

Shareholder Statement on the MDB Callable Capital Exercise

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The G20 Independent Review of Multilateral Development Banks' (MDB) Capital Adequacy Frameworks (G20 CAF Review) provided thoughtful recommendations for boosting MDB financial capacity by stretching existing resources and pursuing innovative measures. The G20 Presidencies of Italy, Indonesia, and India were all key to launching and driving forward the G20 CAF Review. The implementation of several of its recommendations by the MDBs has already generated significant additional MDB financing capacity.

In a strong demonstration of our support for the MDBs¹, shareholders have collectively committed a combined \$796 billion in callable capital to these institutions, which can be drawn on or “called” in the extremely remote scenario that an MDB is unable to meet its financial obligations. In the 80 years since the Bretton Woods Conference, there has never been a call on the callable capital of the MDBs due in part to their preferred creditor status. The G20 CAF Review found that the processes for these institutions making and shareholders responding to a call are not well-understood. The G20 CAF Review also recognized that clarifying these processes has value, and this clarity is an important part of implementing the review’s recommendation on callable capital.

Over the last six months, shareholders accounting for over half of the callable capital at the MDBs worked with the institutions themselves to clarify the processes for the MDBs making and shareholders responding to a call on callable capital (in the highly unlikely event a call were ever necessary). Through this work, the MDBs have shown how unlikely a call on callable capital would be, and we have demonstrated strong shareholder capacity to respond to a call if ever necessary. We have also demonstrated the strong legal foundations upon which our callable capital subscriptions rest, and we have reaffirmed our full recognition of and strong backing for those subscriptions (*see* links to [AfDB](#), [ADB](#), [EBRD](#), [IDB](#), and [IBRD](#) callable capital reports).

Based on the work done, we see scope for additional efforts that involve outreach on the results of this exercise and exploration of ways to possibly reflect the value of callable capital in MDB financial policies, in collaboration with the MDBs and independent experts.

¹ Throughout this statement, the MDBs refer to the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction (EBRD), Inter-American Development Bank (IDB), and International Bank for Reconstruction and Development (IBRD).