

Swift action helped fight the pandemic and **limit the damage to people's lives** and the global economy

COVID-19

It has been a crisis like no other. To tackle the health emergency, countries had to bring economic life to a standstill during the Great Lockdown. This created the worst recession since the Great Depression. The IMF acted swiftly to help people and countries, while enormous uncertainty clouded the prospects for the global economy and the world continued to wrestle with the pandemic's unknowns.

The crisis has upended people's lives in countless ways. In addition to the tragic loss of life, millions of people have lost jobs, income, and savings, and many worry about how to pay their rent and bills.

The magnitude and speed of the economic collapse were unprecedented. The crisis undermined global financial stability, and large segments of the global economy ground to a standstill, including the informal economy, which remains large in Latin America and sub-Saharan Africa. To save lives, governments financed additional health and emergency services. Where conditions and room in the budget allowed, governments also stopped the freefall of global growth with extraordinary monetary and fiscal support—the latter to the tune of \$11.5 trillion globally as of September 2020—to extend lifelines to businesses and people.

These exceptional times required equally exceptional, quick action. The IMF has worked to help protect people, help protect the economy, and help countries prepare for the recovery.

\$1 TRILLION

IN LENDING CAPACITY, AVAILABLE TO IMF'S MEMBERSHIP

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Lending a hand

Countries all over the world faced urgent and unprecedented balance of payments and financing needs, which created an immediate and record-breaking demand for IMF resources.

In response to the crisis, the IMF shifted work priorities to focus on the most critical aspects, streamlined procedures to speed up decision making, and deployed staff to new assignments where they were most needed.

Critical governance and financing reforms approved by the Executive Board demonstrated the IMF's readiness to support countries. These timely actions helped maintain the IMF's \$1 trillion lending capacity so it can provide strong support as countries face unprecedented financing needs resulting from the pandemic.

Overall, since May 1, 2019, the IMF has approved about \$165 billion in loans, including those predating the pandemic.

Transparency and trust

Governance and accountability could not take a back seat during the crisis and have become more important than ever.

Governments around the world have undertaken major fiscal and financial measures to provide lifelines to people and firms. Such rapid expansions in the role

of the government, however, create opportunities for corruption, as past crises have shown. This means governments need to control and oversee emergency fiscal and financial measures. The IMF's advice has been to spend whatever it takes but keep the receipts.

For the IMF's emergency financing to help countries address COVID-19, the right safeguards help balance the need to ensure that the funds reach those who need them most with the need to disburse them quickly. Borrowing countries are committed to

1. undertaking and publishing independent ex post audits of crisis-related spending and
2. publishing crisis-related procurement contracts on the government's website, including identifying the companies awarded the contracts and their beneficial owners.

The IMF also ensured that emergency resources are subject to the Safeguards Assessment policy.

The IMF's 2018 Framework for Enhanced Fund Engagement on Governance is part of the ongoing comprehensive effort to improve member countries' good governance and efforts to tackle corruption. The pandemic has heightened the importance of stronger governance, and the Framework underwent interim reviews in mid-2020.

**\$165
BILLION**

IN FINANCIAL ASSISTANCE TO

**83
COUNTRIES**

DEBT SERVICE
RELIEF TO

**29
COUNTRIES**

UNDER THE IMF'S
REVAMPED CATASTROPHE
CONTAINMENT AND RELIEF TRUST



The IMF participated in a press briefing led by WHO Director-General Tedros Adhanom Ghebreyesus in April 2020 to address the challenges of this “crisis like no other.” IMF Managing Director Kristalina Georgieva noted that the “WHO is there to protect the health of people; the IMF is there to protect the health of the world economy; they both are under siege. And only united we can do our duties.”

Global cooperation

The heart of the IMF’s mission is to promote cooperation between countries. Sharing information, data, research, and analysis of member countries’ policies is a major feature of the engine room that powers the institution’s work.

For example, to provide up-to-date, ongoing information on the policies implemented by countries to contain the pandemic and its damage to economies, the IMF created a Policy Tracker (<http://imf.org/COVID19policytracker>) that summarizes the key economic responses governments have taken to limit the human and economic impact of COVID-19. The tracker includes 196 economies and is updated regularly. In addition, the IMF has published a Special Series of notes on COVID-19 (<http://imf.org/COVID19notes>) to help policymakers address the economic effects of the pandemic.

In addition, as a global leader among peers in the multilateral system, the IMF’s partnerships with other international organizations have formed an important

part of the response to support all countries in this crisis.

The IMF, World Bank, and other partners, including the Group of 20, called for creditors to suspend debt repayments to provide much-needed support to the poorest countries. This official bilateral debt moratorium, the Debt Service Suspension Initiative, relieved the poorest countries of billions of dollars in debt payments, which they could use for their health systems and to protect their citizens. In addition, the IMF is providing debt relief through the Catastrophe Containment and Relief Trust (CCRT). The IMF Executive Board has approved debt relief through the CCRT for 29 of its poorest and most vulnerable member countries on their IMF obligations.

The IMF and the World Bank brought together African leaders, bilateral partners, and multilateral institutions during the April 2020 Spring Meetings, and again in October 2020, to spur faster action on COVID-19 response in African countries. Multilateral organizations, including the United Nations, pledged their continued support, and bilateral partners reemphasized their

THE IMF HAS PARTNERED WITH OTHER INTERNATIONAL ORGANIZATIONS TO BOOST THE RESPONSE TO COVID-19 AROUND THE GLOBE.

HELP FOR THE MOST VULNERABLE



AFGHANISTAN



BENIN



BURKINA FASO



BURUNDI



CENTRAL AFRICAN REPUBLIC



CHAD



COMOROS



DEMOCRATIC REPUBLIC OF THE CONGO



DJIBOUTI



ETHIOPIA



THE GAMBIA



GUINEA



GUINEA-BISSAU



HAITI



LIBERIA



MADAGASCAR



MALAWI



MALI



MOZAMBIQUE



NEPAL



NIGER



RWANDA



SÃO TOMÉ AND PRÍNCIPE



SIERRA LEONE



SOLOMON ISLANDS



TAJIKISTAN



TANZANIA



TOGO



YEMEN

**THE IMF HAS WORKED WITH OTHER PARTNERS TO
PRESERVE LIVES AND LIVELIHOODS, INCLUDING
BY SUPPORTING THE POOREST AND MOST VULNERABLE.**



commitment to a debt standstill beginning May 1, 2020. That standstill was extended in October 2020.

The IMF and the World Health Organization stood together to highlight how the two organizations can work in tandem to preserve lives and the global economy. For the first time in the history of the IMF, epidemiologists provided input for economic projections.

The IMF and the World Trade Organization called for more attention to the role of open trade policies—especially for food and medical supplies—in defeating the virus, restoring jobs, and reinvigorating economic growth.

The IMF also coordinated with a number of Regional Financing Arrangements, including the European Stability Mechanism and the Arab Monetary Fund, among others. They are supporting their members through lending, adjusting policies and toolkits to make them compatible with the emergency nature of the COVID-19 crisis, and providing policy and technical advice to help their authorities through these challenging economic times. Regional rescue funds are closely coordinating with IMF country teams to exchange information and expertise necessary to expeditiously help countries facing the most pressing financing needs.

ALL OUR OPERATIONS QUICKLY BECAME VIRTUAL, FROM SURVEILLANCE MISSIONS, TO LENDING NEGOTIATIONS, TO TECHNICAL ASSISTANCE AND TRAINING.

Home-based operations

Through all this, the IMF, just like any workplace, had to adjust how it works, matching its own changes to the speed of the crisis.

IMF staff adjusted, including those based in Washington, DC, and in countries around the world. The IMF Board, management, and staff moved their operations from the boardroom and their offices into living rooms, kitchens, spare rooms, and basements.

All work quickly became virtual,

from surveillance missions, to lending negotiations, to technical assistance and training.

Immediate and real-time policy advice and capacity development were provided virtually to over 160 countries on topics ranging from cash management and data to economic governance. More than 90 percent of countries that requested pandemic-related emergency financing have also received capacity development support in the form of hands-on technical advice, practical tools, and policy-oriented training.

After its first-ever virtual Spring Meetings in April 2020, the IMF continued its work virtually, meeting online with country officials to discuss programs, provide capacity development, and conduct Board meetings.