



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at April 21, 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: World Bank Group

Country/Region	General measures
WORLD BANK GROUP	
Financing	<p>Initially, the World Bank Group had announced an additional US\$2 billion in funding to help with the Covid-19 pandemic, bringing its commitment as of March 2020 to US\$14 billion in funds that has supported national health systems, disease containment, diagnosis, treatment, and the private sector (17 March).</p> <ul style="list-style-type: none"> • US\$2 billion in additional funds, which was added to what had been announced previously, has come from the International Finance Corporation (IFC); • IFC's US\$8 billion in financing has gone to financial institutions so they can lend to businesses, providing either trade financing, working capital, or medium-term financing; • IFC has helped existing clients from sectors that are impacted and will assist sectors involved in the response, such as health care and related industries that face increased demand for services. • US\$2.7 billion come from IBRD, US\$1.3 billion from IDA, US\$8 billion from IFC (including US\$2 billion from existing trade facilities) and US\$6 billion for accelerated loan guarantees from the Multilateral Investment Guarantee Agency (MIGA). <p>To support the ongoing Covid-19 emergency programs, World Bank Group financing was significantly scaled up, reaching US\$74 billion in commitments. Support to middle-income countries from the International Bank for Reconstruction and Development (IBRD) rose to US\$28.5 billion in FY20, up from US\$23.2 billion in the previous fiscal year. Loans and grants to the world's poorest countries from the International Development Association (IDA) were US\$30.4 billion during FY20. The 19th replenishment of IDA, in December 2019, secured an US\$82 billion financing package for the 74 poorest countries in the world to be deployed over a three-year period.</p> <p>A major share of World Bank (IBRD and IDA) financing in FY20 was dedicated to help countries fight the Covid-19 pandemic. Within this financing, between March and the end of June, the World Bank approved:</p> <ul style="list-style-type: none"> • US\$6.3 billion for emergency health support in 108 countries, including 33 fragile and conflict-affected countries and 22 small states; • US\$3.8 billion used for innovative health projects and training;

	<ul style="list-style-type: none"> • US\$2.5 billion was redirected to fight Covid-19 from the portfolio of operations under implementation (10 July). <p>It is stated by the World Bank that the sudden reversal of capital flows has helped finance the exceptional fiscal packages in the advanced economies but has left emerging markets and developing economies (EMDEs) exposed. The additional financing needs for developing countries arising from the crisis remain uncertain, but they will be exceptionally high and likely to persist over the medium term. Pandemic-related external financing gaps for active IDA countries could be in the range of US\$25- 100 billion per year – assuming that incremental financing needs arising from the crisis are in the range of 2.5-10 % of GDP per year and that only half of these can be met internally (cf. World Bank) (December 2020).</p> <p>Total commitments of the year 2020 For the first time in a calendar year, World Bank Group funding commitments topped US\$100 billion in 2020. Lending and grants from two of the bank’s arms — IBRD (International Bank for Reconstruction and Development) and IDA (International Development Association) — hit a combined US\$70.5 billion, which marked a 65% increase from 2019 and the biggest percentage and dollar increase ever for the institution.</p>
Debt sustainability	<p>World Bank President David Malpass has been outspoken about the debt crisis in low- and middle-income countries, which predated the pandemic, but has been exacerbated by it. The G-20 has set up two big debt relief initiatives, but these do not account for the full liquidity crunch — 23 countries fall through the crack between eligibility for debt support and access to cheap capital (cf. DEVEX) (April 2021).</p> <p>A debt-related step for the International Development Association (IDA)-19 called the Sustainable Development Finance Policy (SDFP) was sent to the Board (27 March). The objective of the SDFP is to incentivize IDA-eligible countries to make debt more transparent and sustainable and promote coordination among creditors. This may help lead to fair and equitable reductions in the net present value (NPV) of debt owed by IDA countries.</p> <ul style="list-style-type: none"> • Debt sustainability for many poor countries will require a moratorium for official bilateral debt payments; • This may also require NPV reductions & participation by commercial creditors; • Importance of the private sector to help achieve those efforts was stressed in this context. <p>The 19th replenishment of IDA, the World Bank Group’s fund for the world’s poorest countries, was officially adopted by governors (27 March). With immediate effect - and consistent with national laws of the creditor countries - the World Bank Group and the IMF call on all official bilateral creditors to suspend debt payments from IDA countries (25 March).</p> <p>Over the next 12 months (starting end of March 2020), IDA will deliver close to US\$10 billion in new grants for low-income countries at higher risk of debt distress. Prime focus will be stronger resilience building including pandemic preparedness and reducing risks from climate shocks. Many IDA countries were already at high risk of debt distress before Covid-19 which is exacerbating the situation.</p> <p>A new debt policy in IDA19 called Sustainable Development Finance Policy will help incentivize countries to borrow sustainably and promote coordination between IDA and other creditors.</p>

	<p>The Bank Group's expanded economic program (including IFC, IDA etc.) could provide up to US\$160 billion in support to client countries over the next 15 months. Additional US\$80 billion will be provided by the other Multilateral Development Banks (MDBs).</p>
<p>Recovery</p>	<p>The four thematic pillars of the WBG crisis response are aligned with its comparative advantages. The pillars comprise:</p> <ul style="list-style-type: none"> • World Bank emergency support to health interventions for saving lives threatened by the virus; • WBG social response for protecting poor and vulnerable people from the impact of the economic and social crisis triggered by the pandemic; • WBG economic response for saving livelihoods, preserving jobs, and ensuring more sustainable business growth and job creation by helping firms and financial institutions survive the initial crisis shock, restructure and recapitalize to build resilience in recovery; • Focused WBG support for strengthening policies, institutions and investments for resilient, inclusive and sustainable recovery by Rebuilding Better (December 2020). <p>This should help ensure that emergency-related short-term government actions keep a clear line of sight on supporting the recovery and long-term development goals as embodied in the 2030 Agenda for achieving the Sustainable Development Goals.</p> <p>Also, the World Bank Group today announced on December 9, 2020 an ambitious target for 35% of its financing to have climate co-benefits, on average, over the next five years. It replaces an earlier target of reaching 28% by 2020, which was in place over the last 5 years. The World Bank – IBRD and IDA – will also seek to ensure that 50% of this financing supports adaptation and resilience.</p> <p>Vaccines</p> <p>As of March 31, 2021, the World Bank had committed US\$1.6 billion in vaccine financing in 10 countries. The institution plans to deploy US\$12 billion for Covid-19 vaccination efforts. The bank recently found that only 30% of countries it surveyed have a plan for how they're going to train the large number of vaccinators that will be needed.</p>