



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

ONE HUNDRED AND ONE MEETING
WASHINGTON, DC – APRIL 17, 2020
(VIRTUAL)

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Statement by

Luis Alberto Moreno
President

Inter-American Development Bank Group



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101st Meeting of the Development Committee

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On behalf of the Inter-American Development Bank Group (IDB Group), I would like to express my sincere appreciation for the invitation to participate as an Observer in the 101st Meeting of the Development Committee.

In close consultation with our Governors and Board of Executive Directors, we have been focusing on deploying financial and technical resources to our member countries to address the unprecedented global crisis created by COVID-19.

The IDB Group is focusing its support on the following four areas:

- **The Immediate Public Health Response:** Support for countries' preparedness and response capacities to help contain the transmission of the virus and mitigate its impact, with resources to strengthen public healthcare systems and purchase supplies and equipment. The initial efforts in this area have resulted in redirecting \$251 million in 9 countries, procurement contracts of \$90 million for diagnosis and case management, increasing capacity of health service provision and interrupting the transmission with the purchase of 7.2 million masks, 47.5 million personal protective equipment, 300,000 diagnostic tests and 1,556 ventilators¹.
- **Safety Nets for Vulnerable Populations:** Measures to protect the income of the most affected populations through existing transfer programs, non-contributory pensions and grants. Other proposed measures include extraordinary transfers to workers in the informal sector and support for companies in sectors particularly affected by the crisis, such as tourism.
- **Protection of the productive sector and employment:** Assistance to SMEs, which account for 70% of the region's jobs, through financing programs and short-term liquidity guarantees, foreign-trade financing and guarantees, loan restructuring, and support for strategic supply chains.
- **Public policies and Fiscal Management for the Amelioration of Economic Impacts:** Support to countries in designing and implementing policies in three key areas: fiscal measures to finance the

¹ Data as of April 10, 2020

response to the crisis; continuity plans for the execution of expenditures and public procurement; and measures to support economic recovery.

The historic dimensions of the crisis require a multisectoral strategy that helps mitigate the social and economic impact over the medium and long term. These lines of action reflect the priorities of our governments and the deep knowledge that our specialists bring to bear on the specific challenges facing each of our countries.

An effective dissemination of knowledge and experiences across both borrowing and non-borrowing member countries will play a critical role in addressing COVID-19 and its multi-faceted impact. The IDB Group is uniquely positioned to achieve this by leveraging our presence and experience in Latin America and the Caribbean. We created the [Coronavirus Hub \(https://www.iadb.org/en/coronavirus\)](https://www.iadb.org/en/coronavirus) as a platform for sharing real-time updates and resources to help the region navigate the social, health-related, and fiscal implications of COVID-19. This is enabling us to share content generated by the IDB Group but also curate that of other regional and global partners. To complement this effort, the IDB has deployed its entire network of regional policy dialogues at the service of solutions to address the pandemic, to discuss with policy makers how to address the implications COVID-19 on a variety of areas such as domestic violence, management of prisons, management at the city level, among others.

The IDB is also engaging with the private sector to identify specific challenges firms (more critically SMEs) in the region are facing as well as measures to contribute to the emergency response and mitigate its social and economic impacts. In a high-level meeting of the Americas Business Dialogue (ABD), a private sector driven initiative created by the Bank, more than 250 firms from the hemisphere are proposing specific policy recommendations from the private sector to the governments of the region to respond to the immediate emergency as well as to future challenges on the recovery phase.

In terms of financial support, the IDB Group is estimating to approve new lending in excess of \$17.6 billion during 2020. In our sovereign-guaranteed portfolio, Governments can also request to redirect part of the resources from projects in execution to meet needs related to the response and effects of the virus. We will also continue working to further leverage these resources through our multilateral and bilateral development partners.

We expect our aggregate loan disbursements during 2020, including both public and private sector windows, to exceed \$16.9 billion, a level that will set a new record in our 60 years of operations, exceeding the amounts disbursed during the global financial crisis in 2009 by more than 40%. The size of our financial intervention speaks to the unique threat that the pandemic possess to the social and economic development of our borrowing member countries, but still preserves our financial strength and sustainability as mandated by our shareholders who recognize the strategic importance of preserving IDB's triple-A rating in times of uncertainty and stress like these.

In addition to our lending support, the IDB is also directing available technical cooperation resources to assist the countries in the region in designing, implementing and monitoring of solutions to the COVID crisis.

IDB Invest, the private sector arm of the IDB Group, will contribute up to \$5 billion to our lending efforts in 2020, focusing on companies impacted by the crisis as well as on investments that provide a direct response to the pandemic through health and health-related sectors and access to short-term lending for small and medium-sized enterprises through financial institutions and supply chain finance.

Likewise, IDB Lab (our innovation laboratory -fund-) will contribute with an envelope of up to \$75 million mostly in grants, to support the response to the pandemic. Furthermore, IDB Lab already launched a competition for the most promising solutions in the region to address both health and productivity challenges and is now awarding funding to the winning proposals. IDB Lab also launched the Digital Connector, a vetted database of the most promising digital health solutions to the pandemic, and LAC

Innovators, a mapping of over 500 innovators currently offering solutions that could help the region with the pandemic. In addition, IDB Lab will soon launch a facility to support high-potential startups in the region with liquidity to address short and medium-term financing needs. We strongly believe that the private sector needs to play a critical role in helping move towards a new world structure of greater multilateralism, cooperation and private sector engagement with a strong sense of community and responsibility.

In addition to these efforts, the IDB Group is streamlining fiduciary processes, in coordination with other IFIs, and expediting timeframes for operation approvals to maximize and hasten its support to the region at this critical time. All of this would not be possible without the continuous support and engagement of our Board of Executive Directors and our Governors.