

Communications

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20 years of Swiss membership of IMF and World Bank

On 7 and 8 September 2012 in Montreux, a meeting of the Swiss constituency in the IMF and World Bank will take place on the occasion of its 20th anniversary. President Eveline Widmer-Schlumpf, Federal Councillor Johann Schneider-Ammann and Thomas Jordan, Chairman of the Governing Board of the Swiss National Bank, will attend for Switzerland. Membership of the Bretton Woods Institutions is of particular importance for an economically open country with a major financial centre like Switzerland.

The meeting of the Swiss constituency in the International Monetary Fund (IMF) and World Bank marks the 20th anniversary of the creation of the constituency led by Switzerland. The constituency is formed by Azerbaijan, Kazakhstan, the Kyrgyz Republic, Poland, Serbia, Tajikistan, Turkmenistan and (in the World Bank) Uzbekistan.

Representatives of IMF and World Bank management will also attend the meeting. The discussions will focus primarily on the repercussions of the crisis on the constituency member countries. The meeting will also serve to prepare for the Annual Meetings of the IMF and World Bank, which will take place from 12 to 14 October in Tokyo.

Switzerland became a member of the IMF and World Bank in May 1992, after a referendum saw approximately 56% of Swiss voters approve accession to the Bretton Woods Institutions. It took over the leadership of a constituency and obtained a newly created seat on the Executive Boards and ministerial committees of both institutions. Membership of the Bretton Woods Institutions represented a significant opening up of Switzerland in terms of foreign policy.

The IMF and World Bank are key institutions in the international financial architecture. The significance of the IMF as the guardian of international financial stability is particularly evident in its role in managing Europe's sovereign debt crisis. Aside from monitoring the monetary and financial policies of its member states, the IMF provides financial support in the event of balance of payments problems. Its resources have been increased considerably since 2009.

The World Bank Group has provided substantial support to the development and transition processes of the past few years. In this regard, the focus has been on promoting

4 September 2012

2

sustainable economic growth and poverty reduction in developing and transition countries.

Additional links:

IMF: www.imf.org

FDF SIF: <http://www.sif.admin.ch/themen/00501/index.html?lang=en>

SNB: http://www.snb.ch/en/iabout/internat/coop/id/internat_coop_imf

World Bank: www.worldbank.org

FDEA SECO: <http://www.seco-cooperation.admin.ch/themen/multilateral/index.html?lang=en>

FDFA SDC:
http://www.deza.admin.ch/en/Home/Activities/Multilateral_cooperation/International_Institutions/International_Financial_Institutions

Press release

The Bretton Woods Institutions and Switzerland

The International Monetary Fund (IMF) and the World Bank were founded by 45 nations in July 1944 in Bretton Woods (New Hampshire, United States) within the scope of the International Monetary and Financial Conference. Today, 188 countries are members of the IMF and the World Bank.

Both sister organisations are often simultaneously referred to as the "Bretton Woods Institutions". However, they both deliberately have different mandates. The IMF is responsible for ensuring and promoting international financial stability, whereas the core mandate of the World Bank is promoting economic and social development, as well as reducing poverty.

Switzerland became a member of the Bretton Woods Institutions in 1992. It has since chaired a constituency which includes Azerbaijan, Kazakhstan, the Kyrgyz Republic, Poland, Serbia, Tajikistan, Turkmenistan and (in the World Bank) Uzbekistan. On behalf of this constituency, Switzerland holds one of the 24 seats on the Executive Boards of the IMF and World Bank, respectively. At the same time, it is represented in the ministerial steering bodies, the International Monetary and Financial Committee (IMFC) and the Development Committee. It participates actively in both institutions and thereby codetermines their course of policy.

Responsibility for Switzerland's relations with the IMF and the World Bank, in keeping with the mandates of the institutions, are spread out over numerous offices in the Federal Administration and the Swiss National Bank. Close collaboration ensures coherence in the positions represented in both bodies.

The Federal Department of Finance (FDF SIF) and the Swiss National Bank (SNB) are jointly responsible for attending to Switzerland's membership of the IMF. The Chairman of the Governing Board of the SNB is Switzerland's IMF Governor, while the Head of the Federal Department of Finance represents the Swiss constituency in the IMFC.

The Federal Department of Economic Affairs, the State Secretariat for Economic Affairs (FDEA SECO) and the Federal Department of Foreign Affairs (FDFA SDC) oversee Switzerland's membership of the World Bank and take care of operational cooperation with this development organisation. The Head of the FDEA is Switzerland's World Bank Governor. He also represents Switzerland in the Development Committee.