



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at February 1st, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

International Financing Institutions: International Monetary Fund (IMF)

Country/Region	General measures
INTERNATIONAL MONETARY FUND	
Financing	<p>The IMF published a set of policy recommendations that can help guide countries during the pandemic (16 March).</p> <p>The complete overview of the International Monetary Fund's (IMF) Emergency Financing and Debt Relief can be downloaded here.</p> <p>It is estimated by the IMF that global fiscal support amounts about US\$9 trillion in total. In April, the breakdown looked like this: Direct budget support was estimated at US\$4.4 trillion globally and additional public sector loans and equity injections, guarantees, and other quasi-fiscal operations (such as non-commercial activity of public corporations) amounted to another US\$4.6 trillion. The Group of Twenty advanced and emerging economies were at the forefront with actions totaling US\$8 trillion.</p> <p>The IMF Fiscal Affairs Department staff published broad guidance on "greening the recovery" with 3 priorities:</p> <ul style="list-style-type: none"> • Governments should prioritize investments in green technologies, clean transport, sustainable infrastructure and climate resilience. In the energy sector alone, the IMF estimates that a low-carbon transition would require US\$2.3 trillion in investment every year for a decade; • Promote green finance by using green bonds. In light of the extended use of government guarantees, part of them can be deployed to mobilize private finance for green investment. And financial firms have to be mandated to better disclose climate risks in their lending and investment portfolios; • Higher carbon price is needed to encourage climate-smart investment and to accelerate the shift to cleaner fuels and more energy efficiency. The current global carbon price is only US\$2 per ton, way below the levels needed to keep global warming under 2 degrees Celsius, which we estimate to be US\$75 per ton (29 April). <p>A new IMF liquidity backstop has been created in the week of April 13 called the Short-term Liquidity Line (SLL), the first addition to the IMF's financing toolkit in almost ten years. This new facility provides a reliable and renewable credit line, without ex post conditionality, to members with very strong fundamentals and policy frameworks - the same qualification criteria as another IMF facility called the Flexible Credit Line. The SLL is designed to address a special balance-of-payments need - potential, moderate, and short-term - reflected in capital account pressures following external shocks.</p>

Debt sustainability	<p>The IMF approved immediate debt service relief to 25 of the IMF's member countries under the IMF's revamped Catastrophe Containment and Relief Trust (CCRT). The countries that have received debt service relief as of April 2020 were: Afghanistan, Benin, Burkina Faso, Central African Republic, Chad, Comoros, Congo, D.R., The Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Tajikistan, Togo, and Yemen (13 April).</p>
Recovery	<p>An International Monetary Fund (IMF) report has recommended that governments invest in infrastructure spending as a response to Covid-19. The IMF's <i>Fiscal Monitor</i> publication said investment in infrastructure would prepare economies for the transition to the post-Covid-19 world and help create jobs. Increasing public investment by 1% of GDP could strengthen confidence in the recovery and boost GDP by 2.7%, private investment by 10%, and employment by 1.2%. The IMF said public investment can generate, directly, between two and eight jobs for every million dollars spent on traditional infrastructure, and between five and 14 jobs for every million spent on research and development, green electricity, and efficient buildings. The organization added that, because projects take time to implement, countries should ramp up infrastructure maintenance.</p> <p>According to the IMF, even before the pandemic public investment had been weak for more than a decade. Investment would now be urgently required in sectors critical to controlling the pandemic, such as health care, schools, safe buildings, safe transportation, and digital infrastructure. The IMF said low interest rates were a signal that the time was right to invest in quality infrastructure projects (6 October).</p>