MULTILATERAL AND REGIONAL DEVELOPMENT FINANCE INSTITUTIONS ACTIONS AND MEASURES TO SUPPORT THE PRODUCTION AND SOCIAL SECTORS IN CONFRONTING THE CRISIS COVID 19

REPORT N°2

- **CAF. Banco de Desarrollo de América Latina**

COVID19: CAF makes US$2.5 billion available for countries to protect their population and economies

Caracas / Venezuela, March 23, 2020

As a development ally to Latin America, CAF makes available an Emergency Credit Line of rapid disbursement of up to US$2.5 billion, which will allow authorities to offer a rapid and timely response to mitigate the effects of COVID-19's expansion, and contribute to the continuity of business operations and the recovery of economic growth.

In order to offer a comprehensive support to countries when they need it most, CAF – development bank of Latin America- makes available to its shareholders an Emergency Credit Line of a countercyclical nature and rapid disbursement for up to US$2.5 billion, which will serve to support and complement the fiscal measures that governments are applying.

This initiative joins another announced on March 3rd, during the Board of the institution held in Buenos Aires, Argentina, which consists of a contingent credit line of up to US$300 million

"The credit line's objective is to streamline the approval of operations that quickly and effectively support the emergency measures our countries are adopting to mitigate the effects of COVID-19 on the economy and on people's quality of life. In contingencies like this, our role as development partners of all our shareholder countries is even more relevant" assured CAF's Executive President Luis Carranza Ugarte.

This initiative joins another announced on March 3rd, during the institution's Board of Directors Assembly held in Buenos Aires, Argentina, which consists of a contingent credit line of up to US$50 million per country that has been made available to shareholders to provide direct attention of public health systems. The authorities also have at their disposal non-reimbursable technical cooperation resources of up to US$400 thousand per country for initiatives related to this global situation.

In addition, we'll continue supporting our countries' banking systems, development banks as a priority, so that they can allocate resources to the productive sector, particularly to small and medium-sized enterprises.

"In addition, we'll continue supporting our countries' banking systems, development banks as a priority, so that they can allocate resources to the productive sector, particularly to small and medium-sized; we will also continue making efforts to mobilize resources from third countries and strategic partners to complement the efforts our shareholder countries have been making, "added Carranza Ugarte.

Finally, CAF has activated a corporate action protocol, which follows the World Health Organization (WHO)'s guidelines, and includes prevention measures in the countries in which it operates, such as the adoption of remote work for 100% of its personnel, as well as control plans in case of a contagion. These measures guarantee the institution's operability, critical process execution and objective fulfillment.
https://www.caf.com/en/currently/news/2020/03/covid19-caf-makes-usd-25-billion-available-for-countries-to-protect-their-population-and-economies/

- **African Development Bank**

African Development Bank launches record breaking $3 billion "Fight COVID-19" Social Bond
Adf News, 27-Mar-2020
Landmark transaction, largest Social bond transaction to date in capital markets
The African Development Bank (AAA) has raised an exceptional $3 billion in a three-year bond to help alleviate the economic and social impact the Covid-19 pandemic will have on livelihoods and Africa's economies.
The Fight Covid-19 Social bond, with a three-year maturity, garnered interest from central banks and official institutions, bank treasuries, and asset managers including Socially Responsible Investors, with bids exceeding $4.6 billion. This is the largest Social Bond ever launched in international capital markets to date, and the largest US Dollar benchmark ever issued by the Bank. It will pay an interest rate of 0.75%.
The African Development Bank Group is moving to provide flexible responses aimed at lessening the severe economic and social impact of this pandemic on its regional member countries and Africa's private sector.

"These are critical times for Africa as it addresses the challenges resulting from the Coronavirus. The African Development Bank is taking bold measures to support African countries. This $3 billion Covid-19 bond issuance is the first part of our comprehensive response that will soon be announced. This is indeed the largest social bond transaction to date in capital markets. We are here for Africa, and we will provide significant rapid support for countries," said Dr. Akinwumi Adesina, President of the African Development Bank Group.

The order book for this record-breaking bond highlights the scale of investor support, which the African Development Bank enjoys, said the arrangers.

"As the Covid-19 outbreak is dangerously threatening Africa, the African Development Bank lives up to its huge responsibilities and deploys funds to assist and prepare the African population, through the financing of access to health and to all other essential goods, services and infrastructure," said Tanguy Claquin, Head of Sustainable Banking, Crédit Agricole CIB.

Coronavirus cases were slow to arrive in Africa, but the virus is spreading quickly and has infected nearly 3,000 people across 45 countries, placing strain on already fragile health systems.

It is estimated that the continent will require many billions of dollars to cushion the impact of the disease as many countries scrambled contingency measures, including commercial lockdowns in desperate efforts to contain it. Globally, factories have been closed and workers sent home, disrupting supply chains, trade, travel, and driving many economies toward recession.

Commenting on the landmark transaction, George Sager, Executive Director, SSA Syndicate, Goldman Sachs said: "In a time of unprecedented market volatility, the African Development Bank has been able to brave the capital markets in order to secure invaluable funding to help the efforts of the African continent's fight against Covid-19. Not only that, but in the process, delivering their largest ever USD benchmark. A truly remarkable outcome both in terms of its purpose but also in terms of a USD financing".

The Bank established its Social Bond framework in 2017 and raised the equivalent of $2 billion through issuances denominated in Euro and Norwegian krone. In 2018 the Bank was designated by financial markets, 'Second most impressive social or sustainability bond issuer" at the Global Capital SRI Awards.

"We are thankful for the exceptional level of interest the Fight Covid-19 Social Bond has raised across the world, as the African Development Bank moves towards lessening the social and economic impact of the pandemic on a continent already severely constrained. Our Social bond program enables us to highlight our strong development mandate to the investor community, allowing them to play a part in improving the lives of the people of Africa. This was an exceptional outcome for an exceptional cause," said Hassatou Diop N'Sele, Treasurer, African Development Bank.

Fight Covid-19 was allocated to central banks and official institutions (53%), bank treasuries (27%) and asset managers (20%). Final bond distribution statistics were as follows: Europe (37%), Americas (36%), Asia (17%) Africa (8%,) and Middle-East (1%) https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-launches-record-breaking-3-billion-fight-covid-19-social-bond-34982

- **FMI**

POLICY RESPONSES TO COVID-19

Policy Tracker

This policy tracker summarizes the key economic responses governments are taking to limit the human and economic impact of the COVID-19 pandemic as of end-March 2020. The tracker includes 186 economies. More countries will be added soon.

NOTE: The tracker is not meant for comparison across members as responses vary depending on the nature of the shock and country-specific circumstances. The tracker focuses on discretionary actions that supplement existing social safety nets and insurance mechanisms. These existing mechanisms differ across countries in their breadth and scope. The information included is publicly available and does not represent views of the IMF on the measures listed.

- **BIS**

The Basel Committee

Governors and Heads of Supervision announce deferral of Basel III implementation to increase operational capacity of banks and supervisors to respond to Covid-19

Press reléase, 27 March 2020

The Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has endorsed a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the coronavirus disease (Covid-19) on the global banking system.

"It is important that banks and supervisors are able to commit their full resources to respond to the impact of Covid-19. This includes providing critical services to the real economy and ensuring that the banking system remains financially and operationally resilient. The measures endorsed by GHOS today aim to prioritise these objectives and we remain ready to act further if necessary," said François Villeroy de Galhau, Chairman of the GHOS and Governor of the Bank of France.

Pablo Hernández de Cos, Chairman of the Basel Committee and Governor of the Bank of Spain, said: "Today's measures will free up operational capacity for banks and supervisors as they respond to the economic impact of Covid-19. The Committee will continue to closely monitor the impact of Covid-19 on banks and supervisors and respond as necessary in coordination with the Financial Stability Board and other standard-setting bodies on cross-cutting issues."

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

The implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.

The implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.

The implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023
.
These standards were finalised with the objective of complementing the initial set of Basel III standards. The revised timeline is therefore not expected to dilute the capital strength of the global banking system, but will provide banks and supervisors additional capacity to respond immediately and effectively to the impact of Covid-19.

GHOS members unanimously reaffirmed their expectation of full, timely and consistent implementation of all Basel III standards based on this revised timeline. Current events demonstrate once again the importance of a resilient financial system, which these reforms will help further reinforce.

- **OECD**

Financial consumer protection responses to COVID-19 Support for financial consumers 25 March 2020

The COVID-19 emergency will affect the lives of many people around the globe. There are a number of ways that policy makers, public authorities and financial services providers can safeguard the interest of financial consumers who may be experiencing financial difficulties and help them to manage their personal finances. These options are not recommendations but can assist policy makers in their consideration of appropriate measures to help financial consumers, depending on the contexts and circumstances of individual jurisdictions, during this difficult period. These options are consistent with the G20/OEC High Level Principles on Financial Consumer Protection that set out the foundations for a comprehensive financial consumer protection framework.

FLEXIBILITY ON LOAN REPAYMENTS: financial consumers facing financial hardship as result of COVID-19 could be offered flexibility relating to their loan obligations, including options such as deferral of repayments (e.g. mortgage payment holidays), extension of loan terms and/or waiving of fees and charges, together with clear information about the implications of such options for the loan overall.

SUSPENSION OR DEFERRAL OF DE%T COLLECTION ACTIVITIES: policy makers and public authorities could work with banks and other lenders to consider suspending or deferring debt collection activities, including repossession and foreclosure procedures, in relation to financial consumers facing financial difficulties as a result of COVID-19.

EMERGENCY ACCESS TO FUNDS: policy makers and public authorities could work with banks, fund managers and other financial services providers to consider granting emergency access to funds held in term deposits and other savings and investments products for financial consumers experiencing financial difficulties as a result of COVID-19. Where relevant, this could include emergency access to funds held in retirement savings funds, taking account of the longer term implications of doing so.

ACCESS TO BANKING SERVICES: policy makers and public authorities could work with banks to ensure continued access to banking services using a range of options (including where available branches, telephone, internet and mobile banking), taking account of the access needs and limitations of some financial consumers.

INSURANCE POLICY EXCLUSIONS: policy makers and public authorities could work with insurance companies to ensure that exclusions in insurance cover relating to COVID-19 are clearly communicated to existing and new policyholders, including at renewal.

INSURANCE CLAIMS: policy makers and public authorities could work with insurance companies to ensure that insurance claims are treated fairly, recognising changes in circumstances that financial consumers may be facing.

INFORMATION FOR FINANCIAL CONSUMERS AND RETAIL INVESTORS: policy makers and public authorities could provide information for financial consumers about how to manage their personal finances and investments, and what actions they need to take if they are facing financial difficulties as a result of COVID-19.

WARNINGS AGAINST SCAMS: policy makers and public authorities could work with the financial services industry, law enforcement and other agencies to warn financial consumers against financial scams, such as phishing scams, operating in the context of the COVID-19 emergency and advise financial consumers how to protect themselves.

CLEAR COMMUNICATION: the implementation of any of the above or other measures should be clearly communicated to financial consumers by various channels, so they know what options are available to them and what the implications or consequences may be for their overall financial situation.

Some of the measures countries are providing to #SmallBusinesses during #COVID19 include: Temporary tax relief, Tax cuts and credits, Direct financial support and Procurement & payment-delay measures.

See our #SME policy responses
[Covid-19: SME Policy Responses Updated](#) 23 March 2020-
New additions are highlighted in grey.
This note is developed by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities(CFE). It examines how SMEs are likely to be affected by the current coronavirus epidemic, reports on early evidence and estimates about the impact, and provides a preliminary inventory of country responses to foster SME resilience. This paper is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and the arguments employed herein not necessarily reflect the official views of OECD member countries.

- **BRICS New Development Bank**

COVID-19 outbreak: BRICS New Development Bank approves nearly USD 1 bn loan to China
ANI | Mar 20, 2020

Moscow [Russia], Mar 20 (Sputnik/ANI): China is set to receive a loan worth RMB 7 billion (USD 989 million) from the BRICS New Development Bank (NDB) in order to combat the epidemiological threat and economic disruption caused by the ongoing coronavirus disease (COVID-19) outbreak.

"On March 19, 2020, the Board of Directors of the New Development Bank approved RMB 7 billion Emergency Assistance Program Loan to the People's Republic of China," BRICS said in a press release.

The loan is the largest ever awarded in the NDB's history and is also the first emergency assistance given to one of BRICS' member states, the NDB said.

Funds from the loan have been earmarked for covering urgent and unexpected public health costs in the three provinces in China most affected by the COVID-19 outbreak, according to the press release.

"The programme will focus on three provinces in China, including Hubei, Guangdong, and Henan that are hit the hardest by COVID-19. The Program will support these three provinces in financing their most urgent needs for fighting the spread of COVID-19, and reducing the adverse impacts of the outbreak on their local economies," the press release read.

In particular, funds will be used to strengthen medical emergency response systems in these regions, as well as mitigate any current or future epidemiological or economic issues arising from the outbreak.

The NDB was created by Russia, China, India, Brazil and South Africa to create the infrastructure for sustainable development in emerging economies and developing countries.

Any UN member state can become a member of the NDB, although the cumulative share of BRICS nations can never be less than 55 per cent of the voting potential. (Sputnik/ANI)
https://www.aninews.in/news/world/asia/covid-19-outbreak-brics-new-development-bank-approves-nearly-usd-1-bn-loan-to-china20200320194844/?amp=1

- **BID**

IDB Group announces priority support areas for countries affected by COVID-19
March 26, 2020
News releases
The Group will finance a response to the public health emergency; safety nets for vulnerable populations; economic productivity and employment; and fiscal policies to ameliorate economic impacts.

The Inter-American Development Bank and IDB Invest have outlined their focus for deploying the financial and technical resources made available to borrowing member countries and companies to address the crisis created by COVID-19, the disease caused by the coronavirus.

Based on extensive dialogue with the governments of member countries and technical analysis by Bank specialists, the IDB Group will concentrate its support in four areas:

- **The Immediate Public Health Response:** Support for countries' preparedness and response capacities to help contain the transmission of the virus and mitigate its impact, with resources to strengthen public healthcare systems and purchase supplies and equipment.
- **Safety Nets for Vulnerable Populations**: Measures to protect the income of the most affected populations through existing transfer programs, non-contributory pensions and grants. Other proposed measures include extraordinary transfers to workers in the informal sector and support for companies in sectors particularly affected by the crisis, such as tourism.
- **Economic Productivity and Employment:** Assistance to SMEs, which account for 70% of the region's jobs, through financing programs and short-term liquidity guarantees, foreign-trade financing and guarantees, loan restructuring, and support for strategic supply chains.
- **Fiscal Policies for the Amelioration of Economic Impacts**: Support to countries in designing and implementing policies in three key areas: fiscal measures to finance the response to the crisis; continuity plans for the execution of expenditures and public procurement; and measures to support economic recovery.

"We are immediately reprogramming resources to help with this health emergency," said IDB President Luis Alberto Moreno. "However, the historic dimensions of the crisis require a multisectoral strategy that anticipates the social and economic impact over the medium and long term. These lines of action reflect the priorities of our governments and the deep knowledge that our specialists bring to bear on the specific challenges facing each of our countries."

Since the end of January, the IDB Group has increased the availability of funds and adjusted lending instruments to streamline support for countries affected by the virus. The Bank has also established learning and exchange platforms to help make its technical knowledge available to the region and facilitate dialogue with international organizations and governments that are collaborating to combat the pandemic.

In addition to reprogramming its existing portfolio of health projects to address the crisis, the IDB can direct $3.2 billion more to the lending program initially stipulated for 2020. These funds, added to the available resources already programmed for this year, would make up to $12 billion available to countries for the purpose of responding to the health crisis and its consequences.

Governments can also request the redirection of resources from projects in execution in other sectors to meet needs related to the virus. These resources could total up to $1.35 billion.
IDB Invest, the private sector institution of the IDB Group, will contribute up to $5 billion to these efforts in 2020. Of that total, $4.5 billion will come from its investment program, focusing on companies impacted by the crisis. Additionally, IDB Invest is working on a new $500-million Crisis Mitigation Facility targeting investments that provide a direct response to the pandemic through health and health-related sectors and access to short-term lending for small and medium-sized enterprises through financial institutions and supply chain finance.

In addition to these efforts, the IDB Group is exploring options to streamline fiduciary processes and timeframes for approving operations in order to maximize and accelerate its support for the region at this critical time.
https://www.iadb.org/en/news/idb-group-announces-priority-support-areas-countries-affected-covid-19

- WORLD BANK GROUP

World Bank Group Increases COVID-19 Response to $14 Billion To Help Sustain Economies, Protect Jobs
Focus on private sector and workers spearheaded by IFC to mitigate financial and economic impact of crisis
WASHINGTON, March 17, 2020 — The World Bank and IFC's Boards of Directors approved today an increased $14 billion package of fast-track financing to assist companies and countries in their efforts to prevent, detect and respond to the rapid spread of COVID-19. The package will strengthen national systems for public health preparedness, including for disease containment, diagnosis, and treatment, and support the private sector.

IFC, a member of the World Bank Group, will increase its COVID-19 related financing availability to $8 billion as part of the $14 billion package, up from an earlier $6 billion, to support private companies and their employees hurt by the economic downturn caused by the spread of COVID-19.

The bulk of the IFC financing will go to client financial institutions to enable them to continue to offer trade financing, working-capital support and medium-term financing to private companies struggling with disruptions in supply chains. IFC's response will also help existing clients in economic sectors directly affected by the pandemic--such as tourism and manufacturing—to continue to pay their bills. The package will also benefit sectors involved in responding to the pandemic, including healthcare and related industries, which face increased demand for services, medical equipment and pharmaceuticals.

"It's essential that we shorten the time to recovery. This package provides urgent support to businesses and their workers to reduce the financial and economic impact of the spread of COVID-19," said **World Bank Group President David Malpass**. *"The World Bank Group is committed to a fast, flexible response based on the needs of developing countries. Support operations are already underway, and the expanded funding tools approved today will help sustain economies, companies and jobs."*

The additional $2 billion builds on the announcement of the original response package on March 3, which included $6 billion in financing by the World Bank to strengthen health systems and disease surveillance and $6 billion by IFC to help provide a lifeline for micro, small and medium sized enterprises, which are more vulnerable to economic shocks.

"Not only is this pandemic costing lives, but its impact on economies and living standards will likely outlive the health emergency phase. By ensuring our clients sustain their operations during this time, we hope the private sector in the developing world will be better equipped to help economies recover more quickly," said **Philippe Le Houérou, Chief Executive Officer of IFC**. *"In turn, this will help vulnerable groups to more quickly recover their livelihoods and continue to invest in the future."*

Having mobilized quickly at the time of the 2008 global financial crisis and the Western African Ebola virus epidemic, IFC has a successful track record of implementing response initiatives to address global and regional crises hampering private-sector activity and economic growth in developing countries.

The IFC response has four components:

- $2 billion from the **Real Sector Crisis Response Facility**, which will support existing clients in the infrastructure, manufacturing, agriculture and services industries vulnerable to the pandemic. IFC will offer loans to companies in need, and if necessary, make equity investments. This instrument will also help companies in the healthcare sector that are seeing an increase in demand.
- $2 billion from the existing **Global Trade Finance Program**, which will cover the payment risks of financial institutions so they can provide trade financing to companies that import and export goods. IFC expects this will support small and medium-sized enterprises involved in global supply chains.
- $2 billion from the **Working Capital Solutions program**, which will provide funding to emerging-market banks to extend credit to help businesses shore up their working capital, the pool of funds that firms use to pay their bills and compensate workers.
- **A new component initiated at the request of clients and approved on March 17:** $2 billion from the Global Trade Liquidity Program, and the Critical Commodities Finance Program, both of which offer risk-sharing support to local banks so they can continue to finance companies in emerging markets.

IFC is already working to deploy its response financing. For example, we recently expanded trade-financing limits for four banks in Vietnam by $294 million so they could continue lending to companies in need, especially small and medium-sized enterprises.

IFC will maintain its high standards of accountability, while bearing in mind the need to provide support for companies as quickly as possible. IFC management will approve projects based on credit, environmental and social governance and compliance criteria, as applied in past crisis responses.
https://www.worldbank.org/en/news/press-release/2020/03/17/world-bank-group-increases-covid-19-response-to-14-billion-to-help-sustain-economies-protect-jobs

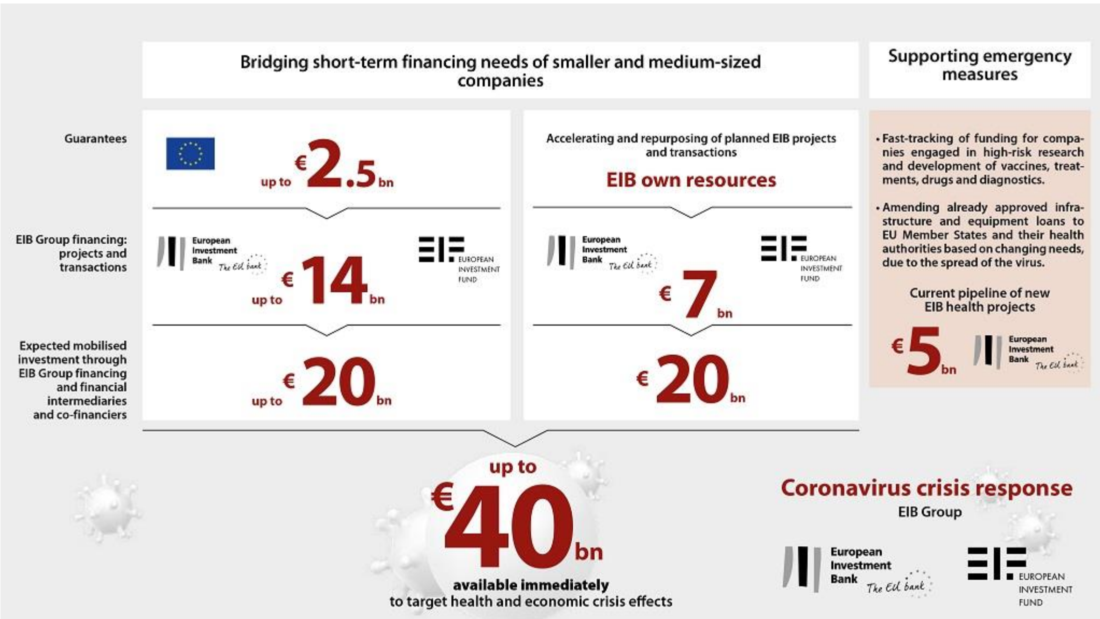
- **European Investment Bank (EIB)**

The #InnovFin 'Infectious Disease Finance Facility' & other financial instruments shared with the European Commission will support financing projects that work towards halting the spread, finding a cure & developing a vaccine against #COVID19.
More info ☞ https://www.eib.org/attachments/thematic/health_overview_2020_en.pdf
https://www.linkedin.com/posts/european-investment-bank_innovfin-covid19-activity-6649266037550260224-Lt41

Coronavirus outbreak: EIB Group's response to the pandemic
Coronavirus disease 2019 (COVID-19) is caused by a new type of coronavirus. It was first identified in the Chinese municipality of Wuhan in December 2019.
An immediate response to the crisis
The EIB Group has proposed a plan to mobilise up to **€40 billion** of financing. This will go towards bridging loans, credit holidays and other measures designed to alleviate liquidity and working capital constraints for SMEs and mid-caps. The EIB Group, including the European Investment Fund, which specialises in support for SMEs, will work through financial intermediaries in the Member States and in partnership with national promotional banks.
The proposed financing package consists of:

- Dedicated guarantee schemes to banks based on existing programmes for immediate deployment, mobilising up to **€20 billion** of financing;
- Dedicated liquidity lines to banks to ensure additional working capital support for SMEs and mid-caps of **€10 billion**;
- Dedicated asset-backed securities (ABS) purchasing programmes to allow banks to transfer risk on portfolios of SME loans, mobilising another **€10 billion** of support.

All these actions can be implemented quickly to ease liquidity shortages and will be implemented in partnership with national promotional banks wherever feasible.
The EIB group is exploring possibilities to scale up its overall response to the coronavirus crisis.



https://www.eib.org/en/about/initiatives/covid-19-response/index.htm?utm_source=twitter&utm_medium=Social&utm_campaign=PressRelease&utm_content=na&cid=Social_twitter_PressRelease_2020-03-27-12_en_na_na_Health-LifeSciences

EIB Group will rapidly mobilise up to EUR 40 billion to fight crisis caused by Covid-19 and calls on Member States to set up a further guarantee for SME and mid-cap support
16 March 2020

- **EIB Group offers support to European companies under strain from the coronavirus pandemic and its economic effects**

- **Potential financing of up to EUR 40 billion can be mobilised at short notice, backed up by guarantees from the European Investment Bank Group and the European Union budget**
- **Extra funding available for healthcare sector for emergency infrastructure and development of cures and vaccines**
- **President Hoyer calls for significant, scalable additional guarantee from Member States to ensure access to finance for SMEs and midcaps**

The rapid spread of the virus is putting a heavy strain on both public health and the economy. Today the European Investment Bank Group (EIBG) has proposed measures to be taken in cooperation with the European Commission and national partners in support of European companies, health expenditure, and the EU economy as a whole.

"*Covid-19 is exacting a tragic toll in human suffering across Europe and the world. The Bank, and I personally, are close to the people hit by the contagion. The pandemic is also having a devastating economic impact which is already showing*," said EIB President **Werner Hoyer.** *"We need a strong European response and we need it now. Europe needs another 'whatever it takes' moment. The EU bank will help in this crisis as it did in every past moment of hardship in Europe, be it due to economic downturns or natural catastrophes. We will immediately focus on assisting small and medium companies and mid-caps. They badly need help, and they need it quickly. In partnership with the Member States, the European Commission and other financial partners, including most notably national promotional banks, we want to develop a substantial financial package that can be rolled out straight away, without recourse to new legislation."*

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- Dedicated asset-backed securities (ABS) purchasing programmes to allow banks to transfer risk on portfolios of SME loans, mobilising another **EUR 10 billion** of support.
- All these actions can be implemented quickly to ease liquidity shortages and will be implemented in partnership with National Promotional Banks wherever feasible.
- In addition, EIB President Werner Hoyer called for Member States to set up a **significant and scalable additional guarantee** for the EIB and national promotional Banks to ensure that **access to finance for SMEs and midcaps remains open.** The guarantee would offer a pan-European solution of credible size and usable immediately. "This would help reassure markets and citizens at this time of unprecedented uncertainty", said President Hoyer.
- Whilst it would be for Member States to determine where the funds for the guarantee would come from, President Hoyer suggested they could be drawn from the European Financial Stability Mechanism (EFSM), or could be pooled by Member States themselves into a temporary new fund.

In addition, the EIB Group will use existing financial instruments shared with the European Commission, primarily the InnovFin 'Infectious Disease Finance Facility', to finance projects that work towards halting the spread of, finding a cure, for and developing a vaccine against coronavirus. The EIB Group will also support emergency measures to finance urgent infrastructure improvements and equipment needs in the health sector, using existing framework loans or undisbursed amounts from existing health projects. The EIB Group's current pipeline of projects in the health sector amounts to around EUR 5 billion.

President Hoyer said: "*We will build on what we already do for the health sector. We are already in contact with companies and organisations seeking to fund the search for Covid-19 vaccines and medication. We are all living through trying times, and the EIB Group will work without pause to ensure the EU bank contributes to the rapid resolution of this terrible crisis.*"
https://www.eib.org/en/press/all/2020-086-eib-group-will-rapidly-mobilise-eur-40-billion-to-fight-crisis-caused-by-covid-19