



IFIs as anti-crisis factor - Chairman of IIB Board addressed XX Annual CAF Conference

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In the current circumstances, international financial institutions (IFIs) play an increasingly important role in overcoming the consequences of the global economic crisis. This was the message of the Chairman of the Board of the International Investment Bank (IIB), Nikolay Kosov, while speaking at the panel titled "Global Governance & the Reform of the International Financial Architecture".

The discussion took place on September 8, 2016 in Washington D.C. during the events of the XX Annual Conference of [CAF](#) - Development Bank of Latin America, organised together with the [Organisation of American States](#) and the [Inter-American Dialogue](#), and was dedicated to issues of international financial integration.

IFIs possess diversified investment capabilities and flexible financial instruments for facilitating implementation of global economic initiatives, stressed **N. Kosov**. *"During crises and under new, stricter Basel Committee requirements, IFIs in particular have the potential to greatly compensate for the lack of financing for important projects from both the state and commercial banks,"* - emphasized the speaker.

According to the IIB Chairman, market volatility and overall globalisation drive an increase in demand for long-term funding and development capital, especially in emerging economies. *"MDBs are experiencing today a real upheaval, as evidenced by the recent establishment and activities of such multilateral financial institutions as the BRICS' [New Development Bank \(NDB\)](#) and the [Asian Infrastructure Investment Bank](#),"* - noted N. Kosov. He added that the NDB in particular shares a common feature with the IIB in the form of no association with any single particular region, reflecting cooperation irrespectively of drawn regional lines - rather a novelty in the international financial architecture.

N. Kosov stressed the importance of SME support, which became a significant focus for the IIB after the Bank's relaunch four years ago in light of the importance of this sector for its member countries, though IIB's activities have been gradually shifting towards larger projects. He also called on other IFIs to participate in an effective reform of the international financial infrastructure to accelerate the implementation of joint projects, primarily in areas of syndicated lending and risk sharing. Within this context, IIB's Chairman separately underlined the need for a separate treatment of MDBs and special methodology for their rating assessments.

The panel's other participants included NDB's President, K.V. Kamath, Vice President of the Asian Development Bank, Stephen P. Groff, former UN Under-Secretary-General for Economic and Social Affairs, José Antonio Ocampo, and Peru's former finance minister, Luis Miguel Castilla, who shared their views on the situation.

The XX Annual CAF Conference brought together more than 1 000 delegates, including senior representatives of governments and public institutions from Latin America, executives from leading IFIs, international banking groups and regional corporations, research institutes and public organisations. The Conference was launched by keynote remarks from Enrique García, CAF's President, and Vice President of the United States, Joe Biden.