
WBG DEVELOPMENT COMMITTEE (17.4.2020)
ORAL STATEMENT BY SWITZERLAND

Thank you, Mr. Chair,

The COVID crisis has **unprecedented impact** globally. All countries are affected and have shifted into emergency modes. We observe that better preparedness results in more and better options to tackle the huge health, social and economic ramifications.

Only decisive *global, fast and large-scale concerted **action*** can counter a global pandemic of this kind. A strong **multilateral system** is essential to help develop, coordinate, and deliver such action based on mutual support in an open, interconnected world.

We need to **protect important development achievements** and safeguard the economic and social progress and poverty reduction secured over the past decades.

We commend the Bank for the fast-track response to the pandemic. Several countries of our Constituency have been able to benefit from this urgently needed support to contain COVID-19.

Despite the urgency, the response package must be implemented carefully. We ask the **Bank to focus on its areas of expertise** and comparative advantages while serving all clients. Close coordination,

cooperation and complementarity with other multilateral actors is essential, especially the IMF, the other MDBs, the WHO and relevant UN agencies.

Efficiency, effectiveness, and impact must remain the lenses through which the Bank designs its interventions. All COVID-related projects have to be:
First: ambitious, timely, and of high quality
Second: allow for flexibility and adaptive management,
And third: be compliant with Bank's standards, safeguards, operating principles and governance procedures. It will be important to keep in mind the three phases – containment, stabilization, recovery – for which the long haul is required.

In times of crisis it is our **solidarity** that defines us, both at home and internationally. Right now, we need to ensure that IDA countries have the critical means to contain and mitigate the impact of the pandemic. Priority must be given to the poorest and most vulnerable. On behalf of our Constituency, I therefore strongly support the joint call by the Bank and the IMF on all official bilateral creditors and the private sector to **temporarily defer debt service payments** of the poorest countries. For this to be successful, it is essential that *all* bilateral creditors participate. It will be crucial that formal review points for the implementation are defined.

Going forward, we remain convinced that MDBs should focus on grants and concessional finance

rather than providing debt service suspension, which could negatively affect their capacity to deliver on their mandates and their financial integrity.

This crisis shows us again, unfortunately, the importance of increased resilience, careful debt management and debt transparency. We therefore urge the Bank and the IMF to work with IDA countries during the debt service suspension to monitor and verify the use of freed-up resources and to evaluate the effects on **debt sustainability**.

Our joint efforts to counter the pandemic should serve as inspiration for intensified collective action to achieve the **objectives of Agenda 2030**. We must not lose direction but continue to tackle the somewhat slower but no less urgent global threats of **climate change** and biodiversity loss. The same principle is true there: prevention is better than cure and the cost of inaction is much higher in the long run. [Building back better in particular by strengthening resilience should become an overriding topic for all our activities.]

In this spirit, let us make sure that our efforts to counter this crisis make a **strong and lasting contribution** to more resilient, sustainable and inclusive societies and economies.

Thank you.