

IDFC IS BUILDING A COLLECTIVE RESPONSE TO COVID-19:

THE INTERNATIONAL DEVELOPMENT FINANCE CLUB COMBATING COVID-19 BY STEPPING-UP EFFORTS TOWARDS BUILDING MORE RESILIENT ECONOMIES FOR PEOPLE AND PLANET

Paris, France, 21 April 2020 – As the world is facing an unprecedented crisis caused by COVID-19, the International Development Finance Club (IDFC), the network of leading national and regional development banks, is committed to making public on a regular basis and capitalizing on its members respective experiences with regards to the responses to the crisis. IDFC members actively respond to the situation with a full set of measures with the view to structure the most adequate collective answer to support a sustainable and inclusive economic and financial recovery. All these initiatives are attached to this press release and will be updated on [IDFC website](#).

To cope with the COVID-19 crisis, IDFC members have been mobilizing their full set of instruments and financial capacity.

Public development banks are all in the process of deploying their efforts on responding to the COVID-19 crisis, be they national development banks supporting the definition and implementation of their governments' emergency and recovery programmes, regional development banks underpinning the orientations of their Member States or international development banks collaborating with partner countries at a time when cooperation is most needed.

IDFC members have been actively responding to the situation with a full set of measures designed to simultaneously address short-term needs and prepare better recovery. While urgency lies in the capacity of the health system and social infrastructures, members provide funding, grants and equipment to hospitals and most affected municipalities and to support epidemiological surveillance.

IDFC members are also deciding extensive measures to implement their countercyclical mandate by providing emergency loans, financing facilities, guarantees, by massively reallocating funding or by putting in place easing measures with moratoria on repayments, the introduction of grace periods or reductions in interest rates. They propose systemic solutions by supporting local financial systems to ensure corporate liquidity and maintain jobs. These provisions are made available to most affected entities and sectors, such as MSMEs, transport, tourism, energy, industry, commerce, services, etc. In addition, some members have already mobilized capital markets by issuing dedicated bonds to support their interventions in addressing the COVID-19 crisis. IDFC members are also working together to explore and implement joint initiatives regionally in order to create synergies in the response to COVID-19 by leveraging resources to better support their beneficiary countries. Details of the initiatives implemented to date by IDFC members can be found in the appendix.

The Club is committed to making public on regular basis (see appendix) and capitalizing on these respective experiences with regards to COVID-19 and to help structure the most adequate collective answer to the situation, with the view to strengthen health systems and social infrastructures and to support a sustainable

and inclusive economic and financial recovery contributing to the redirection of financial flows towards a just transition.

It is time to collectively review our development schemes and increase our cooperation

The current health crisis is a mirror of our vulnerabilities. It questions our development models, be it in our modes of production and consumption and our difficulties to internalize environmental and societal issues. It is a sharp reminder of the importance of realizing human security by protecting everyone's health and dignity and building resilient societies.

It is time to rethink our development pathways, to open up our approaches to addressing economic and financial issues, human, animal and plant health, the protection of biodiversity and ecosystems, the fight against climate change and inequalities as a whole, as common goods and as a system. It is time to rethink the way we live, work and invest, towards more sober, inclusive and resilient activities, towards more collaboration and cooperation.

The current situation calls for a collective answer within the international development finance community. National and regional development banks are deeply rooted within their constituencies and can help build a more collaborative and efficient global architecture for sustainable development, with the support of the multilateral system that can help provide adequate resources and capacity building.

IDFC and the public development banks to build a new coalition towards sustainable development investment at the Summit of Development Banks in late 2020

IDFC could play a major role in building this new collective dynamic, alongside its partners, such as Multilateral Development Banks and the World Federation of Development Finance Institutions (WFDI) and its regional associations. Public development banks have more than ever a role to play: both counter-cyclical to cope with the crisis and in support of investments for the definition of new development models and the implementation of the Paris Agreement on climate change and the Sustainable Development Goals.

The Global Summit of Public Development Banks, to be held in Paris in November 2020, is of increased relevance in this context. By gathering, for the first time, public development banks from around the world, this Summit will provide an opportunity to form a new coalition of actors and launch a collective dynamic aimed at fostering coordinated responses to global issues. The Summit will also demonstrate the potential of development banks in redirecting all financial flows towards sustainable development objectives and to contribute to protecting nature and strengthening the resilience of societies.

Rémy Rioux, IDFC Chairperson and Agence Française de Développement (French Development Agency – AFD) said: *“In the fight against Covid-19, IDFC stands out as a strong network of leading national and regional development banks well equipped to not only finance health systems and infrastructures, but also address the social and economic recovery efforts in a sustainable and resilient manner. IDFC members are collectively mobilizing their financial capacity and expertise to provide an immediate response to the short-term challenges as well as to prepare for a post-COVID-19 world that will require a long-awaited paradigm shift. In this respect, the first ever global Summit of Public Development Banks to be held in November will provide*

a unique opportunity to foster our contribution to the 2030 Agenda and the Paris Agreement with the aim of redirecting financial flows towards sustainable development investments that can enduringly protect the people as well as the planet.”

About IDFC

The International Development Finance Club (IDFC), created in 2011, is the leading group of 26 national and regional development banks from all over the world, a majority active in emerging markets. IDFC is the largest provider of public development and climate finance globally, with US\$ 4 trillion in combined assets and annual commitments above US\$ 600 billion, including US\$ 150 billion per year of climate finance. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies. IDFC members are aligned with and work together to implement the Sustainable Development Goals (SDGs) and the Paris Climate Agreement agendas. Through IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide. IDFC is chaired since October 2017 by the *Agence Française de Développement* (French Development Agency) where the IDFC Secretariat is hosted in Paris, France. To learn more about IDFC please visit [our website](#) or follow us on [Twitter](#) & [Linked in](#):

Press contacts:

For IDFC: Sabrina Hadjadj Aoul – hadjadjs@afd.fr - +33 6 26 87 91 80

APPENDIX

INDIVIDUAL INFORMATION AND RECENT COMMITMENTS BY IDFC MEMBERS IN RESPONSE TO COVID-19

Agence Française de Développement (France)

Agence Française de Développement (AFD- French Development Agency) announces the launch of “COVID-19 – Health in Common” – a € 1.2 billion initiative in response to the worldwide public health crisis caused by the COVID-19 pandemic. This initiative aims at both strengthening health systems in the short term, notably in Africa, and supporting sustainable and inclusive economic and financial recovery and transition in the longer term.

Source: <https://www.afd.fr/en/actualites/france-launches-afd-covid-19-health-common-initiative-support-african-countries>

BancoEstado (Chile)

The Ministry of Finance announced an increase in the capital of BancoEstado of US\$ 500 million to finance new working capital and alternatives for refinancing or postponing quotas for current debt for SME; for large companies, special financing for new working capital; and lastly for individuals, refinance of consumer loans, housing and credit cards and postpone current loan installments.

Source : <https://www.corporativo.bancoestado.cl/sala-de-prensa/noticias-bancoestado/noticias/2020/5086>

Bancoldex (Colombia)

Bancóldex first launched a Special line of credit “*Colombia Responde*” for COP \$ 250,000 million (US\$ 62 million) destined to sectors immediately impacted (public shows, tourism and aviation - and their respective supply chains). Seeking to further provide liquidity tools that help companies endure and preserve employment, designed an additional preferential credit solution “*Colombia responde para todos*” for COP \$350,000 million (US\$ 87 million) destined to all sectors (except agricultural and companies benefiting from the first line of credit). In addition, joining efforts with other national institution, anticipating the negative effects of COVID-19 on the activities of early stage companies, Bancóldex designed a preferential credit line for these entrepreneurs. Bancóldex is joining efforts with several local authorities to launch specific credit lines, Bogotá, Cucuta and Norte de Santander have been already benefited.

Source: <https://www.bancoldex.com/noticias/portafolio-lineas-de-credito-para-enfrentar-el-covid-19-3560>

BICE (Argentina)

BICE launched a working capital loan for AR\$ 1 billion (US\$ 15 million). These loans are available for micro, small and medium-sized enterprises to finance short-term needs. Through its subsidiary BICE Fideicomisos trust, BICE is also in charge of managing an AR\$ 30 billion (US\$ 465 million) guarantee fund established by the government’s Productive Development Ministry in order to support the Central Bank’s overall lending policy.

Source: <https://www.bice.com.ar/novedades/captrabmipymes/>

BNDES (Brazil)

BNDES foresees initial injection of BRL 55 billion (US\$ 10.6 billion) in the economy, to make viable the activities of companies of all sectors. These initiatives will help companies face cash flow difficulties and maintain more than 2 million jobs. In addition, together with Brazilian Treasury, BNDES will make available BRL 40 billion (US\$ 7.8 billion) to cover payroll expenses by small and medium-sized companies. The amount foreseen so far is almost the full year disbursements in 2019.

Source: <https://www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/bndes-lanca-primeiras-medidas-para-reforcar-caixa-de-empresas-e-apoiar-trabalhadores-que-enfrentam-efeitos-do-coronavirus>

BOAD (West African Development Bank)

Regarding the support given to member states in the fight against COVID-19, BOAD has granted its member states XOF 120 billion in concessional loans (15 billion per State) to be disbursed immediately. The said loans are thereby softened through the interest subsidy mechanism replenished by BCEAO and the WAEMU Commission for XOF25 billion and XOF15 billion, respectively. In addition, BOAD has frozen debt repayment of about XOF76.6 billion (US\$ 128 million) owed by member states for the remainder of the year, as a supporting effort in responding to the pandemic impact.

Source: <https://www.boad.org/en/covid-19-in-support-to-emergency-measures-boad-grants-xof120-billion-to-the-waemu-member-countries-and-freezes-debt-repayment-involving-xof76-6-billion/>

CABEI (Central American Bank for Economic Integration)

CABEI launched the Emergency Support and Preparedness Program for COVID-19 and economic reactivation of US\$ 1.96 billion. The program aims to provide fast disbursing financial resources to its member countries to finance operations for the prevention, detection and treatment of COVID-19 and mitigation of its economic impact in the countries.

Source: <https://www.bcie.org/en/topics/cabei-against-covid-19/>

CAF (Development Bank of 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. CAF also announces 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.

Source: <https://www.caf.com/en/currently/news/2020/03/covid19-caf-makes-usd-25-billion-available-for-countries-to-protect-their-population-and-economies/>

CDB (China)

The significant actions taken by the CDB to fight the Covid-19 pandemic are shared and regularly updated on the institution official website at: <http://www.cdb.com.cn/English/h>

COFIDE (Peru)

COFIDE has set in motion a full range of products designed to respond to the current situation. COFIDE trust manages a special loan guarantee program for SMEs: “Fondo de Apoyo Empresarial” or FAE-MYPE amounting US\$ 90 million to help entrepreneurs under financial stress during the COVID-19 pandemic. In addition, “Fondo Crecer” a loan guarantee program, managed by COFIDE to increase the percentage of the guaranteed credit and relax the requisites for the financial institutions that deliver these loans. COFIDE is also supporting “Reactiva Peru”, which is the biggest national loan guarantee program ever applied: US\$ 9,000 million to offer working capital loans to entrepreneurs’ and manages the Fund for Innovative Enterprises Initiative of an initial public endowment of US\$ 20 million to invest in venture capital funds ultimately supporting startups.

Source: <http://www.alide.org.pe/wp-content/uploads/2020/04/Per%C3%BA-COFIDE-y-accinoes-frente-al-coronavirus.pdf>

CDP (Cassa depositi e prestiti)

CDP makes available funding of up to € 3 billion available to Italian banks for granting new loans to SMEs and Midcap companies through on-lending platform “Piattaforma Imprese”, with new pricing levels via the platform. In addition CDP provides up to 80% guarantee on new bank loans (up to €10 billion) to Italian companies with turnover of more than €50 million. Additional measures are: (i) a new 18-months liquidity line of up to 2 €/bn directly provided to medium and large companies, and (ii) a 1 €/bn loan in favour of the Italian bank UniCredit, to provide new loans to Italian SMEs and Mid-Caps. Flexibility of payment of the installments of the mortgages by local authorities and regions are also allowed. Lastly, CDP launched a €1 billion 'COVID-19 Social Response Bond' which will be used to finance either loans, project finance, equity investments or other tools in the following Eligible Categories: education, SMEs financing, social housing, energy and environmental sustainability.

Source:

https://www.cdp.it/sitointernet/page/en/cdp_launches_the_covid19_social_response_bond?contentId=PRG27769

HBOR (Croatia)

HBOR has put in place a series of measures including moratorium and rescheduling of existing loan obligations, working capital loans, and portfolio insurance policies, in cooperation with local commercial banks, for maintaining the level of economic activity, liquidity of economic operators and preserving jobs.

Source: <https://www.hbor.hr/en/tema/support-for-entrepreneurs-to-mitigate-adverse-impacts-of-covid-19-coronavirus-pandemic/>

ICD (Islamic Corporation for the Development of the Private Sector)

ICD will provide US\$ 250 million of emergency funding mainly in the form of medium to long-term financing instruments to help existing and new clients in the financial, agri-food, energy and other affected sectors. ICD will also be aiding the private healthcare industry of affected member countries to meet surging need for services, equipment and medicines. Further, ICD will work closely with 100+ local and regional financial institutions in its network to provide necessary support so they can continue to finance SMEs in affected sectors within the markets they operate.

Source: <https://icd-ps.org/en/news/us-250-million-of-emergency-funding-to-respond-to-the-impact-of-covid-19>

KfW Bankengruppe (Germany)

The German Government announced in mid-March and early April major liquidity and investment support measures that are implemented by KfW together with commercial banks. The KfW Special Programme loans are available to small and medium-sized enterprises as well as large companies and include lower interest rates, simplified risk assessment procedures and a high liability waiver by KfW.

Source: <https://www.kfw.de/KfW-Group/Newsroom/Latest-News/KfW-Corona-Hilfe-Unternehmen.html>

PT SMI (Indonesia)

As a Special Mission Vehicle (SMV) under the Ministry of Finance (MoF) of Indonesia focusing on infrastructure financing, PT SMI is extending its Corporate Social Responsibility (CSR) measures amounting to IDR 2.1 billion or equivalent to US\$ 134,000 to respond to the challenges brought about by the COVID-19 Pandemic.

Source: <https://ptsmi.co.id/news/kartu-prakerja-assistance-program-to-relieve-the-impact-of-covid-19/>

TDB (Eastern and Southern African Trade and Development Bank)

TDB is embarking on special initiatives to help ensure continued access to finance for trade and development financing, with priority for medical supplies and other essential commodities in the new trade and development financing and guarantees of up to USD 2 billion expected in 2020. The Bank is also committing to mitigate the COVID-19 impact by providing targeted support to Member States with a focus on specific emergency medical supplies as part of a wider corporate social responsibility programme in collaboration with their partners.

Source: <https://www.tdbgroup.org/wp-content/uploads/2020/04/COVID-19-Press-Release.pdf>

TSKB (Turkey)

In fight against COVID-19 pandemic, the Central Bank of Republic of Turkey (CBRT) and the Banking Regulatory and Supervisory Authority (BRSA) are acting proactively to maintain and strengthen the conditions to well coordinate the banking sector in order to empower the requirements of production sector. Within these dynamics, TSKB is closely monitoring the loan market it has financed and its customers' performance with the aim to support them during these extraordinary times. Along with its development banking mission, TSKB is currently in cooperation with its international stakeholders to design coherent measures that would meet the needs of the Turkish economy and mitigate the adverse consequences of the COVID-19 pandemic. TSKB is carefully considering its customers' needs and

trying to provide the appropriate services within its capacity. Moreover, the declaration for the internal precautions and measures of TSKB for an uninterrupted service quality is available on this link: <http://www.tskb.com.tr/en/covid-19-precautions>

VEB.RF (Russia)

VEB.RF in close cooperation with the government applies a wide spectrum of measures to provide a prompt response to the challenges posed by coronavirus pandemic and as well as soften collateral damage to the economy. Among the key measures, VEB.RF provided Rubles 100 billion (US\$ 1.36 billion) of guarantees to the biggest commercial banks and its own SME Bank in order to cover zero interest rate 6-months SME loans.

Source: <https://xn--90ab5f.xn--p1ai/press-tsentr/43285/> ; <https://xn--90ab5f.xn--p1ai/press-tsentr/43367/>