

We expect the Bank to phase out sovereign lending to countries that have long since met the graduation policy criteria so that the Bank can refocus its resources where they are most needed and impactful. Despite being long overdue, the planned phase outs of lending to China and Poland represent an important milestone for both countries. As the Bank continues to implement the graduation policy, we expect to see Graduation Progress Notes that meaningfully assess where graduation-eligible countries fall short of meeting the graduation criteria, and associated Country Partnership Frameworks focusing Bank programming on addressing those shortcomings. As the Bank enters the longest period in its history without a country graduating from lending eligibility, World Bank Management should take concrete steps to ensure that graduations resume.

Similarly, the International Development Association (IDA) must facilitate graduation so that it can focus its resources on the poorest countries where its investments in foundational infrastructure, as well as in reforms that promote debt sustainability and transparency, enhanced domestic resource mobilization, and strong public financial management, help countries develop and stand up to coercive and opaque lending terms from some creditors. As we discuss IDA's resources over the next 15 months, IDA must clearly identify its accomplishments in boosting growth, and reducing poverty. We also support extending the deadline for low-income countries to subscribe to the shares allocated under the 2018 capital increases, helping them preserve and strengthen their representation and voice in the institution.

Contributing to country self-reliance also requires the Bank to focus more on the sectors most critical to development and industrialization, chief among them reliable and affordable energy. Energy abundance sparks economic abundance. We continue to support the World Bank and

African Development Bank goal to extend energy access to 300 million more people in Africa. Achieving this goal will require the Bank to take a technology-neutral approach rather than restricting borrower choice, including by removing constraints on its support for natural gas and positively responding to borrower demand for gas projects. Accordingly, the World Bank Group should formally retire its prohibition on financing upstream gas and oil. The Bank cannot credibly invoke country ownership while categorically excluding upstream projects before their development merits are even assessed.

We welcome the recent approval of an IDA project to secure near-term gas supply, prepare mid- and downstream investments, and develop gas strategies in West Africa. Ultimately, success must be measured by whether countries gain the energy access needed to drive growth, create jobs, and reduce poverty. We therefore welcome the move to focus on outcomes rather than on arbitrary targets. To further support energy abundance, the United States is also making an initial contribution to the Nuclear Energy Assistance Trust Fund, which will help countries lay the groundwork for future nuclear energy investments.

Critical minerals are foundational inputs to growth and economic security. We welcome the Bank's recently approved Metals and Minerals Implementation Plan. The Bank has an important role to play through policy and regulatory reform, investing in enabling infrastructure and local processing capacity, project finance and de-risking, and strengthening natural resource management. This includes deep-sea mining, where the Bank can play a catalytic role by providing knowledge and guidance in a nascent sector.

Directing resources to countries most in need is not enough; the Bank must position those resources to deliver value. Procurement policies that reward distortive industrial policies, encourage subsidies, and incentivize corruption and collusion ultimately undermine development, stifle the private sector, and result in higher long-term costs. The Bank must pursue procurement reforms that result in greater competition and quality. We recognize recent efforts to expand the use of quality-based procurement approaches, boost the use of local labor, and improve industry outreach, but much of this was necessary just to move closer to the value-for-money objective embodied in the Procurement Framework adopted over a decade ago. The Bank needs to assess where its current procurement framework, policies, and implementation are still not delivering competition and quality needed for long-term development and adopt further reforms and capacity-building measures to address those shortcomings. The Bank's peer institutions are implementing a robust procurement reform agenda. We expect the World Bank to lead on these efforts rather than fall behind.

The International Finance Corporation (IFC) can play an important role in mobilizing private capital to support economic growth and private sector development. But higher mobilization levels are not a substitute for the harder work of creating markets and crowding in truly private investment in poorer, less creditworthy countries. We call on the IFC to redouble efforts to meet its 2018 capital increase pledge to make 40 percent of new commitments in the poorest and most fragile countries. The IFC's rate of progress towards this commitment has fallen unacceptably short, underscoring the need to align the institution more closely with its core mission.

Finally, the IMF and World Bank are ultimately taxpayer-funded public institutions whose budgets should reflect the narrower set of operations that comes with refocusing on their core missions. We appreciate the flat real administrative budget growth being pursued at both institutions this fiscal year, and expect to see this same approach in future years. Both

institutions and their Governors can and should go further, including by indefinitely freezing – and even reducing – Executive Board budgets and salaries, which now have a combined annual cost over $200 million. The reduction in the IMF Board's core budget this year is an important first step in this direction. The Boards are significantly more expensive, both in overall and per-capita terms, than at other international financial institutions. Every unnecessary dollar spent on the Boards is a dollar that cannot be used to reduce poverty, promote macroeconomic stability, or foster growth. The Bank, Fund, and their members must do more to restrain these inexcusably bloated budgets. We also call on the IMF to divest from the Bretton Woods Recreation Center and the Concordia Hotel.

Streamlining policy priorities will allow both the World Bank and IMF to focus limited public resources on effectively fulfilling their core mandates while responding to crises. We look forward to working with Management, staff, and other shareholders, to accomplish this task.