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Statement by Ms. Keller-Sutter Switzerland

On behalf of

Republic of Azerbaijan, Republic of Kazakhstan, Kyrgyz Republic, Principality of Liechtenstein, Republic of Poland, Republic of Serbia, Switzerland, Republic of Tajikistan, Turkmenistan, and Republic of Uzbekistan

International Monetary and Financial Committee, April 17, 2026

**Statement by Ms. Karin Keller-Sutter, Minister of Finance of Switzerland
on behalf of Azerbaijan, Kazakhstan, Kyrgyzstan, Liechtenstein, Poland, Serbia,
Switzerland, Tajikistan, Turkmenistan, and Uzbekistan**

Economic and financial spillovers from the wars in the Middle East and Ukraine, compounding challenges from trade tensions, high debt, financial vulnerabilities—as well as transformative technological innovations—intensify economic headwinds, fuel uncertainty, and exacerbate downside risks. In this environment, strengthening fundamentals to reinforce resilience, preserve macroeconomic stability, and enhance productivity growth is paramount. Moreover, economic openness and reliable, rule-based trade relations remain critical to restore confidence and foster sustainable growth. Guided by its mandate, the IMF must continue to support members in achieving these goals, playing its ever-essential role as the global expert institution on macroeconomic and macrofinancial issues, and a steward of successful adjustment and reform programs. As multilateral cooperation remains essential to address common challenges, the IMF should also continue to provide an effective platform for engagement among its near-universal membership, especially in testing times.

Global setting and policy priorities

Subdued global economic activity and growth prospects are further stifled by the fallout of the war in the Middle East, notably through energy supply and price channels. At the same time, high and rising debt and fiscal vulnerabilities, along with fragilities related to non-bank financial institutions, pose significant risks to global macroeconomic and financial stability. Persistent trade tensions risk undoing essential benefits of global integration, thereby lowering global prosperity.

Our Constituency supports the main thrust of the Managing Director’s Global Policy Agenda: This challenging environment requires decisive and judicious macroeconomic policies anchored in credible frameworks and sound institutions.

Safeguarding fiscal and debt sustainability is critical. Any fiscal support must account for available policy space. Measures to address immediate pressures resulting from war spillovers should be targeted, temporary, and accommodated within current budgets. To achieve this, while facilitating an eventual rebuilding of buffers with limited negative side effects, resolute prioritization of spending and efficient public financial management are required. Robust fiscal frameworks and rules should help to credibly anchor sustained consolidation efforts.

Central banks should continue to calibrate monetary policy to ensure price stability in line with their respective mandates. The risks to price stability from the ongoing crises and uncertainty depend on many factors, which may vary across countries and regions. Central banks should stand ready to react swiftly, as necessary, to address inflationary pressures. Safeguarding central bank independence remains critical as it is essential for credible and effective monetary policy.

Strong capital and liquidity buffers remain key for maintaining the stability of the banking sectors and the global financial system as a whole. As both the size and the quality of these buffers matter, ensuring continued compliance and alignment with global standards is important.

Structural reforms are essential to boost medium-term growth prospects and reduce the impact of macroeconomic trade-offs. Lifting growth prospects also requires productivity-enhancing investments, notably in skills and education, including vocational training and apprenticeships. In addition, pension and healthcare systems must be carefully designed to ensure both their effective delivery and performance as well as their compatibility with fiscal sustainability.

Multilateral cooperation remains paramount to facilitate open, rules-based, and transparent international trade. Reliable trade relations in a system of well-functioning markets ensure much-needed predictability for investment, foster efficient capital allocation and competition, and support sustainable long-term growth.

The Fund's role at the current juncture

Surveillance, both bilateral and multilateral, is the cornerstone of the IMF's work. With its policy advice and analyses, the Fund provides a global public good, the excellence and relevance of which must be maintained. Monetary, fiscal, financial sector, and exchange rate policies must remain the priority topics of surveillance. The Comprehensive Surveillance Review should reaffirm these priorities and seek to establish a robust concept of macro-criticality. Surveillance should also be conducted in a focused, risk-based and cost-effective manner. The review of the Financial Sector Assessment Program provides an opportunity to improve financial surveillance in this regard. As part of its surveillance activities, the IMF should continue to advocate and promote cross-border integration, publicly emphasizing the crucial role of economic openness in generating global prosperity and stability.

The Fund must continue to provide candid and evenhanded advice on excessive external imbalances, both to surplus and deficit countries. This advice needs to remain grounded in a multilaterally consistent, high-quality analysis. For this advice to gain traction among members, methodological underpinnings need to garner broad consensus. It is thus crucial to continue engagement on the External Balance Assessment (EBA) framework and to further improve the methodology.

Capacity development (CD) provides tailored and hands-on assistance to members in building strong institutions and designing reforms. CD should remain focused on the Fund's key areas of expertise, such as domestic revenue mobilization and public financial management. We highlight the critical role of regional capacity development centers and the valuable contribution of the Caucasus, Central Asia, and Mongolia Technical Assistance Center (CCAMTAC) in assisting members of our Constituency. We also welcome the establishment of the Southeast Europe Technical Assistance Center (SEETAC).

Fund lending must continue to support members in solving their balance-of-payments problems and restoring their external viability, including debt sustainability, under adequate safeguards. Strong conditionality and high lending standards remain key to achieving this. Fund lending must also remain catalytic and cognizant of members' debt-carrying and repayment capacities. The

review of program design and conditionality as well as actual lending decisions must reflect these principles. In addition, the review of the Fund's exceptional access policy offers the opportunity to strengthen safeguards for large-scale lending. Given that the Fund's lending toolkit has proved highly flexible and responsive to members' needs, also under severe shocks, we deem the Fund adequately equipped to continue providing effective support.

While the Fund must continue to assert its lead on macroeconomic and macrofinancial issues, in line with its core mandate and expertise, coordination and collaboration with other international institutions and fora is of the essence. In this regard, we take good note of the recent formation of a coordination group by the IMF, the World Bank and the International Energy Agency (IEA) to maximize their institutions' response to the energy and economic impacts of the war in the Middle East. To be effective and efficient, it is important for this coordination group—as well as for cross-institutional coordination and collaboration more generally—to ensure a division of labor in line with individual competences and to avoid duplications. Moreover, the respective governance arrangements and prerogatives must be respected.

Tackling debt vulnerabilities

The Fund's work on debt-related issues must remain a priority. High and increasing debt vulnerabilities are a pressing concern in many countries. We reiterate our support for efforts to improve the effectiveness of coordinated case-by-case debt treatments, enhance debt transparency and debt management, and strengthen the Fund's debt policies and analytical tools.

Debt challenges and their root causes must be comprehensively addressed, on the basis of thorough and prudent debt sustainability analyses (DSAs). DSAs must err on the side of caution, detect and flag debt stress and sustainability risks in time, and contain the risk of doing “too little, too late” regarding potential debt treatments. In this context, we emphasize the importance of strengthening the predictive power of the debt sustainability framework for low-income countries (LIC DSF) now under review. Apart from that, we stress that strong macroeconomic policies and reforms, notably to enhance domestic resource mobilization and public financial management, are necessary elements of a comprehensive approach to tackling debt vulnerabilities.

Cross-cutting issues

The Fund should continue to work with the World Bank and other relevant institutions to promote macroeconomic resilience against climate risks. The agreed climate strategy anchors the Fund's work in this area and should be implemented across all its activities.

Digital finance presents both opportunities and challenges. The Fund's analysis and advice on the macrofinancial implications of crypto assets and stablecoins, central bank digital currencies, and other financial innovations can help its members develop digital strategies that allow reaping the benefits of digitalization, while safeguarding financial stability and integrity. Close cooperation with—and, where appropriate, deference to—other relevant international institutions and fora is called for.

Ensuring the effectiveness and financial soundness of the IMF and its trusts

The Fund and its trusts must retain solid finances and adequate reserves, to be able to provide continued and effective support to members. In light of persistently high and concentrated financial risks to the Fund, preserving a prudent level of precautionary balances as well as vigilant risk management remain crucial.

Our Constituency attaches great importance to the Poverty Reduction and Growth Trust (PRGT) as a key element of the Fund's unique support for LICs. Switzerland is a longstanding contributor and Poland joined the group of contributors in 2024. In order for the Resilience and Sustainability Trust (RST) to achieve its purpose, the arrangements under the Resilience and Sustainability Facility must remain linked to a concurrent, active upper-credit-tranche-quality IMF arrangement and feature high-quality reforms with a tangible and lasting positive impact, including on institutions. Close cooperation, mainly with the World Bank, remains essential for effective reforms.

IMF resources and governance

Our Constituency supports a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. At the current juncture, the adoption of the package under the Sixteenth General Review of Quotas remains the main priority. Furthermore, we endorse the agreed “Diriyah Guiding Principles on IMF Quota and Governance Reform”, which will serve as a foundation for future discussions, including in the context of the Seventeenth General Review of Quotas. We continue to recognize progress on quota share adjustments for the most underrepresented members, based on the existing quota formula, as an important objective. We also highlight that quota share adjustments should aim to better reflect members' relative positions in the world economy, while protecting the quota shares of the poorest members. We reiterate that a member's relative position in the world economy is determined both by GDP and by non-GDP elements and variables—quota shares and the quota formula should continue to reflect this. We underscore the importance of voluntary financial contributions in helping to finance core IMF activities, and reiterate the need for any quota or governance reform to be acceptable to a large majority of the membership.

For the IMF to be effective, the quality of its work as well as its integrity and reputation must remain impeccable. The Fund needs to be exemplary in terms of efficient procedures, practices, and budgetary prudence, as well as in maintaining a strong balance sheet. The reallocation of resources to meet evolving priorities and needs should remain a core element of the budget process.