

WRITTEN STATEMENT IDB Annual Meeting  
SWITZERLAND – GOVERNOR DOMINIQUE PARAVICINI  
Virtual Meeting, 28 March – 1 April 2022

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**We appreciate the IDBG's response to the crisis caused by the Covid-19 pandemic.** The pandemic has exacerbated the Latin America and the Caribbean (LAC) region's structural challenges, wreaking social and economic havoc and pushing millions back into poverty.

**We believe that a strong and effective IDBG plays a central role in the region's efforts to build back better.** More inclusive and greener economies are the bedrock of a more resilient LAC region. Vigorous reform efforts are needed to address social and economic inequalities, unequal access to services and jobs, high informality and low productivity. We call upon the IDBG to deepen its policy dialogue with regional members in order to implement and sustain structural reforms.

**The Barranquilla analytical work provides a solid basis for the Governors' discussion on strategically positioning and further strengthening the IDBG.** The analysis contains useful elements that should guide the IDBG to increase its performance and development effectiveness in order to successfully promote inclusive and sustainable economic growth.

**Switzerland fully supports the three pillars outlined in the strategic chapter.** The implementation and promotion of ambitious environmental, social and governance standards must be at the heart of the IDBG's operations.

- **On environment, we reiterate our support for the IDBG's full alignment with the Paris Agreement by 2023 and the new climate finance target of 35%.** The LAC region has tremendous land, biodiversity and renewable energy resources. Their sustainable use will spur the creation of urgently needed decent jobs. We share the IDBG's holistic vision that incorporates the linkages between climate action and social and economic development, such as planned under the IDB's Amazon initiative.
- **On the social agenda, we urge the IDBG to promote deep social reforms that guarantee equal access to public health and education systems, and to formal labor markets.** Ensuring participation and inclusion of women, indigenous population and other vulnerable groups throughout the IDBG's operations will mobilize the region's great human potential.
- **On governance, we call on the IDBG to lay out its value proposition and shape its tools.** An enabling business environment – for domestic SME and international investors alike – will be key for unleashing the forces of the private sector, igniting a strong recovery. To date, weak rule of law and governance, pervasive corruption, and high levels of organized crime, continue to have a devastating impact on the people and businesses in the LAC region.

**Switzerland is ready to engage in an in-depth discussion with other shareholders and Management on possible financial scenarios for the IDBG.** Rising debt levels are challenging the LAC region. Hence, absorption capacity will need to be considered when calibrating the IDB's future lending volume. Enhanced private sector mobilization by IDB Invest and IDB Lab will be key for achieving impact, and creating fiscal space. Independently of any scenario, we expect the IDBG to further optimize its balance sheet, review its country classification, streamline its instruments, and improve its project performance and outcomes.

**Switzerland thanks IDBG Management and staff for the continued tireless engagement shown over the course of the past year.** The Covid crisis requires close cooperation among shareholders and Management as well as strategic partnerships among multilateral and bilateral development actors. I look forward to working with you on tackling the challenges ahead.