



# **IMF Activities in Support of COVID-19 Response**

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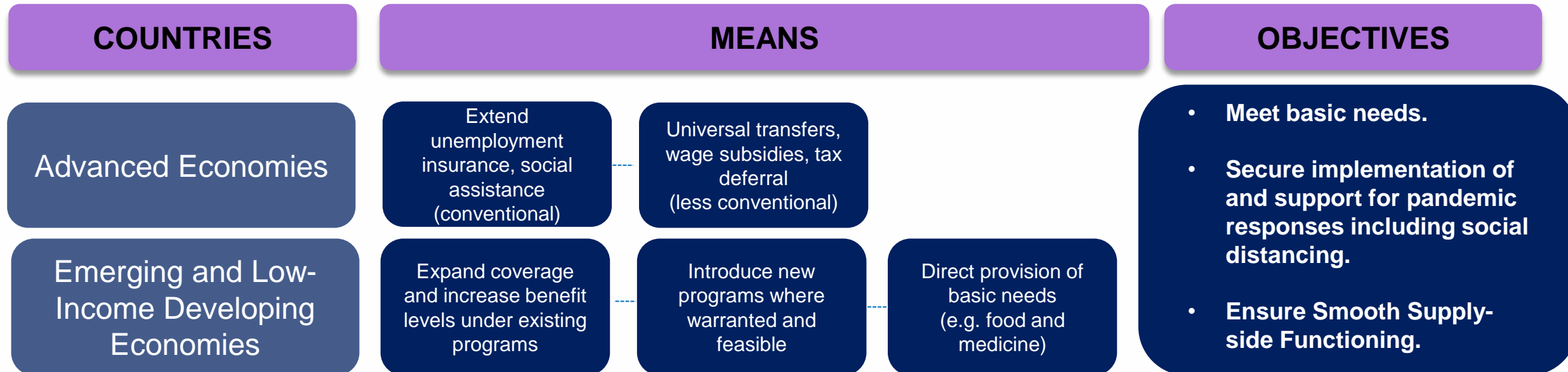
**Dave Coady (FAD) and Robert Powell (SPR)**

# IMF Financing Initiatives

- Global crisis requires global response: “[A Global Crisis Like No Other Needs a Global Response Like No Other](#)” (MD Blog)
- In the World Economic Outlook (WEO), **the IMF projects global growth in 2020 to fall to -3 percent**. Assuming the pandemic fades in the second half of 2020 and that policy actions are effective, global growth in 2021 projected to rebound to 5.8 percent. However, outlook highly uncertain. At recent Spring Meetings, the Fund:
  - ◆ supported a **suspension of official bilateral debt repayments for the poorest countries** through the end of 2020. Resources to be spent on COVID response needs.
  - ◆ **doubled its emergency, rapid-disbursing capacity** to meet expected demand of about **\$100 billion** and respond to the **103 countries** that have approached us.
  - ◆ **reformed its Catastrophe Containment and Relief Trust (CCRT)** to help 29 of the its poorest and most vulnerable members through rapid debt-service relief on payments to Fund.
  - ◆ established a **new short-term liquidity line** that can help countries strengthen economic stability and confidence.

# Additional IMF Policy Resources

- Fiscal Monitor: [Policies to Support People During the COVID-19 Pandemic](#)
- Key messages
  - ▶ Increase health spending to strengthen health systems
  - ▶ Provide emergency lifelines to households and firms made vulnerable by the crisis
  - ▶ Once normal business conditions resume, support the recovery with coordinated fiscal stimulus



# Notes Outlining IMF Macro-Fiscal Policy Advice

- For information on IMF responses and policy advice see:
  - <https://www.imf.org/en/Topics/imf-and-covid19>
- For information on Fiscal Policy Advice:
  - <https://www.imf.org/en/Publications/SPROLs/covid19-special-notes>

Title of Note	Focus of Note
Expenditure Policies in Support of Firms and Households	Expenditure policies can help mitigate the economic impact of the pandemic through liquidity support for firms, preserving employment linkages and supporting households. Design is the key to their effectiveness and efficiency.
Reaching Households in Emerging and Developing Economies: Citizen ID, Socioeconomic Data, and Digital Delivery	Income transfers require a basic data and delivery system—citizen ID, financial inclusion, income data—often missing in LIDCs. Implementation can rely on broadening current schemes, relaxing regulations and using alternative data sources.
Digital Solutions for Direct Cash Transfers in Emergencies	Digital solutions for direct cash transfers help to identify and validate intended beneficiaries, make payments in a timely and secure manner, and ensure transparency and accountability by providing a reliable audit trail and publishing timely data.
Managing the Impact on Households: Assessing Universal Transfers (UTs)	Universal transfers can complement existing household income support programs, by reducing temporary or permanent coverage gaps. Their impact will be stronger if a basic delivery system is in place.
Managing the Impacts of the Coronavirus: Guidance on Health Spending Policies	The immediate response to the outbreak should be to increase spending for mitigation and medical treatment. Costs will depend on country-specific factors, e.g. virus exposure, capacity of health systems, and effectiveness of mitigation measures.
Managing Fiscal Risks Under Fiscal Stress	Governments should proactively identify and manage fiscal risks. Policy responses can create new risks and existing contingent liabilities can be more likely to be realized.