

SWITZERLAND

EBRD ANNUAL MEETING 2021

STATEMENT BY MR. RAYMUND FURRER, ALTERNATE GOVERNOR

ON BEHALF OF THE SWISS CONFEDERATION

On behalf of Switzerland, I would like to commend the EBRD for its outstanding work in this time of great uncertainty and challenge. I also commend the Bank for its swift response to the Covid-19 crisis as reflected in its record level of investment in 2020.

The crisis has revealed structural weaknesses in many economies, underlining the need to develop more resilient, sustainable and inclusive economies for the future. I welcome EBRD's commitment to shift from short-term crisis response to building back better in support of the medium to long-term recovery. While all countries of operation have been affected by the pandemic, the Bank should focus its work on those countries least advanced in transition, most notably the Early Transition Countries, the Western Balkans and the SEMED region. The principles of multiparty democracy and pluralism remain fundamental to EBRD's work. The respect of good governance and the rule of law is key for social and economic progress.

While the crisis has exposed many challenges and weaknesses across different sectors of the economy, EBRD should stay close to its mandate and primarily focus on the private sector. Governments have played an important role in managing the crisis and mitigating its impact on the economy. Going forward, they will have to provide adequate framework conditions for the private sector to grow and overcome the challenges it faced during the crisis. With governments gradually phasing out their support schemes, SMEs in particular are likely to face renewed liquidity risk. EBRD is well placed to support SMEs in becoming an integral part of a more sustainable economy.

Recovery efforts have to be paired with climate action. I strongly welcome and wholeheartedly support the Bank's commitment to full alignment with the Paris Agreement by the end of 2022. MDBs need to be ambitious and play a leading role when it comes to addressing climate change. I welcome the Bank's commitment to step up its investment in renewable energy and to further narrow and limit fossil fuel investment. I expect the Bank to continue working in tandem with others and deepen its partnerships with multilateral and bilateral actors. I encourage the Bank to deliver on its broader green financing objectives as foreseen under the GET2.1 approach and to report on impact using best practice, granular metrics and harmonised methodologies.

Institutionalisation of gender mainstreaming has to remain a priority for the Bank under the upcoming new strategy on gender equality. The pandemic has highlighted the uneven burden women carry across all levels of society and the economy, threatening to reverse progress in gender equality. Mainstreaming will enable the Bank to deliver more projects with a clear and verifiable impact on gender equality. The focus needs to be on enhanced business cases and products with potential systemic impact.

EBRD investments need to demonstrate better how improved skills and new technologies contribute to job creation and decent work. The Bank has shown that it can make a meaningful contribution to strengthening skills. As part of the upcoming equality of opportunity strategy, the Bank should reflect on how it will address the challenges in skills development, respond to changes in the nature of jobs, and clearly outline the link between skills and job creation. Technology will play a key role in the recovery. In its upcoming approach to digitalisation, the Bank should pay particular attention to enabling equal and affordable access to data and technology for SMEs as well as to the acquisition of appropriate skills for entrepreneurs and employees.

These priorities are well anchored in the Bank's Strategic and Capital Framework 2021-25. They provide the focus and the strategic selectivity needed to ensure impact and effectiveness of Bank operations.

That said, Switzerland remains very sceptical regarding the possible future expansion of the Bank's activities to Sub-Saharan Africa. While I can agree to the proposed work plan for further preparatory work, my main concerns relate to the lack of bankable projects which remains a challenge for all financial institutions in Sub-Sahara Africa, EBRD's compatibility and complementarity with other MDBs and development actors as well as the implications for EBRD's operating and business model, resources, capital utilisation, and governance. For Switzerland, it is of fundamental importance that no action is taken that might compromise EBRD's triple A rating or lead to a request for additional capital contributions.

In closing, I would like to thank the EBRD President, Mrs. Odile Renaud-Basso, for her leadership and EBRD staff whose hard work and dedication have been vital in enabling the Bank to continue to deliver its mandate even in the most challenging of circumstances.