

Statement by the Honorable ASO Taro
Deputy Prime Minister of Japan and IDB Governor for Japan
At the 61st Annual Meeting of the Inter-American Development Bank and the 35th Annual
Meeting of the Inter-American Investment Corporation

March 20th, 2021

1. Introduction

Mr. Chairperson, Mr. President, distinguished Governors, Ladies and Gentlemen:

First of all, I would like to express my respect to the Government of Colombia for hosting the 61st Annual Meeting of the Inter-American Development Bank (IDB) and the 35th Annual Meeting of the Inter-American Investment Corporation (IIC; known as IDB Invest).

I would also like to express my sincere gratitude to the IDB staff for its efforts in preparing this virtual meeting under the leadership of the President Claver-Carone who was newly elected last autumn.

2. Challenges for the LAC region in the Post COVID-19 era

Latin American and the Caribbean (LAC) region is suffering severe damage caused by the spread of COVID-19. Japan appreciates that the IDB Group has been playing a significant role in supporting the region under these circumstances, with its COVID-19 package swiftly implemented since last March. To back up activities of the IDB Group, technical assistance of more than 8 million dollars in relation with COVID-19 has received approval for funding from the Japan Special Fund (JSF).

While continuing to deliver the emergency COVID-19 responses, we need to assist the LAC region's efforts to recover from the socio-economic damage caused by COVID-19 and return to a sustainable growth path. In doing so, it is important to establish a society which is resilient against future crises such as pandemic and natural disasters.

COVID-19 will not be the last pandemic for humankind. Robust health systems are therefore essential to enhance prevention, preparedness and responsiveness for future pandemics. Universal Health Coverage (UHC), which Japan has been emphasizing for years, is gaining further importance in this regard.

Like Japan, the LAC region is vulnerable to natural disasters. Preparedness for natural disasters is therefore important for sustainable development of the region. Japan is ready to share with the IDB Group and the LAC region lessons learned from various natural disasters, including the Great East Japan Earthquake that caused unprecedented damage just ten years ago. We will actively cooperate for mitigating the impact of future disasters.

In order to further promote these efforts, Japan and the IDB Group have agreed to add “Global Health and Universal Health Coverage” and “Resilience against Natural Disasters” as priority areas of the JSF. With this addition, the JSF will consist of three pillars of action together with the current main focus on “Quality Infrastructure Investment”. To jump start the JSF activities under this renewed agreement, Japan will contribute 20 million dollars in 2021, subject to the Parliament’s approval.

In parallel, Japan will pursue the same objective under “the Cooperation for Economic Recovery and Social Inclusion (CORE)”, the financing framework between the Japan International Cooperation Agency (JICA) and the IDB. The CORE will put more emphasis on the cooperation for health and resilience against natural disasters, in addition to continuous support for quality infrastructure investment such as renewable energy. In implementing these common priorities of JSF and CORE, Japan will actively work together with the entire IDB Group, including IDB Invest and the Multilateral Investment Fund, known as IDB Lab.

3. Japan’s expectation of the IDB Group

Japan welcomes that the IDB Group presented its “Vision 2025” for the coming five years (2021-2025) under the President Claver-Carone at this Annual Meeting. It is timely and extremely important to discuss the IDB Group’s roles as we move towards the post COVID-19 reconstruction phase.

Japan appreciates the priorities mentioned in “Vision 2025”, including debt sustainability of borrowing member countries, responses to climate change, digitalization, quality infrastructure investment, and access to health services. We also welcome the IDB Group’s focus on preparedness and responsiveness to natural disasters of the LAC region, which include geophysical disasters like earthquakes as well as those arising from climate change.

In our view, two points are important in order for the IDB Group to meet our expectation and accomplish its roles in the post COVID-19 reconstruction phase along this new vision.

First, considering the relatively high income and development level of LAC countries, the private sector operations will gain further importance and become the mainstream within the IDB Group

going forward. As the result, it will be extremely important to strengthen synergies between public sector and private sector operations, so that the IDB Group can enhance its added value.

Secondly, given limited resources of its member countries due to COVID-19 pandemic, the IDB Group should proactively mobilize private sector resources while further enhancing effectiveness of its institutional management.

In order to strengthen synergies between public sector and private sector operations and to ensure effective use of its resources in implementing the “Vision 2025”, it is essential to discuss optimal institutional structure and governance of the whole IDB Group. In particular, the IDB, as the core body of the Group, should more actively engage in the private sector operations as they will be mainstreamed further within the Group. We count on the strong leadership of the President Claver-Carone in this endeavour.

4. Strengthened cooperation ties between Japan and the IDB Group

Japan would like to deepen relationship between Japan and the IDB Group led by the President Claver-Carone, so that both of us can continue to contribute to the development of the LAC countries. In doing so, there are three points that we would like to focus on.

Firstly, as many Japanese companies are actively operating all over the LAC region, we would ask the IDB Group to proactively make use of strength and expertise of these companies. In this regard, Japan highly values the IDB Lab, which has been functioning as an indispensable “innovation laboratory” of the whole IDB Group. As its top shareholder, Japan expects that the IDB Lab will continue to promote novel use of innovative technologies coming from the private sector, including Japanese companies.

Secondly, in order for the IDB Group to respond flexibly and effectively to the increasingly diversified and complex needs, the Group should have greater diversity among its staff at all levels, including nationality diversity. Japan will further contribute to the IDB Group through qualified Japanese staff.

Thirdly, IDB Office in Asia has been playing a key role in supporting Asian companies’ activities in the LAC region. Japan highly appreciates its function, and strongly expects that Japanese technologies and expertise will continue to be incorporated into the IDB Group’s operations through IDB Office in Asia.

5. Conclusion

Japan hopes that the IDB Group, under the strong leadership of the President Claver-Carone and as trusted partner of the LAC countries, will continue to be proactively engaged in addressing various challenges arising from the COVID-19 and to play a leading role in the post COVID-19 reconstruction phase. Japan is determined to cooperate further with the IDB Group as a strong partner.