

Section 2. Multilateral COVID-19 Emergency Response

2.1. The World Bank Group:

On 11 February 2020, the World Bank Group (WBG) announced the *COVID-19 Emergency Response Commitment* to provide \$160 billion in project financing over 16 months to help alleviate the health, economic and social shocks that developing countries are facing as a consequence of the COVID-19 Pandemic [14].

The WBG *Commitment* will focus its financial resources to aid developing countries in preventing and limiting COVID-19 disease transmission, building community-based disease surveillance, training front-line emergency health care responders, providing personal protective equipment and portable ventilators, and expanding and improving national health care systems, including healthcare facility universal access to electricity and reliable electric power [15].

The World Bank (WB) and the principal multilateral finance organizations within the World Bank Group (WBG)—the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA)—will provide *Commitment* funding through the mechanism of a dedicated *COVID-19 Fast-Track Facility* [16].

To date, this mobilization effort has achieved the following milestones:

- (1) The WBG and the International Finance Corporation (IFC) jointly approved a \$14 billion finance package to assist countries in their efforts to prevent, detect and respond to COVID-19 [17];
- (2) The Multilateral Investment Guarantee Agency (MIGA) launched a \$6.5 billion facility to support the purchase of urgent medical equipment, provide working capital for small and medium enterprises, and support governments' short-term funding needs [18];
- (3) The WBG dispersed \$1.9 billion in *COVID-19 Emergency Response Commitment* funding to 25 countries using the dedicated *COVID-19 Fast-Track Facility* [19]; and
- (4) The WBG announced its emergency operations to fight COVID-19 have reached 100 developing countries, home to 70% of the world's population [20].

[14] World Bank Group (2020). COVID-19 Emergency Response Commitment.

<https://www.worldbank.org/en/who-we-are/news/coronavirus-covid19>

[15] Ibid.

[16] World Bank Group (2020). The Fast Track COVID-19 Facility

<http://www.renewablenations.us/uploads/3/7/6/1/37613217/proposal-for-a-world-bank-covid-19-response-under-the-fast-track-covid-19-facility.pdf>

[17] International Finance Corporation (2020). IFC Increases COVID-19 Support.

<https://ifcextapps.ifc.org/ifcext/pressroom/ifcpressroom.nsf/0/CCCB1EAC6F61E32C8525852E0068124B?OpenDocument>

[18] Multilateral Investment Guarantee Agency (2020). MIGA's \$6.5 Billion Fast-Track Facility

<https://www.miga.org/press-release/migas-65-billion-fast-track-facility-help-investors-lenders-tackle-covid-19>

[19] World Bank Group (2020). COVID-19 Emergency Response Commitment Project List

<https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-covid-19-coronavirus-projects-list>

[20] Ibid.

2.2. The International Monetary Fund:

On 9 April 2020, the International Monetary Fund (IMF) announced [21] that it has made available \$1 trillion in lending capacity in response to an unprecedented number of calls for COVID-19 emergency financing from over 102 countries. The IMF is focusing COVID-19 emergency financing on five tracks, as follows:

- (1) **Emergency financing:** The IMF has doubled the access to its emergency facilities—the Rapid Credit Facility (RCF) [22] and the Rapid Financing Instrument (RFI) [23]—in order to meet an expected demand of approximately \$100 billion for emergency assistance. Emergency financing has already been approved by “first stand-by-arrangement” (without the need to have a full-fledged program in place) for more than 70 countries.
- (2) **Grants for debt relief:** The IMF has adjusted its Catastrophe Containment and Relief Trust (CCRT) [24] policies to provide grants through the Poverty Reduction and Growth Trust (PRGT) [25] for immediate debt relief to low-income countries affected by COVID-19. Immediate debt service relief has been approved for 29 countries. The IMF is now working with donors to increase the funding capacity of the CCRT to \$1.4 billion in order to extend the duration of grant-based debt relief for up to two years for distribution to the poorest and most vulnerable countries.
- (3) **Enhancing liquidity:** The IMF has established a Short-term Liquidity Line (SLL) to further strengthen global financial safety [26]. The Short-term Liquidity Line is designed to be a liquidity backstop for IMF members with very strong policy frameworks and fundamentals, who face potential, moderate, short-term liquidity needs because of external shocks that generate balance of payment difficulties.
- (4) **Adjusting existing lending arrangements:** The IMF is also augmenting existing lending programs to accommodate urgent new needs arising from the coronavirus, thereby enabling existing resources to be channeled for the necessary spending on medical supplies and equipment and for containment of the outbreak.
- (5) **Capacity Development** – In response to the pandemic, the IMF is providing real-time policy advice and capacity development support to over 160 countries to address urgent issues such as cash management, financial supervision, cybersecurity and economic governance. IMF technical experts are also working with countries to revise and update their debt management strategies.

[21] International Monetary Fund (2020). Confronting the Crisis: Priorities for the Global Economy.

<https://www.imf.org/en/News/Articles/2020/04/07/spo40920-SMs2020-Curtain-Raiser>

[22] International Monetary Fund (2020). IMF Rapid Credit Facility (RCF).

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/08/Rapid-Credit-Facility>

[23] International Monetary Fund (2020). Rapid Financing Instrument (RFI).

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/19/55/Rapid-Financing-Instrument>

[24] International Monetary Fund (2020). Catastrophe Containment and Relief Trust (CCRT).

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/16/49/Catastrophe-Containment-and-Relief-Trust>

[25] International Monetary Fund (2020). Poverty Reduction and Growth Trust (PRGT).

<https://www.imf.org/en/About/Factsheets/IMF-Support-for-Low-Income-Countries>

[26] Multilateral Investment Guarantee Agency (2020). MIGA's \$6.5 Billion Fast-Track Facility

<https://www.miga.org/press-release/migas-65-billion-fast-track-facility-help-investors-lenders-tackle-covid-19>

2.3. The United Nations:

On 31 March 2020, United Nations (UN) Secretary-General António Guterres announced in a press release [27] the publication of a COVID-19 impact report—“*Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of COVID-19*” [28]—in which he states the need for \$8.5 trillion to urgently address socioeconomic and health impacts of COVID-19 in developing countries.

The Secretary-General’s impact report is also a “**Call to Action**” urging multi-sector stakeholders of the United Nations to “*repurpose their facilities and business plans*” to provide financial and technical support to governments with the goal to strengthen the resilience of national health systems [29].

The report emphasizes the need of a common vision and plan of action—a “*whole of society*” approach—to leverage the latest advances in scientific research, emerging technologies and new data sources in the fight against COVID-19 [30].

The common vision set forth by the United Nations Secretary-General is to “deal decisively with those issues that make us all unnecessarily vulnerable to [the COVID-19 crisis] and future crises; [for] everything we do during and after this crisis must be with a strong focus on building more equal and inclusive societies that are more resilient in the face of pandemics, climate change, and the many other challenges we face.” [31]

The United Nations *Call to Action* argues for a “quantum shift” with concrete outcomes in the approach and architecture in pandemic preparedness by building an *interconnected Global Health Emergency System* [32]. Such a system requires a “*whole of society*” planning approach complemented by sustained international investments in universal access to electricity and reliable electric power in healthcare facilities to host the system platform.

The World Health Organization (WHO) estimates that it will require an annual investment of \$274 billion through 2030 [33] to provide access to electricity and reliable electric power for healthcare facilities serving 4.8 billion people, 61.5% of the world’s population, and \$100 billion over the next 5 years in 67 low- and middle-income countries to build an *interconnected Global Health Emergency System*.

On 30 March 2020, the United Nations Conference on Trade and Development (UNCTAD) called for an initial economic stimulus of \$2.5 trillion to advance the United Nations COVID-19 response agenda [34].

[27] United Nations (2020). Press Release, p. 3.

http://www.renewablenations.us/uploads/3/7/6/1/37613217/un_brand_sg_press_release_march31_2020_10am.pdf

[28] United Nations (2020). *Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of COVID-19* p. 3.

http://www.renewablenations.us/uploads/3/7/6/1/37613217/sg_report_socio-economic_impact_of_covid19.pdf

[29] Ibid. p. 22.

[30] Ibid. p. 22.

[31] Ibid. p. 22.

[31] Ibid. p. 22.

[33] World Health Organization (2014). Access to modern energy services for health facilities in resource-constrained settings: a review of status, significance, challenges and measurement, p 16.

http://www.renewablenations.us/uploads/3/7/6/1/37613217/energy_and_health_hio.pdf

[34] United Nations Conference on Trade and Development (2020). UNCTAD calls for \$2.5 trillion coronavirus crisis package.

<https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2315>