Independent Evaluation Office
*of the* International Monetary Fund

# BACKGROUND PAPER

BP/23-01/03

# The IMF's Response to the Pandemic: Strategy and Collaboration with Partners

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# The IMF's Response to the Pandemic: Strategy and Collaboration with Partners

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[*] Mr. Ocampo's work on this paper was completed prior to his appointment as Minister for Finance for Colombia; the views expressed in this paper should not be taken to be the official views of the government of Colombia. We are grateful for research support from Catherine Koh, Jiakun Li, and Lorenzo Spadavecchia.

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## ABBREVIATIONS

| | |
|---|---|
| AfDB | African Development Bank |
| ADB | Asian Development Bank |
| AIIB | Asian Infrastructure Investment Bank |
| BBA | Bilateral Borrowing Agreements |
| BOP | Balance of Payments |
| CCRT | Catastrophe Containment and Relief Trust |
| CD | Capacity Development |
| CDB | Caribbean Development Bank |
| DSSI | Debt Service Suspension Initiative |
| EBRD | European Bank for Reconstruction and Development |
| EF | Emergency Financing |
| EFF | Extended Fund Facility |
| EFI | Emergency Financing Instruments |
| EIB | European Investment Bank |
| EMDE | Emerging Market and Developing Economy |
| FCL | Flexible Credit Line |
| FAD | Fiscal Affairs Department (IMF) |
| FIN | Finance Department (IMF) |
| G20 | Group of Twenty |
| GCP | Global Coordination Platform |
| GDP | Gross Domestic Product |
| GFC | Global Financial Crisis |
| GRA | General Resources Account |
| GRAM | Global Risk Assessment Matrix |
| IDA | International Development Association |
| IDB | Inter-American Development Bank |
| ISDB | Islamic Development Bank |
| IFI | International Financial Institution |
| IEG | Independent Evaluation Group (World Bank) |
| IMFC | International Monetary and Financial Committee |
| LEG | Legal Department (IMF) |
| LIC | Low-Income Country |
| MDB | Multilateral Development Bank |
| MIC | Middle-Income Country |
| MOPAN | Multilateral Organization Performance Assessment Network |
| NAB | New Arrangements to Borrow |
| NDB | New Development Bank |
| OECD | Organisation for Economic Co-Operation and Development |
| ORM | Office of Risk Management (IMF) |
| PLL | Precautionary Liquidity Line |

| | |
|---|---|
| PRGT | Poverty Reduction and Growth Trust |
| RCF | Rapid Credit Facility |
| RDB | Regional Development Bank |
| RFA | Regional Financial Arrangements |
| RFI | Rapid Financing Instrument |
| SDG | Sustainable Development Goal |
| SDR | Special Drawing Rights |
| SLL | Short-Term Liquidity Line |
| SPR | Strategy, Policy and Review Department (IMF) |
| UCT | Upper Credit Tranche |
| UN | United Nations |
| UN-DESA | UN Department of Economic and Social Affairs |
| UNDP | United Nations Development Program |
| USAID | U.S. Agency for International Development |
| WB | World Bank |
| WHO | World Health Organization |

## EXECUTIVE SUMMARY


This paper assesses IMF strategy in responding to the COVID-19 pandemic and how well the Fund's response was coordinated with other multilateral organizations, focusing on the period from January 2020 to April 2021.

**Strategy.** The Fund deserves much credit for recognizing early the potential scale and likely speed of the economic fallout from the pandemic, including by consulting and taking on board views of epidemiologists and other health experts. It quickly re-calibrated its emergency financing instruments to be able to respond rapidly to the needs of its member countries. The decision early on to focus on scaled-up emergency financing facilities—rather than rush to negotiate standard lending arrangements—was praised by observers as a pragmatic way to meet the urgent needs of the moment. As evidence of the lingering effects of the pandemic became clearer, the Fund looked at the case for further reforms of its financing instruments (including a new pandemic facility)—some eventually supported by the Board, others not. Staff also deserve credit for making the case for a special drawing rights (SDR) allocation in 2020 and working on proposals for reallocation of existing SDRs. Although not successful that year, these efforts laid the basis for proposals that were successfully advanced the following year.

**Shortcomings.** In hindsight, the strategy which was put in place inevitably involved some shortcomings. Specifically, interviews with the Board suggest they did not feel fully informed of the strategy in the early days of the pandemic; the balance of risks from the chosen strategy could have been analyzed and received more emphasis at the outset; and more could have been done to forge an understanding on strategic collaboration with the World Bank (WB) on the provision of financing. Moreover, some of the initiatives had little practical impact—such as the introduction of the short-term liquidity line (SLL), as demand for this instrument was likely dampened considerably by quick actions from major central banks to offer liquidity support through swap lines.

**Collaboration.** The Fund is generally perceived to have worked well with multilateral partners, particularly raising its high-level engagement within the United Nations (UN) system, although opportunities still exist for reinforcing collaboration with multilateral development banks (MDBs) in many areas, most notably on transparent reporting of provision of financing to countries, which can be very useful during crisis situations. Overall, Bank-Fund collaboration seems to have worked well, including in pressing for official debt service relief. Commitments by the WB for COVID-19 related financing were larger for countries receiving financial support from the Fund than for those not receiving Fund support. And in about 75 percent of cases, there was alignment between the two institutions in the decision on whether to provide financing to countries. That said, interviewees have drawn attention to tensions related to differences in policy approaches between the two institutions While Bank and Fund financing was generally aligned, there were a significant number of cases where the Bank's financing was slower to materialize as it relied more heavily on policy-based lending than the Fund, which relied on emergency-based financing without ex post conditionality. In other cases, the Bank was able to move forward with humanitarian aid, while the Fund held back because of policy concerns. Assessments of debt sustainability also proved contentious for some difficult low-income country (LIC) cases.

## I. INTRODUCTION

1. **Pandemic—from symposium to strategy.** In February 2019, the IMF convened a symposium on pandemics and antimicrobial resistance as part of an initiative to raise staff's awareness of "potentially macro-critical topics" beyond the IMF's traditional mandate. Some outside experts at the symposium "singled out the IMF" as a key agency for mobilizing resources for pandemic preparedness and intervention and for incentivizing public investment in vaccine development. However, IMF staff were concerned that devoting resources on a permanent basis to public health issues would crowd out attention to core issues of the Fund surveillance. Staff also felt that the experience with previous regional epidemics had given the IMF "a strong footing on which to manage and deliver support during any future outbreaks by drawing on its existing toolkit and analytical frameworks." Only a year later, the Fund had to quickly devise a strategy to deliver support to its member countries during a global health emergency far more serious than the ones it had tackled. This required rapid adaptation to meet the challenges of a global crisis like no other and efforts to coordinate effectively with a wide range of multilateral partners.

2. **Evaluation questions on strategy and collaboration.** This paper is part of an evaluation that covers the phase of the pandemic from January 2020 through April 2021 during which the IMF provided emergency financing (EF) to a vast number of its member countries and worked under the auspices of the G20 to deliver debt service relief and set up a framework for restructuring of unsustainable debt. This paper focuses on the broad contours of the Fund's strategy, leaving other more granular topics such as policy advice and outlook formulation to other background papers. A full evaluation of broader questions related to the IMF's strategy cannot be attempted until the passage of time reveals how the evolving financing and debt challenges are addressed and the influence of early decisions can be assessed. For this stage evaluation, the questions addressed will focus on the process followed in designing the strategy and on the early results. Specifically:

(i) Was the process used in determining the Fund's overall strategy to the pandemic and its implementation timely and coherent? Were appropriate adjustments made to the strategy in response to learning from experience and new developments?

(ii) Did the strategy reflect adequate and timely consultation with the IMF's Executive Board and give due consideration to the range of views of shareholders and stakeholders?

(iii) Was the Fund's overall response effectively coordinated with other partners, in particular the G20, the World Bank (WB) and other multilateral players in the UN system?

3. **Sources of evidence.**

- The description of the Fund's strategy, how it was developed, implemented, and adapted, and IEO assessment of it draws on interviews with management and staff directly involved in its design, review of policy documents (including departments' comments on draft papers), and interviews with Fund's Executive Directors and their advisors and outside experts who opined on the Fund's activities during the pandemic.

- Our description and assessment of the IMF's collaboration with partners is based, in addition, on interviews with various Fund country teams, interviews with senior WB and UN staff, and extensive interactions with evaluation offices at other institutions, particularly the World Bank's Independent Evaluation Group (IEG).

- We also draw on the COVID-19 response evaluations of other multilateral institutions carried out by their own evaluation offices; a synthesis of their findings prepared by the OECD-led COVID-19 Global Evaluation Coalition;[1] and a relevant report by the Multilateral Organization Performance Assessment Network (MOPAN, 2022) including interviews with the authors. These sources offer useful findings on the common challenges faced by institutions during the pandemic as well as insights on how collaboration could be improved in future crises.

4. **Structure of the paper.** Section II of the paper provides an account of the development of the IMF's strategy for dealing with the COVID-19 pandemic, starting with staff's activities in February 2020 as they attempted to gauge the likely impact of the pandemic and to devise a strategy to help countries (Section II.A), discusses engagement with the Executive Board on the strategy and its early implementation in March and April 2020 (Section II.B), and reviews the refinements to the strategy from May 2020 through April 2021 (Section II.C). Section III discusses the IMF's collaboration with partners. Section IV summarizes lessons drawn by other evaluation offices on the pandemic response of their institutions. Section V provides our assessment.

## II. Development of a Strategy

### A. February 2020

5. **Growing awareness of risks posed by COVID-19.** Though the IMF's January 2020 World Economic Outlook Update, released on January 20, made no mention of COVID-19 (IMF, 2020a), the outbreak was already on the radar of Fund staff tasked with scanning the horizon for possible risks. IMF staff in Strategy, Policy and Review Department's (SPR) macro risk unit, Research Department's (RES) modeling division, Office of Risk Management (ORM), and Asia and Pacific Department (APD) had already started to consider the potential impacts of COVID-19 on China and spillovers on the region. Awareness of the risks spread to the rest of the Fund over the course of February 2020, bolstered by the Managing Director's meetings with various country officials during her travels in the second half of February to Germany, United Arab Emirates, Morocco, and Saudi Arabia (which was hosting the G20 meeting that month).

[1] The COVID-19 Global Evaluation Coalition is a voluntary collaborative project formed in June 2020 comprising independent evaluation units of governments, UN organizations and multilateral institutions. See https://www.covid19-evaluation-coalition.org/.

6. **Escalating risks.** On February 12, the staff's Senior Risk Group, which consists of IMF senior staff representatives from all areas and several functional departments, pooled together the analysis to provide an initial assessment for management on the "Global Repercussions of the COVID-19 Outbreak." Staff's memorandum discussed the effects of adverse scenarios, the policy responses that countries should consider, and the assistance that the Fund could provide. Initially the scenarios maintained the view that the virus outbreak would remain limited to China and a few other countries with weak health systems, with world growth only revised down by 0.7 percentage points. On February 20, an updated memorandum noted that despite "tentative signs that the outbreak is slowing, [...] a global pandemic still cannot be ruled out." Based on contacts with epidemiologists,[2] staff feared that there would be cascades of infections in different regions of the globe and countries with "weak health care systems (for example, some African countries) would have devastating human and economic implications." Drawing on inputs from country teams and other analyses, SPR identified 53 emerging markets and developing economies (EMDEs) that were particularly vulnerable to the outbreak and estimated that the Fund could provide SDR 6.9 billion to these countries under the existing framework for EF (of which SDR 1.3 billion would be to fragile states).

7. **Elements of a strategy.** As fears of adverse scenarios coming to pass grew, management tasked SPR senior staff in mid-February with putting together, in consultation with other departments, a strategy for how best the Fund could come to the assistance of its membership. Our interviews with staff engaged in this endeavor indicate that a four-part strategy was put together in the second half of February 2020. While there were reservations about some of the elements of the strategy among senior staff, there was nevertheless broad consensus on a four-part package:

### The Use of Existing Emergency Facilities as the Main Channel for Fund Financing

8. Emergency financing—the Rapid Financing Instrument (RFI) and the Rapid Credit Facility (RCF)[3]—was seen as the preferable financing channel. These instruments, which can be quickly accessed without requiring ex post conditionality, are available for countries experiencing an urgent balance of payments (BOP) need which, if not addressed, would result in an immediate

[2] These contacts started in early February when SPR's Macro-Risk Unit helped to form the Interagency COVID-19 Rapid Response Network, an informal network of public health and crisis response experts at partner institutions (World Bank (WB), World Health Organization (WHO), Centers for Disease Control and Prevention (CDC), Asian Development Bank (ADB), African Development Bank (AfDB), United Nations Development Programme (UNDP), United States Agency for International Development (USAID)/US State Department, Johns Hopkins' Center for Health Security). See further details in Section III.

[3] Prior to the pandemic, the RFI and RCF had been the primary instruments for helping countries cope with an urgent balance of payments (BOP) need arising from external shocks such as natural disasters and commodity price shocks and emergencies resulting from fragile and conflict situations, without the need to have a full-fledged program in place. The RFI is available for all member countries, while PRGT-eligible countries can also draw on the concessional RCF. For more background on the history of Fund EF, see Kincaid, Cohen-Setton, and Li (2023).

and severe economic disruption. The ex post conditionality required under standard Fund programs was seen as a "non-starter" under the circumstances of a pandemic where quick action was needed and uncertainty was high, while for many countries the BOP needs were not primarily the result of recent policy actions that needed correction.[4] Over the course of March, estimates of the needs of member countries for Fund support had increased beyond those initially provided on February 20, leading staff to make the case for raising the ceiling to 100 percent given scale of likely needs. Staff did not seriously consider a new pandemic facility at this stage as part of the strategy, as it was judged that designing and approving such a new facility could be a time-consuming process.

### Access to Liquidity Support Through Precautionary Arrangements, Including New Instruments

9. Many senior staff were pessimistic about the likely take-up of existing precautionary arrangements given the Fund's previous difficulties in getting countries to utilize them, but it was nevertheless felt that countries should be again urged to make use of existing facilities such as the Flexible Credit Line (FCL) and the Precautionary Liquidity Line (PLL).[5] Staff were even more skeptical of the success of new precautionary instruments such as the proposal for a Short-Term Liquidity Line (SLL) that had been discussed with the Board prior to the pandemic but had not received adequate support. Nevertheless, IMF management was of the view that that if the instrument was a good permanent addition to the IMF's toolkit, introducing it would be worthwhile even if expected take-up was low.

### A Push for an SDR Allocation

10. Staff suggested that quick action to provide a new SDR allocation would be an effective way to provide liquidity to a very broad range of countries—as occurred in 2009 after the Global Financial Crisis (GFC). A push for an SDR allocation was perceived as unlikely to succeed given the well-known opposition of some large shareholders, but here again it was felt a chance should be taken because "at times of crisis, political constraints sometimes move," according to interviewed staff.

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[4] Some staff noted that the MD's experience as EU commissioner had given her a deep appreciation of the difference that timely support could make to saving lives and preserving livelihoods, and management's desire that the Fund be able to play its role as a first responder should the situation require it—this too elevated the case for EF over other means.

[5] Only five countries obtained FCL, PLL or its predecessor the Precautionary Credit Line (PCL) before the COVID-19 pandemic (Colombia, North Macedonia, Mexico, Morocco, and Poland). Out of these five cases, North Macedonia drew on its PCL in 2011.

### Steps to Alleviate Debt Burdens Through Debt Service Relief and Debt Operations Where Necessary

11. While some senior staff argued that concerns about debt sustainability needed to be put aside for the moment, the majority felt that given the difficult debt situations many countries faced even before the onset of the pandemic, it would be important to take steps to provide cash flow relief on debt service and to engage with country officials and official bodies like the G20 on debt issues, particularly since an assessment of debt sustainability was a requirement for any Fund lending—including EF. Area departments, the African Department (AFR) in particular, urged a cautious approach to discussions of debt operations arguing that mention of debt standstills, let alone debt restructuring, carried adverse reputational risk for countries and could impede capital flows.

## B. Approval and Early Implementation: March–April 2020

12. **Initial engagement with the Executive Board.** Though staff were intensively at work in February 2020 analyzing the risks from the outbreak and devising a strategy for Fund involvement, their engagement with the Executive Board on these matters that month appears quite sparse. In the February 2020 Global Risk Assessment Matrix (GRAM) sent to the Board for information, staff identified the coronavirus outbreak as a short-term global risk with medium likelihood that could cause "widespread and prolonged disruptions to economic activity and global spillovers through tourism, supply chains, containment costs, and confidence effects on financial markets and investment."[6] The Board was also briefed indirectly on staff's views through surveillance notes prepared for the late-February G20 Finance Ministers and Central Bank Governors meeting in Saudi Arabia, which incorporated the work done by the Senior Risk Group on the impact of the pandemic and possible responses from the Fund.

13. **Increased engagement.** Direct engagement with the Board and the International Monetary and Financial Committee (IMFC) on the Fund's strategy picked up considerably in March 2020:

- On March 2, staff provided an informal Board briefing on "COVID-19: Impact and the Fund's Response." The briefing summarized the deteriorating financial conditions, offered an initial assessment of the likely hit to global growth, provided a regional distribution of vulnerable countries (with worries centered on Africa), and laid out the range of instruments the Fund could deploy, including EF and debt relief under the Catastrophe Containment and Relief Trust (CCRT).

[6] The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 percent and 30 percent, and "high" a probability between 30 percent and 50 percent).

- On March 4, following a conference call with the full IMFC, the MD announced the availability of $50 billion in support through the Fund's emergency financing instruments (EFI), and called on countries to ensure adequate funding of the CCRT to allow the Fund to provide grants for relief on IMF debt service falling due to low-income countries (LICs) to help them meet the health spending required for the pandemic.

- On March 10, in a meeting chaired by the MD, staff again provided an informal Board briefing entitled "COVID-19: Update" which took note of the further deterioration in financial conditions and explicitly noted that the RCF and RFI were the "first line of defense" for Fund financial support, along with augmentation of access for members with existing on-track upper credit tranche (UCT) arrangements. Staff also stated that they had "started getting inquiries" from authorities for Fund financing. At the meeting, several Directors "stressed the need to clarify the details regarding the $50 billion in support announced by the MD, and which Fund tools and facilities are best suited to the current challenges;" some Directors asked for steps "to improve communication between staff and management on one side and authorities and EDs on the other."

- On March 26, staff held an informal session with the Board, again chaired by the MD, entitled "Update on the Fund's Strategy to Combat COVID-19." At this session, staff put forward for the Board's consideration proposals to temporarily expand RCF and RFI access levels, to revisit the proposal for a SLL, and to consider an SDR allocation. Though many Directors noted that they were "unable to take final positions," there was enough support for the overall direction that staff were asked to be prepared to return to the Board for a formal engagement on the EF and SLL proposals.

- On March 27, following an Extraordinary G20 Leaders' Summit, the IMFC held a conference call to take stock of the rapidly evolving situation and discuss where the Fund's efforts should be focused. The MD stated that "we are very much of the view that we ought to focus on helping EMDEs," which were expected to suffer deep reduction in the demand for their exports and were already experiencing sharp capital outflows.

14. In addition to these engagements on strategy, the Board received in March an update of the GRAM (which kept the COVID-19 outbreak risk as short-term but raised the likelihood as high)[7] and the regular briefings on the World Economic and Market Developments by the Fund's Economic and Financial Counsellors, which indicated a quickly deteriorating situation in which countries needed immediate help. These briefings updated the Board's information as they considered the requests for financing that were already starting to come in in late March, with the documents for the request from the Kyrgyz Republic sent to the Board on March 24 and those for Rwanda sent on March 27.

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[7] The Board also discussed ORM's annual risk report, which had already substantially been drafted to cover topics agreed with the Board before the emergence of the pandemic as a major risk factor. It was agreed that ORM's June 2020 update should cover comprehensively the risks to Fund's operations from the pandemic.

15. **Approval of higher access limits and SLL.** In the first half of April, staff advanced some of the proposals outlined in the March 26 informal meeting for formal Board approval.

- On April 2, the Board discussed 'Enhancing the Emergency Financing Toolkit' (IMF, 2020b) and approved the increase in annual access limits on the RFI and RCF from 50 percent to 100 percent of quota, with cumulative limits raised from 100 percent to 150 percent of quota. The higher limits were to apply initially for a six-month period, with possible extension to be considered if needed. In the internal review of the draft paper, area departments welcomed the increase in access limits, with some urging that the Fund could go further right away (for example, in extending the period of the increase beyond six months) and others that the Fund should signal that additional steps would be forthcoming ("we should not waste the opportunity of the crisis to be bold in our support of LICs," urged the AFR). The framing suggested by ORM, in their comments on the draft paper, was that while the proposals to increase access levels raised operational and credit risks for the Fund, there was also a "reputational risk" if the Fund did not come to the assistance of the membership at a time of evident BOP need.

- On April 9, the Board approved the SLL, a new renewable credit line without ex post conditionality, to expand the Fund's toolkit to help countries with very strong fundamentals and policy frameworks meet potential moderate short-term BOP needs. The facility provided revolving access of up to 145 percent of quota—unlike the FCL which sets no upper limit on access—and allowed repeated drawdown and repayment during its 12-month duration. The SLL retained the high threshold for policy standards established for the FCL as a qualification, although some Directors called for a somewhat lower standard (for example, PLL standards) to extend availability of the SLL to a broader range of countries. Work on the design of the SLL had already been carried out in 2017, allowing for a fast rollout of the new instrument, which included "innovative features" designed to reduce the stigma associated with Fund financing, such as having the central bank as the sole signatory instead of both the central bank and the ministry of finance (IMF, 2020c).

16. **Lack of consensus on an SDR allocation.** In March 2020, staff in Finance (FIN), Legal (LEG), and SPR worked on marshalling support for an SDR allocation. In an informal Board briefing, staff noted that the general allocation agreed in 2009 during the GFC had provided "a limited but helpful element in a broader coordinated response to the Global Financial Crisis." A total of 21 countries, mostly EMs and LICs had used their allocation and there was "little evidence" that the allocation was used to finance "unsustainable policies". Staff felt that a "case can probably be made" that the COVID-19 pandemic had led to a long-term global need to supplement reserve assets. Staff also worked on talking points that could be used to convince members opposed to an allocation, such as the United States, of the "key strategic benefits" to them of an allocation (for example, that in addition to restoring market confidence and supporting recovery, the allocation "could benefit significantly" many countries that were of strategic importance to these members). However, these efforts did not in the end prove successful and the proposal for a general allocation did not garner sufficient support in 2020 (although it subsequently moved forward in August 2021).

17. **Additional steps taken before and during the Spring Meetings 2020.** The IMF's membership met virtually for the 2020 Spring Meetings in mid-April, amidst rising worries of the quickly deteriorating economic and financial outlook sketched in the World Economic Outlook (WEO) and Global Financial Stability Report (GFSR). In addition to the scaling up of access limits on EF and the launch of the SLL, the Fund took steps toward:

(i) A revamped CCRT to provide relief on debt service owed to the Fund by the poorest member countries. In March 2020, the Board approved changes to the CCRT to enable the Fund to provide grants to its 29 poorest and most vulnerable member countries to meet debt service due to the Fund. The grants covered eligible debt falling due to the IMF through April 2022, subject to availability of CCRT resources.

(ii) An initiative to raise additional lending and subsidy resources needed so that the Poverty Reduction and Growth Trust (PRGT) could meet the expected large demand for concessional resources. The Spring Meetings provided a (virtual) forum for fundraising for both the CCRT and PRGT.

(iii) A strategy to secure the borrowing capacity of the Fund's General Resources Account (GRA) by approving a doubling in size of the New Arrangements to Borrow (NAB) and obtaining new bilateral borrowing agreements (BBA).[8] With this reform, the 38 NAB participants contribute an aggregate amount of around $520 billion for the IMF's Fund's resource envelope. In addition, the Board approved in March 2020 a framework for a new round of bilateral borrowing and subsequent agreements with 42 countries added a total of $195 billion to Fund resources. These initiatives allowed the Fund's lending capacity to be maintained at around $1 trillion through 2024, even as existing BBAs wound down.

## C. Extensions and Refinements: May 2020 Onwards

18. **Strategy for the next phases.** After the Spring Meetings, staff turned their attention to laying out a preliminary strategy to transition from the initial containment phase of the pandemic crisis to a stabilization phase and then a recovery phase. This transition was expected to be marked by a second wave of IMF lending but largely in the form of UCT-quality arrangements, as the WEO June 2020 forecast indicated deep recessions in many countries and lingering effects in 2021.

[8] Under the NAB, participating countries agree to lend resources to the IMF in case of heavy demand for Fund financing, providing a "second line" of support for Fund lending capacity under the GRA beyond quota resources. In February 2020, before general awareness of the dangerous scale of the COVID-19 pandemic, the Board approved a doubling of the size of the NAB as part of the conclusion of the 15th General Review of Quotas (which ended with no agreement on a quota increase). BBAs provide a "third line" of defense after quota resources and NAB for Fund lending under the GRA. See https://www.imf.org/en/News/Articles/2021/01/08/pr214-imf-concludes-steps-to-maintain-its-lending-capacity.

19. **Further changes in access limits.** Following the April 2020 increase in access levels, there were three other changes in access levels, in July 2020, October 2020 and March 2021.

- In July 2020, recognizing the severe and continuing impact of the pandemic, and to allow for a shift to UCT arrangements as many countries had already reached limits on EF, the limit on annual access to GRA resources (before triggering emergency assistance procedures) was increased from 145 percent of quota to 245 percent; the normal annual access to PRGT resources was raised from 100 percent to 150 percent; and the exceptional annual access limit under the PRGT by 50 percent of quota to 183.33 percent of quota. These changes were introduced on a temporary basis till April 2021. The increase allowed countries to access additional UCT financing without requiring the more rigorous monitoring and conditionality requirement of the exceptional access framework. However, the cumulative access limits for GRA resources were not adjusted, to leave in place the additional protections from exceptional access procedures for countries seeking high total access to IMF resources. The IMF also suspended until April 2021 the limit on the number of disbursements under the RCF within a 12-month period.

- In October 2020, the Board agreed to a six-month extension (through April 2021) of higher access limits under the regular window of the RFI and the exogenous shocks window of the RCF, with annual and cumulative access limits remaining at 100 percent and 150 percent of quota, respectively.

- In March 2021, the higher annual and cumulative access limits under the RFI and RCF were extended further to end-2021, as was the suspension of limits on the number of disbursements under the RCF. The higher annual access limit on GRA resources was also extended to end-2021. As an interim step, pending a broader review of the Fund's concessional financing and policies, the Board agreed to raise through end-June 2021 the normal PRGT annual access limit from 150 percent to 245 percent of quota and the cumulative access limit from 300 percent to 435 percent of quota.[9] The subsequent July 2021 review permanently raised the PRGT normal annual access limit to 245 percent of quota and the cumulative access limit on a "non-transitory" basis to 435 percent of quota.

- In December 2021, the higher cumulative access limits under the EFI were extended for another 18 months to ensure continued access by member countries to the Fund's EF, should urgent BOP needs arise when a UCT-quality arrangement is either not necessary or not feasible. Other temporarily increased access limits were returned to their pre-pandemic levels from January 1, 2022, onwards (and in the case of the PRGT normal access limits to the levels agreed in July 2021).

20. **Reallocation of existing SDRs.** In May 2020, staff worked on a proposal on options for reallocating existing SDRs from economies with strong external positions to member countries in need "in amounts that would mirror the outcome of a general allocation of SDRs to certain target groups." Staff noted that contributions of SDR 12 billion reallocated to LICs would be

[9] The exceptional annual and cumulative limits were raised to 278.33 percent and 535 percent of quota, respectively.

equivalent to what they would receive under a general allocation of $500 billion. Though staff's informal engagement with some of the potential contributors suggested some support for the proposal, in the end it failed to garner sufficient support and was not taken forward. Subsequently, however, these preparatory efforts bore fruit as agreement was reached in 2021 on SDR issuance and a Resilience and Sustainability Trust (RST) was set up to re-channel SDRs to help countries build resilience to external shocks and ensure sustainable growth.

21. **New pandemic facility.** In June 2020, SPR put forward internally a proposal for setting up a new pandemic facility. In the review process, the proposal did not get much support from staff: "departments generally did not see the benefit" of a new facility over the existing facilities, while expressing concerns about a proliferation of facilities and crowding out of the Extended Fund Facility (EFF). Nevertheless, SPR felt it "worthwhile to seek the Board's view." In an informal engagement with the Board in July, staff argued that to accommodate the still highly uncertain economic environment, existing lending facilities would need to be adapted (i.e., more use of unorthodox policies, a review-centric approach, and more contingency planning), or that a new pandemic facility or window could be introduced with shorter program duration and longer repayment periods. Several Directors were unconvinced of the need for a new facility, but others were open to the idea and asked for a more detailed proposal that could be formally considered by the Board.

22. **Lending options for the next phase.** In late September 2020, staff presented four options, which were not considered mutually exclusive, for the Board's consideration:

(i) Undertaking a second round of EF (i.e., lifting further RCF/RFI access limits);

(ii) Using flexibility under the existing lending toolkit;

(iii) Establishing a temporary pandemic window under the EFF; and

(iv) Establishing a temporary Pandemic Support Facility (PSF).

23. **Staff considered a further round of EF to be "the least promising option" because it considered that the risks to Fund resources and the borrowing member were unacceptably high, owing primarily to the absence of UCT-quality policies and ex post conditionality.** Among the remaining options, staff leant towards the establishment of a new temporary pandemic facility for several reasons. It was a more transparent vehicle for tailoring Fund support to the specific BOP needs of the crisis, which were different from those arising from pre-existing imbalances and structural maladjustment that were addressed by the Fund's standard facilities. As a temporary facility, the PSF would ringfence the flexibility needed to address the pandemic, while providing a repayment period longer than for the credit tranches (but shorter than the one for the EFF). It was also felt that members reluctant to request SBA and EFF arrangements because of stigma would feel more willing to request support under a new temporary facility. In their discussion, many Directors—including some of the major shareholders—supported the

establishment of a temporary pandemic window under the EFF or a separate temporary PSF. However, neither option commanded a consensus within the Board, and it was agreed that the transition to the stabilization phase would be handled within the flexibility already offered by the Fund's existing financing instruments, with Directors generally expressing the view that the next phase of the crisis would call for the use of tailored Fund-supported programs with UCT conditionality. Over this period, the Board also reviewed but left unchanged the IMF's Surcharge Policy[10], despite some external criticism of the policy and the fact that EF during the pandemic had led to a doubling of countries subject to such additional charges (see Box 1).

**Box 1. The Pandemic and the IMF's Surcharge Policy**

**Current policy:** Surcharges (IMF, 2016a) apply to IMF loans from the GRA Account, which typically finances the Fund's lending to middle- and upper-income members. Surcharges do not apply to loans from the PRGT, which provides subsidized loans to low-income members. A two percent surcharge applies to outstanding borrowings that are above 187.5 percent of a member's quota, and an additional one percentage point is applied if these balances have been outstanding for more than 36 months (51 months for loans from the EFF).

**Rationale:** Surcharges serve two purposes: "to generate income to allow the Fund to accumulate precautionary balances and to discourage large and prolonged use of IMF resources" (IMF, 2016b). Indeed, with the ramping up of IMF loans outstanding following the Global Financial Crisis, surcharges represent a significant share of the Fund's operating income ahead—roughly one quarter just ahead of the pandemic and roughly 40 percent as of January 2022 (IMF, 2022a).

**Criticisms:** The IMF's surcharge policy has come under considerable and wide ranging criticism after the onset of the COVID-19 pandemic, for instance, from the G-24 and by Gallagher and Stiglitz (2022) and Honohan (2022). The concerns included: they fall disproportionately on middle-income countries (MICs), despite their relative underrepresentation in the Fund's governance structure; they can be pro-cyclical, falling on countries when they are least able to afford them; the Fund's heavy dependence on surcharges for its operational budget gives the appearance of a conflict of interest; they harm creditors by weakening countries' ability to recover from crises; they are an ineffective tool for discouraging protracted indebtedness to the Fund; and they are unnecessary to build precautionary balances given the Fund's ability to borrow.

**The pandemic and the Fund's surcharge income:** The impact of the pandemic-related lending on the Fund's surcharge income can be illustrated by comparing the Fund's financial results prior to the pandemic to that in FY2022 (May 2021–April 2022), after which most of these loans would have been outstanding for a full year (IMF, 2022b).

In FY2020, surcharge income was SDR 0.8 billion, with only seven countries breaching the Fund's access policy limit in February 2020. By FY2022, surcharge revenue had risen to SDR 1.3 billion and 16 countries were liable by end-year.

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Source: IEO.

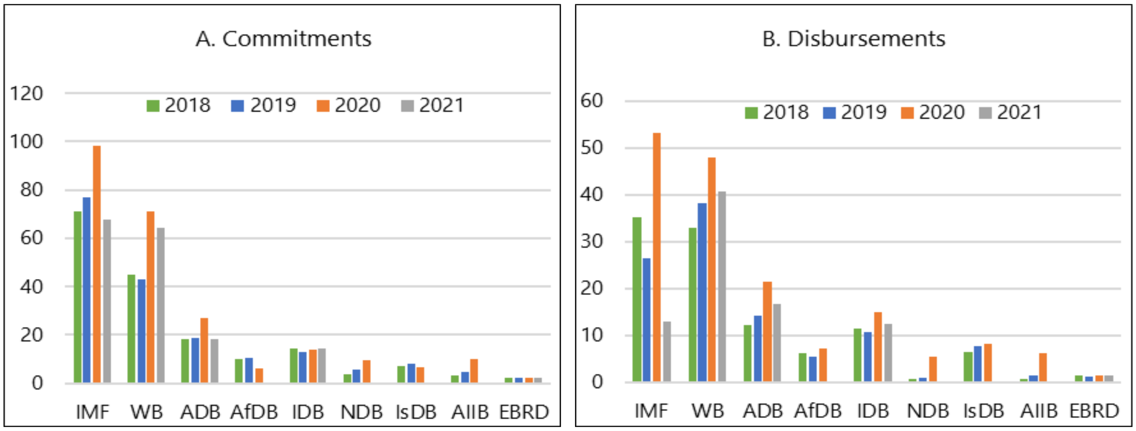
[10] The reviews of the Fund's income position in April 2020 provided information on surcharge income. There were active internal discussions at the Fund on a potential relief of surcharges in late spring of 2020. This work was not pursued further after a critical mass of shareholders signaled in informal consultations that they were unlikely to support such an initiative. When it became clear that the impact of the COVID-19 shock would be more prolonged a new round of internal consultations took place in mid-2021, which culminated in an informal Board meeting to engage in September and a further discussion by the Executive Board in December 2021 in the context of the interim review of precautionary balances. These meetings confirmed that the broad support (70 percent of voting power of the Board) needed to amend the policy was not forthcoming.

## III. COLLABORATION WITH PARTNERS

24. **Engagement with health policy experts.** In February 2020, SPR's Macro-Risk Unit helped form the Interagency COVID-19 Rapid Response Network, an informal network of public health and crisis response experts at partner institutions (World Bank (WB), World Health Organization (WHO), Center for Disease Control and Prevention (CDC), Asian Development Bank (ADB), African Development Bank (AfDB), United Nations Development Program (UNDP), United States Agency for International Development (USAID)/US State Department, Johns Hopkins' Center for Health Security). The group was created in response to a call from management to promote a coordinated analysis and response to the developing pandemic. Discussions with epidemiologists and public health experts informed the Fund's view of the severity of the crisis and best practices for health responses. These discussions centered on COVID-19's clinical characteristics (i.e., fatality and transmission rates); the most effective health and social distancing measures for flattening the curve; modeling of its spread; and key uncertainties (for example, seasonality and post-infection immunity). Fund staff also used Johns Hopkins Center for Health Security's Global Health Security Index as an input to the internal Vulnerability Exercise, a cross-country risk exercise, which sought to identify emerging risks using a bottom-up approach across all sectors of the economy and a consistent cross-country approach to assessing sectoral risks across advanced, emerging, and low-income economies. The SPR Macro-Risk unit continued to meet with various members of the network (for example, the ADB, WHO) through late 2021.

25. **Financing by IMF and MDBs.** Alongside the Fund, multilateral development banks (MDBs) provided important additional financial support to developing countries in 2020–21, with commitments of around $145 billion and disbursements of around $112 billion in 2020 (Figure 1). Not all, however, was directly related to the COVID-19 pandemic. Some of this financing corresponded to ordinary operations that had already been approved before the pandemic and some corresponded to new operations that would have been approved and disbursed even in the absence of COVID-19. That said, the additional support is evident from the large increase of 40 percent in aggregate MDB financial commitments and of 33 percent in disbursements in 2020. Among MDBs, the WB accounted for 70 percent ($28 billion out of $41 billion) of new MDB commitments and 30 percent ($10 billion out of $33 billion) of new MDB disbursements in 2020.

**Figure 1. Official Lending: IMF and Other Multilateral Lenders**
(In USD billions)




Sources: IEO calculations using data from IMF; WB and other MDBs.
Note: Financing includes all total commitments / total disbursements to sovereign (not just strictly COVID-19-related). FCL and PLL are included in total IMF financing.

## A. Engagement with the World Bank

26. **Strategic engagement.** The WB and the IMF have a long history of cooperation at institutional, regional and country levels. The Fund and Bank worked together during the pandemic in pressing for official debt relief and multilateral vaccination support initiatives. There was also close cooperation by country teams in assessing the impact of the pandemic at the country level, as detailed in the regional case studies of this evaluation. However, interviewees from both the Bank and Fund also noted some sources of tensions. First, strategic differences in the approach for providing financial support between the two institutions affected the coherence of cooperation at the country level in some cases. The Fund generally emphasized disbursing rapidly through its emergency facilities to meet urgent needs while the Bank's continued reliance on lending largely through its policy-related instruments allowed for more concern for particular country policies but sometimes resulted in slower disbursements and uncertainties about how BOP gaps would be filled.[11] Second, judgments about debt sustainability also proved contentious at times. While the Fund and the Bank must ultimately reach agreement on a LIC's debt sustainability under the LIC-DSF, staff interviews noted that reaching such agreement was often quite difficult. Fund staff tended to be more willing to give a country the benefit of the doubt on debt sustainability—allowing for provision of prompt EF—while Bank staff often questioned what they saw as the Fund's over-optimistic growth and policy assumptions.

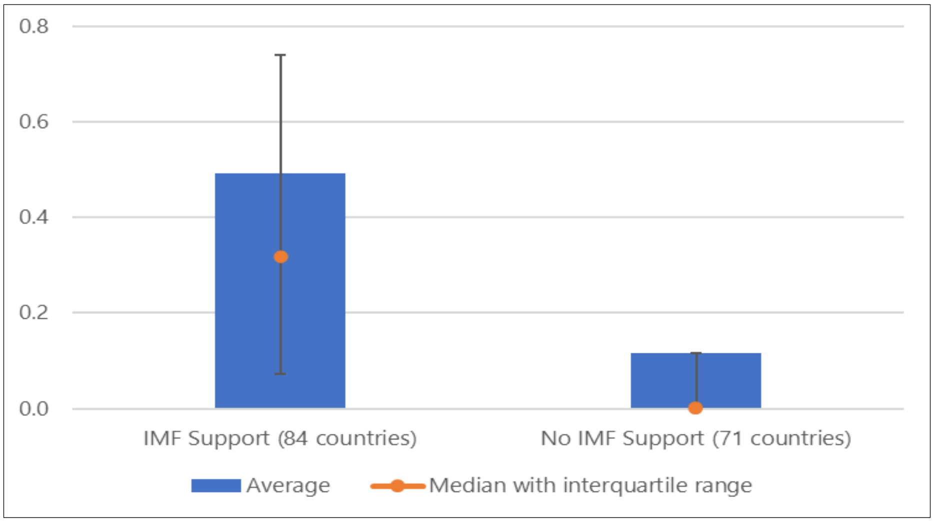
27. **Fund and Bank financial commitments were generally aligned.** Despite differences of strategic approach, the Fund and the Bank's financial commitments were aligned in most cases. Commitments by the WB for COVID-19 related financing were larger for countries receiving

[11] Between April 2020 and April 2021, the percentage of new financial commitments that were disbursed fluctuated between 70 percent and 92 percent for the Fund (excluding new commitments under precautionary arrangements) and between 7 percent and 21 percent for the Bank.

financial support from the Fund (Figure 2). In around half the cases, the Bank and Fund both disbursed financing support to fight the health and economic consequences of the COVID-19 pandemic before the end of June 2021 (Figure 3). In another quarter of cases, neither institution provided financial support, reflecting either a lack of interest from the country or lack of willingness to provide financing from both institutions. Hence, in about 75 percent of cases, there was alignment between the provision of financing (or lack of it) between the two institutions. (Box 2 describes the methodology used for the estimates shown in Figures 2 and 3).

**Figure 2. World Bank's COVID-19 Financial Commitments to EMDEs in 2020**

(In percent of GDP)

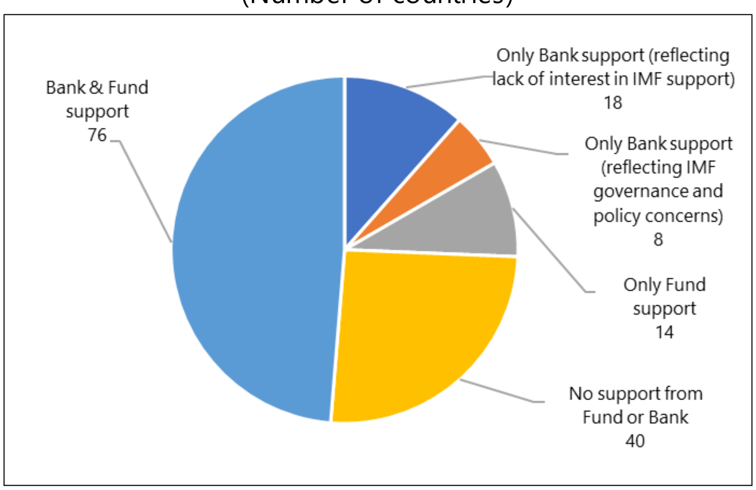



Sources: WB; AfDB; IMF; IEO's calculations.

Note: Box 1 explains how WB COVID-19-related lending projects are identified.

**Figure 3. Bank and Fund COVID-19 Financial Assistance Disbursed to EMDEs, March 2020–June 2021**

(Number of countries)




Sources: IMF; WB IEG; IEO calculations (2022).

Note: Total number of EMDEs: 156. Box 2 explains how disbursements of COVID-19 financial assistance is identified for the two institutions.

**Box 2. Identifying World Bank and IMF COVID-19 Financing**

**Introduction.** This box explains how we identified World Bank and IMF COVID-19 financial commitments and disbursements to create Figures 2 and 3.

**Data sources.** IMF's new commitments and disbursements were respectively obtained from the IMF COVID-19 Lending Tracker and from the Fund's Finance Department. World Bank's new commitments and disbursements (up to June 2021) were provided to us by the World Bank's Independent Evaluation Group (IEG).

**Classification of Fund support.** We consider that all new IMF commitments made in 2020–21 to provide balance of payments support were at least to some extent related to the COVID-19 pandemic. To classify countries according to disbursements in Figure 3, we look at whether some of the financing had been disbursed by the end of June 2021. FCL and PLL recipients are classified as receiving IMF support irrespective of actual disbursements.

**Classification of Bank support.** Separating COVID-19-related from ordinary financing is more complicated for the World Bank since the Bank also provides financing in normal times for development purposes. In the absence of an official World Bank variable classifying projects according to whether they were related to the COVID-19 pandemic, the literature has relied on text analysis to identify whether a lending projects was COVID-19 related (see, for example, Lee and Aboneaaj (2021) and Aboneaaj, Sato, and Morris (2022)). We follow the same approach for Figure 2 and classify projects with "COVID", "covid", or "pandemic" in their titles as COVID-19 related. Doing this is, however, imperfect and may miss a few projects directly related to the COVID-19 pandemic that may not contain such keywords in their titles. When comparing average levels of World Bank financing for two groups of countries as in Figure 2, this limitation is unlikely to create major issues. But it is more problematic when we try to identify whether a country has received World Bank financial support as in Figure 3. To avoid misclassifying countries, we complement the text analysis by manually reading the descriptions of the World Bank lending projects that were approved until June 2021 for countries that the text analysis classified as not having received World Bank COVID-19-related support. We also use the publicly available IBRD Statement of Loans and IDA Statement of Credits and Grants, which contains detailed information about disbursements at multiple points in time for any given project, to see if an approved COVID-19 project was (at least partially) disbursed before June 2021.

Source: IEO (2022).

28. **Factors leading to differences in outcomes.** In the remaining 40 cases, representing a quarter of cases, a country received support from one institution but not the other. There were several factors leading to these deviations:

- **Stronger requirements for Bank disbursement.** In six of the cases (Armenia, Cameroon, El Salvador, Guatemala, Madagascar, and Nigeria) of Fund support without Bank support, the Bank approved COVID-19 financial assistance before the end of its fiscal year (which ends in June in the case of the Bank) but did not disburse its financial support before June 2021. As discussed in the case study of Nigeria (see Christensen, Kayizzi-Mugerwa and others, 2023), the financing approved was not disbursed by the Bank because the prior action regarding the harmonization of Nigeria's exchange rate regime was not met.[12]

[12] The $500 million "COVID-19 Preparedness and Response Project" and the $750 million "COVID-19 Action Recovery and Economic Stimulus Program" for Nigeria were approved in August and December 2020, respectively.

- **Later approvals of new Bank financial commitments.** In another eight cases (Angola, Chile, Guinea-Bissau, Montenegro, Namibia, Somalia, South-Sudan, South Africa), the difference arises because the Bank's COVID-19 financing was approved later than Fund financing, typically because of policy concerns. In each of these cases, the new commitments related to the pandemic were approved after June 2021. As the case study of South Africa noted (Christensen, Kayizzi-Mugerwa and others, 2023), the authorities were appreciative of Fund's timely help given delays that had arisen in Bank financing because of disagreement on the appropriate matrix of policy actions.

- **More flexibility and less stigma in Bank financing.** In 26 countries (8 LICs and 18 MICs), the Bank provided financial support, but the Fund did not. In eight of these cases (4 LICs, 4 MICs), the Bank provided support, notwithstanding issues related to debt sustainability, governance, and health policies that prevented the provision of Fund support, in some cases providing relatively small amount of humanitarian support based on highly concessional loans and grants. In 18 other cases (4 LICs, 14 MICs), there was no demand for Fund financing despite the use of Bank financing.[13] This appears especially true for MICs, which represent 70 percent of the countries that received Bank but not Fund support. Altogether, this suggests that the Bank may have been able to rely on a more flexible set of lending instruments with less stigma to help countries address COVID-related issues.

29. **Collaboration between Bank-Fund country teams.** Evidence from interviews with Fund staff and from the case studies conducted by the IEO and IEG consistently point to good cooperation between country teams during the pandemic. Staff reported sharing information on financing needs, the extent of financing likely to be provided by their respective institutions and discussing the challenges of putting together a macroeconomic framework in the context of a pandemic. "We were working from the same spreadsheet," in the words of an IMF mission chief in a case where collaboration was particularly strong. Examples of countries where collaboration was rated as strong by either an IEO or IEG case study are Morocco and Serbia. In some cases where the Bank still had staff in the field, the information provided was regarded as particularly useful by Fund staff given their inability to travel.

## B. Collaboration with Other Institutions

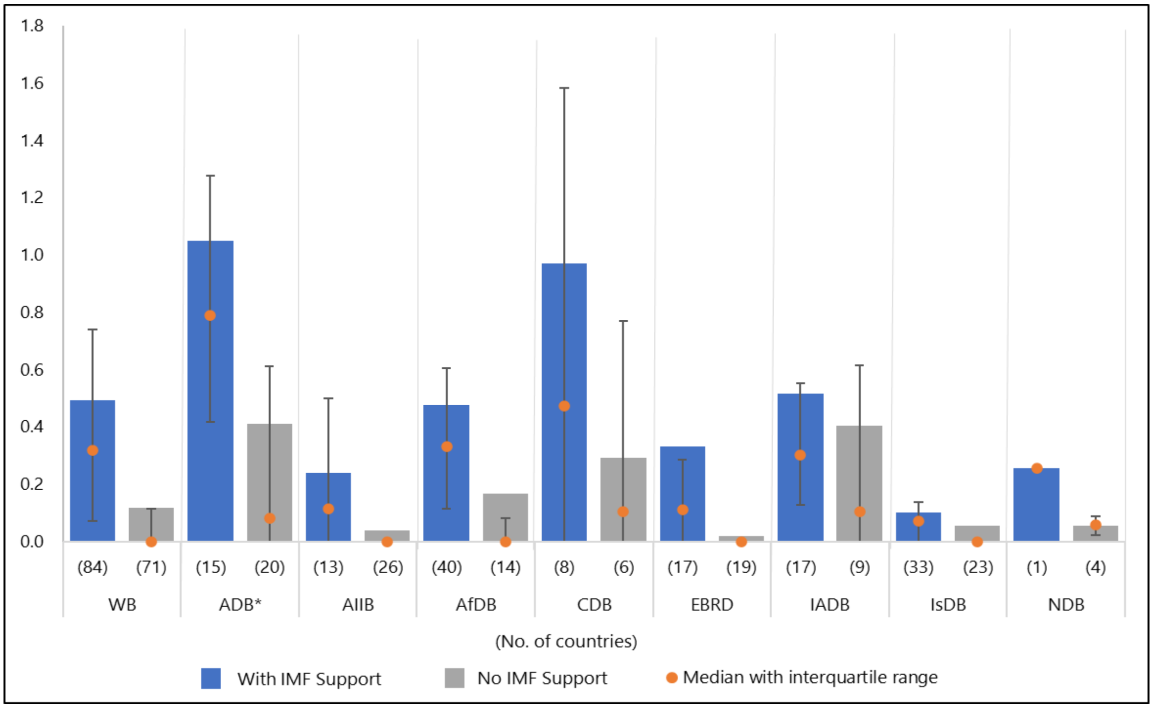
30. **Strategic engagement.** Evidence from discussions with evaluation offices paints a varied picture of the Fund's interactions with Regional Development Banks (RDBs). Collaboration was perceived as stronger with the Inter-American Development Bank (IDB) and ADB than with others. Staff at many institutions noted some tendency to work in silos, resulting in information gaps, particularly about the extent of the financial support being provided by other official institutions.

[13] This rationale as to why Fund financing was not provided to these countries is based on IEO interviews with IMF staff in relevant area departments.

31. **Fund and MDBs financial commitments were generally aligned.** As with the WB, other MDBs' financial commitments to EMDEs that received Fund support were substantially higher than in cases of no Fund support (Figure 4). Even after controlling for factors that could both explain the level of commitments from MDBs and Fund, our econometric analysis in Appendix A suggests a strong association between Fund support and other sources of official financial support, especially for LICs.

**Figure 4. COVID-19 Financial Commitments to EMDEs by Selected MDBs**

(Average, percent of GDP)




Sources: AIIB; ADB; AfDB; CDB; EBRD; IDB; IsDB; NBD; WB; IEO's calculations.

Note: Because MDBs use different approaches to separate ordinary support from COVID-19-related support, figures are not comparable across institutions.

* Excludes six outliers that distort the average.

32. **IDB.** Building on good prior collaboration, there were discussions among staff about the respective financing from the two institutions, with the IDB's existing credit line and a new emergency instrument perceived as complementing the Fund's EF, particularly the RFIs. The collaboration extended to discussions of the fiscal prospects for recipient countries, several conversations at the senior management level, and joint statements on common concerns about the level of debt in MICs in Latin America at the early stages of the pandemic.

33. **ADB.** Country cases conducted by the ADB's evaluation office suggest appreciation for the Fund's provision of financing and information on the macroeconomic framework, and generally good exchange of information among country teams. One example is Bangladesh, which was the subject of case studies in both the IEO and the ADB's evaluations. IEO interviews suggest, however, limited collaboration at the strategic level.

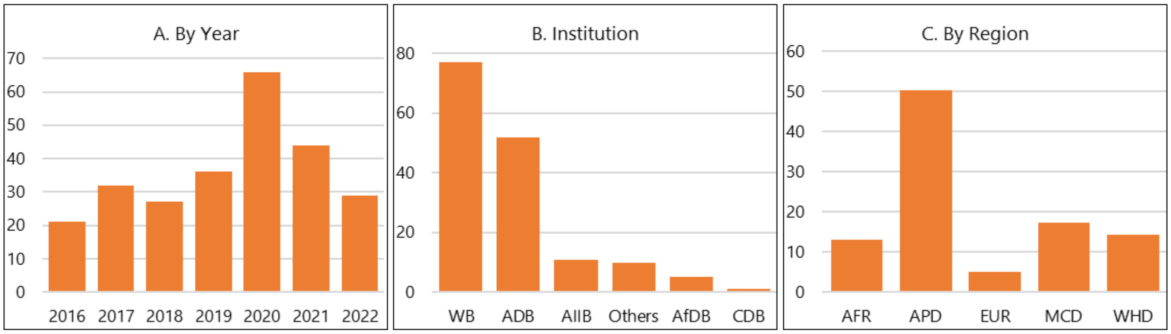
34. **Other RDBs.** Collaboration with other RDBs appears more limited. Though the Fund was intensively involved in providing help to African countries, we did not find systematic evidence of a scaling up of interactions with the AfDB. Some country teams (including Nigeria) did report regular interactions between the country teams, but this does not appear to have been carried out in a systematic fashion. There seems to have been little strategic level coordination between IMF and AfDB management and staff. Other RDBs such as European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Islamic Development Bank (IsDB), New Development Bank (NDB) also experienced limited level of systematic coordination with IMF during the pandemic.

35. **Assessment letters.** The Fund's provision of assessment letters—which aim to provide assurances to other multilateral institutions and bilateral donors about the strength of a country's macroeconomic framework and policies in the absence of a UCT arrangement—is another proxy for the extent of collaboration with MDBs during the pandemic. The overall volume of letters increased significantly during 2020 compared with previous years (Figure 5). IMF provided assessment letters to 59 countries during 2020 and 2021. This included 11 countries in the African region, 23 in the Asia Pacific, 3 in Europe, 10 in Middle East and Central Asia, and 12 in the Western Hemisphere.[14] 34 out of the 59 countries received EF from the Fund during that period. Most letters were provided at the request of the WB and the ADB. Letters were also provided to newer agencies like the Asian Infrastructure Investment Bank (AIIB). Consistent with the evidence of modest engagement from the interviews, only 4 assessment letters were provided to the AfDB and not until 2021. Interviews with staff at other evaluation offices, particularly at the ADB, indicate that Fund staff were perceived as extremely helpful in trying to provide letters in a "very timely manner" during the pandemic. (The lack of letters issued to IDB reflects differences in its institutional practices from those of other RDBs).[15]

[14] African Region (11): Benin; Botswana; Cabo Verde; Democratic Republic of the Congo; Eswatini; Kenya; Mali; Niger; Seychelles; South Africa; Tanzania. Asia Pacific (23): Bangladesh; Bhutan; Cambodia; China; Federated States of Micronesia; Fiji; India; Indonesia; Kiribati; Marshall Islands; Mongolia; Myanmar; Nauru; Nepal; Palau; Papua New Guinea; Philippines; Solomon Islands; Thailand; Tonga; Tuvalu; Vanuatu; Vietnam. Europe (3): Croatia; Montenegro; Ukraine. Middle East and Central Asia (10): Azerbaijan; Georgia; Kazakhstan; Kyrgyz Republic; Morocco; Pakistan; Sudan; Uzbekistan; West Bank and Gaza; Yemen. Western Hemisphere (12): Antigua and Barbuda; Costa Rica; Dominica; Ecuador; Grenada; Guatemala; Jamaica; Panama; Paraguay; Peru; St. Vincent and the Grenadines; Uruguay.

[15] The IDB only requests assessment letters from IMF for budget support in countries under stress, which requires that IMF-supported program be in place; for the rest, "the IDB typically does not require an IMF assessment letter as it carries out its own independent macroeconomic assessment, in coordination with IMF country teams." (Source: G20 Background Note: Coordination Between the International Monetary Fund and Multilateral Development Banks on Policy-Based Lending: Update on the Implementation of the G20 Principles, August 29, 2018.)

**Figure 5. Assessment Letters Provided by the IMF**




Source: IEO's calculations based on the assessment letters found in IMF Connect (2022).
Note: Some assessment letters were provided jointly to two institutions and are counted under both institutions in the middle chart but only counted once in the right-hand and left-hand side charts.

36. **Engagement with the UN system.** Within the UN system, the IMF interacts mainly with UNDP, the UN Department of Economic and Social Affairs (UN-DESA), as well as with other specialized agencies of the UN such as the International Labor Organization (ILO). The Fund is also active in the UN's Financing for Development, a global framework for financing sustainable development. The IMF's engagement is facilitated by a small UN office headed by the IMF's Special Representative to the UN. At the start of the pandemic, the UN office switched to working in virtual mode, which according to interviewed staff helped scale up information exchange and dialogue compared to the past "as it became easier to get all relevant people" on both the UN and Fund side to meetings. In response to a much greater "demand for information," the UN office rapidly assembled an e-mail list of key people in UN agencies and country embassies to provide regular updates on IMF activities during the pandemic; the UN office likewise kept IMF staff abreast of UN activities. The Fund has also participated in the UN Innovation Network via the IMF Office of Innovation and Change, sharing examples and experiences of innovation across the Fund with partners in the UN network.

37. **UN appreciation for Fund's role.** Interviews with senior staff at various UN agencies and the ILO, including in some cases the heads of the agencies, suggest deep appreciation for the Fund's role—and particularly for the Managing Director's engagement with the UN system—during the pandemic:

- ***IMF engagement:*** The level of engagement with the UN in terms of the participation of IMF management and senior staff in various UN events was high—nearly 30 engagements in 2020 alone. The MD's active participation in many of these engagements was welcomed, for instance at the high-level panel on "Financing for Development in the Era of COVID-19 and Beyond" co-hosted by the Canadian Prime Minister in May 2020 and attended by 50 heads of state.

- ***Senior level vs. country-level collaboration:*** In contrast to the experience with Bank-Fund collaboration, interviewees felt that the quality of cooperation was better at the senior levels of the Fund and UN system than at the level of the country teams. While the perception was that country level engagement had picked up during the pandemic, it was felt that that the "strong signal" provided by high-level engagement did not fully filter down and there was still considerable room to improve technical collaboration.

- ***IMF policies:*** The swiftness of the Fund's financing response was praised as being the right response to the situation of the pandemic. The IMF's advice for strong, timely and targeted fiscal support was more aligned with that advocated within the UN system than had been the case in the past, both in terms of the emphasis on the need for spending during the pandemic and the warning against premature withdrawal of fiscal support. Interviewees noted the IMF's greater willingness to engage on social protection and social equity issues and to carry out work on how to provide policy space to finance the Sustainable Development Goals in the post-COVID era.

There were also issues, however, where the UN would have welcomed greater support from the Fund. It was felt that the IMF was lukewarm about various UN proposals on debt-relief for MICs and in pushing for the private sector to provide debt relief for LICs, though interviewees recognized that they may not always have been privy to the IMF's behind-the-scenes efforts on these issues.

38. **Engagement with Regional Financial Arrangements (RFAs).** The establishment of a regular policy dialogue between RFA and IMF in 2016 aimed to facilitate knowledge sharing about crisis prevention and resolution. This originated from wider efforts carried out by the IMF and G20 in this sphere. The pandemic provided a unique opportunity to test these channels of co-operation in times of crises. According to a joint report published by RFAs members on their activities during the pandemic,[16] the RFAs collaboration with the IMF was viewed favorably. The report concluded that building on channels for regular policy dialogue established prior to the pandemic, the IMF and the RFAs "efficiently exchanged information and technical expertise, both collectively and bilaterally." There were "two dialogue meetings" between the IMF's Managing Director and the Heads of RFAs during 2020 and a meeting between the IMF's Chief Economist and her counterparts in RFAs in mid-2020; IMF staff also participated in capacity development activities for RFA staff in 2020–21. The need and opportunities for more intense cooperation did not arise because there was limited recourse by countries to RFAs.[17]

[16] Regional responses to the COVID-19 crisis: a comparative study from economic, policy, and institutional perspectives. Discussion Paper Series/18—Special Issue, November 2021.

[17] Interviews with RFA staff largely corroborated the joint report, although one RFA pushed for consideration of how SDR issuance could be used to fund RFAs that were already "prescribed holders" of SDRs. Although the Fund staff engaged with the RFA on the issue in April 2021 and was receptive to the dialogue, the Fund has not taken a position on the proposal.

## C. Collaboration with the G20

39. **Debt Service Suspension Initiative (DSSI).** At their first emergency teleconference summit on March 26, G20 Leaders pledged to "continue to address risks of debt vulnerabilities in LICs due to the pandemic."[18] Following a joint call for action by the WB President and the IMF Managing Director DSSI for additional resources to bolster the crisis mitigation efforts of LICs, G20 Finance Minister endorsed a DSSI on April 15, 2020, which became effective on May 1, 2020. The initiative, which was also supported by the Paris Club, Kuwait and the United Arab Emirates, covered 73 IDA-eligible and UN least developed countries with debt service payments to the IMF and WB. Participating countries were encouraged to seek similar debt service relief from private creditors. In 2020, 43 countries benefited from $5.7 billion in debt service relief.

40. **DSSI Fiscal Monitoring Framework.** The IMF and the WB were tasked by the G20 to assist beneficiaries of the DSSI to put in place a monitoring framework for their fiscal efforts in response to the COVID-19 crisis. The framework for monitoring DSSI beneficiaries' fiscal efforts in response to the crisis was endorsed by the G20 on June 23, 2020 and was developed and put in place soon thereafter.

41. **Common Framework.** In order to address the problem of unsustainable debt levels, the G20 reached agreement in November 2020 on a Common Framework for Debt Treatments, which aimed to deal with insolvency and protracted liquidity problems in the DSSI-eligible countries by providing debt relief consistent with the debtor's capacity to pay and maintain essential spending needs. The purpose of the Common Framework was to bring the newer official creditors, notably China which had become the largest official creditor for many developing countries, into a process that was akin to that used to restructure the debt owed to the—mostly OECD—members of the Paris Club. It was developed by the G20 with Paris Club, IMF and WB input as a structure for guiding agreements on debt treatments for eligible countries. However, progress was minimal during the evaluation period, in part because of different interests among creditors and remained quite limited through 2022.

# IV. Lessons From Evaluations of Other Multilateral Institutions

42. In parallel with the IEO, evaluation offices in other multilateral institutions carried out evaluations of their institutions' response to the COVID-19 pandemic, often in the format of rapid or early assessments as to provide timely evaluation insights as the pandemic responses were ongoing. Several of those evaluations touched on the topic of collaboration across institutions revealing some common challenges faced by the Fund.

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[18] "Extraordinary G20 leaders' Summit: Statement on COVID-19," by video conference from Riyadh, Saudi Arabia, March 26, 2020.

43. **Sources.** The IEO conducted interviews with staff at evaluation offices at 11 multilateral institutions,[19] the OECD-led COVID-19 Global Evaluation Coalition, authors of the recent Multilateral Organization Performance Assessment Network (MOPAN)[20] report on multilaterals response to the pandemic (MOPAN, 2022) as well as performed a desk review of evaluation reports produced by other evaluation offices.[21] The findings from this stocktaking exercise are outlined in more detail in Annex 2. Annex 3 provides a chronical timeline of global cooperation initiatives during the COVID-19 pandemic from the MOPAN report.

44. **There were several patterns that stood out in common in direct or indirect relation to the multilateral collaboration:**

- ***Shared focus on immediate needs.*** Almost universally, institutions pivoted to the immediate priority of saving lives and livelihoods through various emergency measures and packages, setting aside more medium- to longer-term considerations and strategic goals of their institutions; this provided a good foundation for collaboration.

- ***Limited sharing of information on extent of country needs and support received.*** At the start of the pandemic, most institutions faced the challenge of estimating the extent to which member countries needed support and how much might have already been provided or committed by other IFIs. There was no cooperation among multilaterals on a comprehensive global-scale diagnostic platform, which could assess a country's needs or quickly ascertain the support it was receiving from others. This could have contributed to the risk of either undersupply of funding in some countries or oversupply in others.[22] Few evaluations of RDBs response to the pandemic indicate that the COVID 19 response programs of their respective organizations were driven by the supply of available resources rather than by demand-informed focus of financing that would correspond to the actual needs on the ground. Thus, those evaluation offices called for a comprehensive reporting framework on the provision of emergency support that is transparent to ensure adequacy of overall support to a country. Harmonization of such

[19] This included: AfDB; ADB; AIIB; CDB; IDB; IFAD; IsDB; EIB; EBRD; NDB; WB.

[20] The Multilateral Organization Performance Assessment Network (MOPAN) is an independent network of 21 members, whose key objective is to monitor the performance of multilateral development organizations. It is governed by a Steering Committee composed of representatives of its members and served by a permanent Secretariat. The Secretariat is hosted at the OECD.

[21] In a few cases, the evaluation reports were internal documents or reports had not yet been completed. In such cases, we relied on interviews to obtain a high-level summary of the key findings or emerging evidence.

[22] There were attempts to create common platforms of such, but with a niche focus and limited usage. For instance, the IsDB, in its role as chair of the MDBs group, created a Global Coordination Platform to facilitate payments and tracking of procurement of medical supplies from WHO accredited suppliers within IsDB member countries only. The UN Agencies participating in the IsDB's response program were familiar with it and used it. Interviews point on one side towards gains in introducing transparency and allowing to see where the donor money went to avoid duplication of efforts between organizations, and on the other side towards its limited use.

monitoring and reporting across IFIs would not only bring efficiency in financing, but also contribute to a better and more tailored additionality of the support that each institution provides in a crisis event.

- ***Internal coordination took precedence.*** In several IFIs, there was a need to improve internal coordination among the various parts of the organization to ensure that the internal response of the institution was coherent. Hence, while the importance of collaboration with other institutions was appreciated, time and effort had to be devoted to fostering better internal coordination.

- ***Reliance on existing channels of collaboration.*** Collaboration with other institutions was sporadic rather than systematic, relying on existing collaboration mechanisms and trusted personal relationships established prior to the pandemic. This again reflected the absence of a common platform through which to quickly facilitated collective responses that the situation may have called for and also the lack of time, right incentives and resources that could be devoted to collaboration. As flagged by several evaluations, effort on strengthening internal as well as external coordination is best to occur prior to the crisis, since what works best in a crisis is likely to be what has already been "tried and tested." Otherwise, new coordination efforts can come up against tight limits on time and alternatives, both scarce in emergency situations.

45. **Broader challenges faced by partners as well as the IMF.** Evidence highlighted that partner institutions faced broader challenges like those in the IMF during the pandemic.

- ***Timely support helps take-up, though lack of demand constrains it.*** In an emergency, countries are looking for timely support. In a couple of institutions, the evaluation offices felt that delays in the availability of their emergency support had significantly affected the attractiveness and relevance of their financing instruments. This was also noticeable in cases where there was no collaboration among multilateral partners to ensure additionality of support or complementarity in the type of support provided. However, even timely and well-targeted instruments may not see take-up if, for instance, the need for official support is diminished by improvement in market conditions or if financial support is available from other more attractive sources that could have been provided by other institutions.

- ***Mechanisms for review of institutional strategies.*** Given the unpredictability of the duration and severity of the pandemic, mechanisms to keep an institution's strategy under review and adapt it to changing needs were particularly valuable. Several evaluation offices felt such mechanisms were insufficient within their institutions, as well as between institutions, leading to slowness in revisiting decisions or to update strategies or programs as the crisis lingered on. Organizations were found to be slow to revisit decisions or update strategies as the crisis continued, new information became available, and the scale and duration of the pandemic came into focus. Some interviewees had a favorable perception of the IMF's ability to adapt.

- ***Establishment of "crisis response toolkit."*** Several evaluation offices called on their organizations to consider establishing crisis mechanisms or playbooks that would enable the multilateral to move quickly and coherently to address future emergency needs, including through strengthened collaboration across institutions.

- ***Staff stress was pervasive.*** Difficulties in maintaining the well-being of staff was a pervasive issue across institutions. Several institutions reported increased stress on staff and raised concerns about constraints and rigidities in reallocating staff within their institution.

- ***Importance of communication channels.*** Several evaluation offices identified deficiencies in the quality of both internal and external communication in times of emergency in their institutional responses. This hindered the understanding of the institutional response programs, speed of their implementation, and ultimately the quality of cross-institution cooperation.

## V. ASSESSMENT

46. **Pragmatic strategy.** Interviews with Fund stakeholders and other observers indicate that the Fund is generally given great credit for providing essential financial support quickly and to many countries.[23] In total, the Fund approved over $100 billion in financial assistance to nearly 90 countries over March 2020–March 2021, comparable to the total amount in the first year after the onset of the GFC, but with many more countries receiving very quick support and substantially more on concessional terms. The decision early on to focus on scaled-up EF facilities—rather than rush to adapt standard lending facilities—was seen as a pragmatic way to meet the urgent needs of the moment, recognizing multiple constraints in terms of human and financial capacity and a lack of full consensus among shareholders.

47. **Concerns with the strategy.** While recognizing the Fund's achievements, outside observers have raised several concerns with the Fund's approach.

- **Lack of ambition?** Some critics have suggested that, despite the pressures of the moment, a more holistic and ambitious strategy could have been crafted at the outset, positioning the Fund better to deal with the sustained economic difficulties that many EMDEs were likely to face after the emergency phase of the pandemic.[24] Lowcock and Ahmed (2021), for example, argued for maintaining flows of financing at this elevated level for the next five years given the long-term impact of this crisis and called for IFIs to adapt their historical country-focused business model to address global challenges. Mazarei (2021) argued that new facilities and processes could have been invoked quickly, thus avoiding ad hoc responses.

[23] See, for example, Oxfam (2020) and Ahmed (2021).

[24] In a similar vein, *The Economist*, summing up the IMF's efforts over the first year of the crisis, concluded that "All told, the Fund's approach may seem a muddle," but added that "For now, though, the muddle helps some of the countries in need. And the Fund may have lots of time to forge a more consistent approach" (April 3, 2021).

- **Slow progress on debt-related aspects.** The DSSI and Common Framework have faced a number of challenges due to uneven participation and lack of shared agendas among key shareholders. The DSSI is criticized by some for falling short of its participation objectives. Although it benefited the most vulnerable countries, it had an overall limited impact owing to factors related to potential consequences for market sentiment and uneven creditors' participation in the initiative. Agreement on a Common Framework has also proved much harder to translate into operational outcomes. Of the three countries—Chad, Ethiopia, and Zambia—that have asked for their debt to be treated during the period of this evaluation, none have been able to complete the process smoothly without delays.

- **Other concerns.** There have also been concerns raised about: (i) the extent to which the strategy was devised with adequate consultation of the Fund's shareholders; (ii) whether there was sufficient discussion of risks to the Fund in making key decisions; and (iii) initiatives that were not fully successful, such as the failure to gain approval of a SDR allocation in 2020 or the limited take-up of precautionary facilities.

48. **Consultations with the Executive Board.** IEO interviews with Executive Directors and their advisors who were in office during 2020 indicate that most of them felt less than adequately informed of the Fund's shifting assessment of the implications of the pandemic for the global outlook and the Fund's strategic thinking and planning in the initial months of the pandemic. A number of them noted that they heard of Fund initiatives through press reports or often just in advance of external announcements. And while the Board was briefed frequently during March 2020, by this time many on the Board felt they had little option but to go along with the Fund's strategy. Interviews with senior staff engaged in putting together the strategy during February and early March 2020 confirm that the pressure of time meant that the normal practice of outreach to each OED office in advance of major policy initiatives could not be carried out in this instance; instead, outreach was ad hoc and limited to a few shareholders. Staff note that much of this period was taken up in building a consensus across departments on the likely consequences of the pandemic and in an environment of great uncertainty about how the pandemic might spread. The Managing Director's travel in the second half of February, including to the G20 meeting, meant that some response to press inquiries about the Fund's plans to help countries was unavoidable. Nevertheless, briefing on the economic consequences of the pandemic and formal consultation with the Board on the range of options for Fund assistance to countries during February would have been helpful in providing the Fund's early assessment of the impact of the pandemic on the economic prospects and policy advice ascertaining the views of the full membership. While this may not have materially changed the actions the Fund ended up taking, more analysis and early consultation on the risks involved in the Fund's recourse to extensive use of EF and an early indication of the Board's appetite for innovations such as a new pandemic facility would have been useful.

49. **Rising risks to the Fund's balance sheet.** Reflecting the very rapid pace of decision making in the early days of the pandemic, the discussion of enterprise risks in the Board documents proposing key changes in policy, such as the doubling of the EF ceilings, was quite limited. While there was some recognition of operational and credit risks, staff documents suggested that these were outweighed by considerations of the strategic and reputational risks if the Fund did not move very quickly to help countries, but with limited analysis provided of the extent of these risks. There was increasing attention to risks over time, with ORM's mid-year risk update in June 2020 and ORM's full risk report and FIN's papers on adequacy of precautionary balances in November 2020 providing deeper analysis of the risks involved. This attention contributed to a number of actions to contain escalating risks by limiting access levels, making greater use of prior actions, independent audits, and increased attention to governance considerations (Kincaid and others, 2023). Nonetheless, the credit risk profile of the Fund's balance sheet has deteriorated significantly, most clearly in relation to the PRGT, as a rising share of creditors are in loans provided without program conditionality to borrowers with high risks of debt distress, as discussed further in Kincaid and others (2023).

50. **SDR allocation.** Turning now to initiatives that largely failed to come into fruition, it is worth noting that while many made the case for a new SDR allocation in 2020, others argued that the direct support provided to the countries that needed it the most was not that significant, that an allocation raised moral hazard concerns, and that the resources provided were subject to abuse.[25] Our interviews indicate appreciation for management and staff's attempts to move the political constraints blocking an allocation in 2020 and recognition that this was eventually a matter out of the Fund's control. Some observers felt that the Fund could have done more to analyze and publicize the costs to LICs in terms of lives and livelihoods from the failure to agree to an allocation, but they agree that this is unlikely to have changed the outcome. While a sizeable SDR allocation was eventually agreed in 2021, this falls outside the IEO evaluation period, and thus IEO did not attempt to assess its impact.

51. **Precautionary facilities.** The use of the Fund's precautionary facilities expanded during the pandemic but modestly: the new FCL arrangements for Chile and Peru doubled the number of such arrangements to four during 2020, Colombia drew on parts of its FCL access and Morocco drew the full amount under its PLL. There was no take-up of the SLL (until Chile in May 2022); the pessimism in staff's internal deliberations proved to be a more accurate forecast of the extent of take-up than the optimism expressed at the time of Board approval of the SLL that commitments could amount to $58 billion.[26] Interviews with the Board and outside experts suggest that while considerations of stigma still held back many countries from approaching the

[25] Collins and Truman (2020), Gallagher, Ocampo and Volz (2020), and Gang (2020) made the case in favor of an allocation while Sobel (2020) and Mandeng (2020) were skeptical.

[26] As noted in Kincaid and others (2023), the SLL was modeled after a 2017 staff proposal for a new facility—called the Short-term Liquidity Swap (SLS)—which was intended to provide members that had a track record of very strong policies with predictable and renewable liquidity support against potential, short-term, moderate capital flow volatility. However, this proposal did not receive the required 85 percent support by EDs at that time.

Fund, other factors were also at play in dampening the demand for the Fund's precautionary facilities.[27] The main factor was the prompt actions by the Fed, European Central Bank, and other central bank in easing monetary conditions and providing swap lines to ease liquidity concerns in emerging market economies. These actions allowed for a quick reversal in emerging market capital flows in mid-2020, without which countries may have faced significant BOP gaps. Further support for this line of reasoning comes from the fact that countries' recourse to regional financing arrangements (where stigma is presumably less of a concern) was also limited and that a short-term credit line set up by the European Stability Mechanism also saw no take-up.[28] Some observers feel that some features of the SLL, in particular the very high standards for qualification and the restriction of access to 145 percent of quota, make it unattractive alternative to countries able to qualify for the FCL, and hence demand would have not materialized even absent actions by the major central banks to stabilize financial conditions.

52. **Debate over a pandemic facility.** While the early emphasis on emerging facilities was expedient, the subsequent transitions to UCTs to deal with longer term challenges from the pandemic was slow in materializing. In July 2020, Fisher and Mazarei (2020) suggested that the IMF launched a new pandemic facility, particularly to help EMEs deal with the lingering effects of the COVID-19 pandemic (including possible debt restructurings). They argued that the pandemic-induced fiscal and BOP needs are different from those addressed by standard Fund programs since "at this point [programs] should place less emphasis on adjustment than would be the case with the Fund's more traditional lending instruments." Staff put forward a proposal along these lines in September 2020 and laid out clearly the arguments in favor of this option. In the end, the Board was about evenly split on the issue, with many Directors considering it the best option forward to overcome stigma and ensure evenhandedness, while many others were concerned about facility proliferation and unsure that there was a clear demand for the facility.

53. **Weighing the arguments.** In hindsight, staff could have been more open to the idea of a new facility in their design of the initial strategy in February 2020 and early consultation of the Board on this option might have yielded a different outcome. A pandemic facility could have allowed some light ex post conditionality for countries with significant policy problems drawing on EF, helping contain risks to the Fund and provided a smoother path for transition to UCT agreements. However, it has be recognized that substantial changes to the Fund's lending framework are complex and need to be carefully considered to balance the many concerns and interest across the membership. Doing this at the heat of the crisis could have led to significant delays in response at the time where timely support was most needed.

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[27] See, for instance, Plant and Rojas-Suarez (2021) and Ruhlmann (2021).

[28] A Bank of England policy paper (Martin and others, 2020) concluded that the modest use of RFAs resources may be related to the fact that the need for BOP assistance was concentrated in countries with little or no access to RFAs, such as those in SSA.

54. **Collaboration with partners.** The Fund is generally perceived to have worked well with multilateral partners, particularly raising its high-level engagement with the UN system. Nevertheless, opportunities still exist for raising country-level collaboration with the development banks in many areas, most notably on harmonized and transparent reporting on provision of financing, which can be very useful during crisis situations. Overall, Bank-Fund collaboration seems to have worked well, but there were strains. Commitments by the WB for COVID-related financing were larger for countries receiving financial support from the Fund than for those not receiving Fund support. And in about 75 percent of cases, there was alignment between the two institutions in the decisions on whether to provide financing to countries. That said, interviewees drew attention to differences in policy approaches between the two institutions that complicated collaboration in several country cases where the Bank and Fund chose to follow quite different approaches to providing financing. In some cases, the Bank's financing was slower to materialize as it relied more heavily on policy-based lending than the Fund, which relied on emergency-based financing without ex post conditionality. In other cases, the Bank was able to move forward with humanitarian aid, while the Fund held back because of policy concerns. Agreement on the joint assessment of debt sustainability also proved contentious for some difficult LIC cases. Some interviewees also thought that Fund staff could have done more to accelerate progress on G20 initiatives such as the DSSI and the Common Framework, but the consensus view was that it is difficult for the IMF to steer when there is lack of alignment in policy agendas of G20 members.

55. **Overall assessment.** The Fund deserves considerable credit for quickly agreeing on and implementing a strategy to help member countries facing a grave crisis. Staff's outreach to the full Board in the early days of the pandemic could have been better, the discussion of the balance of risks from the chosen strategy could have been deeper and emphasized better at the outset, and, in hindsight, some of the need for further increases in access limits could have been anticipated. The strategy was adapted in response to new developments, and options for major changes, such as a new pandemic facility, were actively considered and discussed even if not eventually adopted. Staff also deserve credit for making the case for a SDR allocation in 2020, including proposals for a reallocation of existing SDRs—though not successful that year, these efforts laid the basis for proposals that were advanced the following year. The low level of demand for the Fund's precautionary facilities remains an issue, though this time around demand is likely to have been dampened considerably by quick actions from major central banks. Staff put forward proposals for a new pandemic facility, but it was put up for formal discussion only in September 2020 by which time the pandemic was well underway.

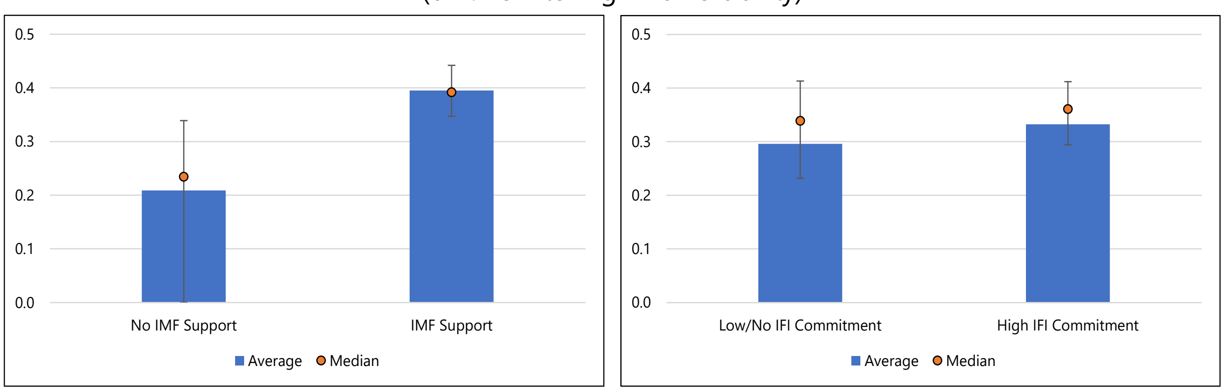
## APPENDIX I. THE ROLE OF IMF SUPPORT IN CATALYZING OFFICIAL LENDING DURING THE COVID-19 PANDEMIC[1]

This appendix investigates whether IMF financing helped catalyze official financial support from other IFIs.

Around two-thirds of staff considered that the Fund's EF played a role in catalyzing support from other official lenders during the COVID-19 pandemic according to the staff survey (Koh and Wojnilower, 2023). Consistent with this view, Figure 4 in the main body of the paper shows that countries, which received IMF support also received larger IFI financial commitments than the countries without Fund support.

The positive association between IMF and IFI support at the country level could, however, reflect other factors than a catalytic effect. In particular, the positive association could reflect larger demand for official support by countries with larger financing needs. In fact, Figure AI.1 shows that there is a positive relationship between a country's needs as proxied by the vulnerability score constructed by the World Bank's IEG,[2] the overall level of official support from IFIs, and whether a country received IMF support. Other country characteristics, such as a country's quality of governance, corruption level, and capacity to repay could, in addition, affect the willingness of both IFIs and the Fund to supply financial support and thus generate a positive relationship between IFI and Fund support even in the absence of a catalytic effect.

**Figure AI.1. Country's Vulnerability and Financial Support from Official Sources**
(0-1: Low to High Vulnerability)




Note: High IFI commitment is categorized as being above the mean of IFI commitment amount of 1.2 percent of GDP.

[1] Prepared by Jérémie Cohen-Setton and Catherine Koh.

[2] The Vulnerability *Score* is constructed in a way that allows for a disaggregation of each country's score into the individual contributions of different sectors, including (i) Education, (ii) Health, (iii) Social protection, (iv) Public finance, (v) Financial system, (vi) Economic fitness, (vii) Agriculture, (viii) Manufacturing, and (ix) Services. The resulting sector-specific *Vulnerability Score* thus serves as a proxy measure in capturing the relative need for support of each sector in a given country (compared to the other sectors in that country), expressed as a percentage of the total need of the country.

To disentangle these different effects, we run a regression analysis using 2020 data for 157 EMDEs, 83 of which received IMF support in the form of EF, new UCT-quality programs, or augmentation of existing UCT-quality programs and 123 received financial commitments from other IFIs. More specifically, we regress the amount of IFI financial support (expressed in percentage of GDP) on an indicator variable for whether a country received IMF support, the World Bank's vulnerability score, and a set of other control variables described in Table AI.3.

Table AI.1 shows results for all EMDEs. Table AI.2 splits the sample in LICs and other EMDEs. In both tables, Column (1) shows the impact of the IMF support dummy variable without controls. Column (2) shows the results of a similar bivariate specification, but with the World Bank's Vulnerability score as the only explanatory variable. Column (3) shows the results where both variables are included in the specification. Columns (4) further adds proxies for a country's health and economic needs that may not have been fully captured by the World Bank's vulnerability score and a proxy for the level of corruption to control for factors that may affect the supply of IFI financing to a given country.[3]

Results in Columns (1) show that EMDEs with IMF support received on average 0.75–0.9 percent of GDP more in IFI financial commitments than those without Fund financial support. Results in Columns (3) and (4) of Table AI.1 show that the effect of the IMF support dummy variable remains statistically significant and around 0.8 percent of GDP for the full sample even after controlling for various demand and supply-side drivers of Fund and IFI financial support.

Results in Columns (3) and (4) of Table AI.2, which separates the sample into LICs and other EMs, further show that in the specifications with control variables, the coefficient for the IMF dummy variable increases to 0.9-1.7 for LICs but decreases to 0.45-0.55 for other EMDEs. This suggests that IMF support was particularly important for catalyzing additional sources of official financial support for LICs. For EMs, the smaller catalytic effect on official sources of financing was, however, completed by a catalytic effect on private sources of financing (Batini and Li, 2023).

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[3] No multicollinearity was found for the results in Column (4) of Table AI.1 and Columns (4) and (8) of Table AI.2 as none of the variables had a Variable Inflation Factors (VIF) score greater than 2.

**Table AI.1. Regression Results for All EMDEs**

| | (1) | (2) | (3) | (4) |
|---|---|---|---|---|
| | **Whole Sample** | | | |
| IMF Support (dummy) | 0.876*** | | 0.759*** | 0.668*** |
| | (0.126) | | (0.137) | (0.167) |
| Vulnerability Score | | 2.018*** | 0.632** | 0.767* |
| | | (0.334) | (0.314) | (0.404) |
| Ex Ante BOP Need | | | | -0.000126 |
| | | | | (0.0000837) |
| Limited Fiscal Space (dummy) | | | | -0.285* |
| | | | | (0.156) |
| Economic Loss | | | | 0.00161 |
| | | | | (0.00666) |
| Health Needs | | | | 0.0182* |
| | | | | (0.00933) |
| No Need for IMF Financing (dummy) | | | | 0.0102 |
| | | | | (0.161) |
| Corruption | | | | -0.0113** |
| | | | | (0.00528) |
| Constant | 0.247*** | 0.0897 | 0.115 | -0.145 |
| | (0.0565) | (0.0797) | (0.0741) | (0.615) |
| N | 157 | 157 | 157 | 147 |
| adj. R-sq | 0.220 | 0.116 | 0.223 | 0.239 |

Notes: Robust standard errors in parentheses.

* p<0.10
** p<0.05
*** p<0.01"

**Table AI.2. Regression Results LICs and Other EMDEs**

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|---|
| | LICs | | | | Non-LIC EMs | | | |
| IMF Support (dummy) | 0.804*** | | 0.907*** | 1.703*** | 0.760*** | | 0.559*** | 0.460* |
| | (0.206) | | (0.191) | (0.401) | (0.178) | | (0.190) | (0.237) |
| Vulnerability Score | | 0.464 | -0.821 | -0.904 | | 2.079*** | 1.090*** | 1.243*** |
| | | (0.817) | (0.706) | (1.039) | | (0.409) | (0.347) | (0.449) |
| Ex Ante BOP Need | | | | -0.0140 | | | | -0.000183 |
| | | | | (0.0614) | | | | (0.000124) |
| Limited Fiscal Space (dummy) | | | | -0.432 | | | | -0.226 |
| | | | | (0.439) | | | | (0.212) |
| Economic Loss | | | | 0.0199 | | | | 0.00331 |
| | | | | (0.0171) | | | | (0.00887) |
| Health Needs | | | | 0.0479 | | | | 0.00582 |
| | | | | (0.0560) | | | | (0.00869) |
| No Need for IMF Financing (dummy) | | | | 0.701 | | | | 0.0269 |
| | | | | (0.884) | | | | (0.185) |
| Corruption | | | | -0.0406 | | | | -0.00862* |
| | | | | (0.0371) | | | | (0.00470) |
| Constant | 0.466*** | 0.891*** | 0.699** | -0.313 | 0.198*** | -0.0582 | -0.0170 | 0.286 |
| | (0.142) | (0.307) | (0.281) | (2.487) | (0.0612) | (0.0572) | (0.0493) | (0.736) |
| N | 59 | 59 | 59 | 43 | 96 | 96 | 96 | 89 |
| adj. R-sq | 0.119 | -0.014 | 0.114 | 0.157 | 0.191 | 0.146 | 0.211 | 0.183 |

Notes: Robust standard errors in parentheses.
* p<0.10
** p<0.05
*** p<0.01

| Table AI.3. Variable Description | |
|---|---|
| **Variable** | **Description** |
| IMF Support (dummy) | Takes value 1 if the country received IMF financial support in 2020 and 0 if the country either did not request financial support or requested but did not receive IMF financing. |
| Vulnerability Score | The Vulnerability Score is constructed in a way that allows for a disaggregation of each country's score into the individual contributions of different sectors, including (1) Education, (2) Health, (3) Social protection, (4) Public finance, (5) Financial system, (6) Economic fitness, (7) Agriculture, (8) Manufacturing, and (9) Services. The resulting sector-specific Vulnerability Score thus serves as a proxy measure in capturing the relative need for support of each sector in a given country (compared to the other sectors in that country), expressed as a percentage of the total need of the country (Naeher, Narayanan, and Ziulu, 2022). |
| Ex Ante BOP Need | BOP needs are proxied using the difference between gross financing needs (GFN) and available financing. The GFN are defined as the sum of CA deficit plus short-term debt on a maturity basis, amortization, and reserve accumulation. Available financing includes net foreign direct investment. GFN and available financing are proxied, to the extent possible, with available BOP data for each country. Total amounts are simple averages of ex ante, across the EF, UCT and UCT&EF categories (Batini and Li, 2023). |
| Limited Fiscal Space | Defined as the "gap between a country's fiscal balance in 2019 and the historical debt-stabilizing fiscal balance". Thus, "limited fiscal space" is defined as country having a historical debt-stabilizing fiscal balance gap lesser than 1 percent of GDP. (Batini and Li, 2023) |
| Economic Loss | "Deviation from the level of real GDP in 2020 from a linear trend fitted to each country's real GDP over the period 2000 to 2019. A positive value of this variable indicates that actual output was below trend. Accordingly, explanatory variables with an estimated negative coefficient indicate loss mitigation and vice versa." (Batini and Li, 2023) |
| Health Needs | Inverse of the 2019 Global Health Security Index's Overall Score which ranges from 0 to 100, with 100 being the strongest in global health security. |
| No Demand for Fund Financing | Set of countries that did not request for IMF financial assistance. (Batini and Li, 2023) |
| Corruption | Inverse of the 2019 Corruption Perceptions Index, in which 0 is high corrupt while 100 is very clean. |

## APPENDIX II. STOCKTAKING OF FINDINGS FROM EVALUATIONS OF OTHER MULTILATERAL INSTITUTIONS[1]

### Introduction

IEO carried out a stocktaking exercise of lessons on collaboration among partners and beyond identified by other evaluation departments within the Evaluation Coordination Group[2] (ECG) as well as other key actors in the evaluation community. The evaluation experts from the following institutions took part in the consultation process: African Development Bank (AfDB); Asian Development Bank (ADB); Asian Infrastructure Investment Bank (AIIB); Caribbean Development Bank (CDB); International Fund for Agricultural Development (IFAD); Inter-American Development Bank (IDB); Islamic Development Bank (IsDB); European Investment Bank (EIB); European Bank for Reconstruction and Development (EBRD); New Development Bank (NDB); World Bank (WB). A consultation with the Chair of the OECD-led COVID-19 Global Evaluation Coalition also took place as well as with authors of the relevant MOPAN report[3].

Table AII.1 summarizes the latest status and format of COVID-19 response evaluations carried out by each institution. The interview determines the extent to which the lessons from each institution are captured in this paper as not all evaluations are completed and/or available externally.

**Table AII.1. Evaluations of the COVID-19 Response by Partner Institutions Within the IFI Community**

| **Institution** | **Status of the COVID-19 evaluation** | **Format of the COVID-19 evaluation** |
|---|---|---|
| AfDB | Finalizing the first evaluation report due in Oct'22 | Selective first evaluation report to be followed by a full traditional ex post evaluation |
| ADB | Preparing summary report based on earlier notes due in Q4'22 | Real-time evaluation approach with four sequential thematic internal notes followed by a summary report. Followed by a full traditional ex-post evaluation |
| IsDB | Real-time evaluation report published in May'21 | Internal real-time evaluation report with no plans for a traditional ex-post evaluation. |
| EIB | Real-time evaluation approach with a rapid assessment report published in Dec'21 | External rapid assessment report followed by a traditional ex-post evaluation. |

[1] Prepared by Natalia Kryg.

[2] The Evaluation Cooperation Group (ECG) was established in 1996 to promote a more harmonized approach to evaluation methodology, following an assessment of the evaluation findings in the five major MDBs (the AfDB, the Asian Development Bank, the EBRD, the Inter-American Development Bank and the WB).

[3] MOPAN, 2022, "Lessons in Multilateral Effectiveness: More Than the Sum of its Parts? The Multilateral Response to COVID-19. Overview", September.

| | | |
|---|---|---|
| EBRD | Real-time evaluation approach with a rapid assessment report published in Jan'22 | External rapid assessment report followed by an impact evaluation in the form of a counterfactual analysis. A full ex-post traditional evaluation to follow. |
| NDB | Ongoing evaluation efforts | An ex-post evaluation of the NDB's response to the pandemic due to begin. |
| IFAD | No evaluation conducted yet | N/A |
| WB | Evolution of the WB's response to the pandemic due for publication end-Nov'22 | N/A |
| IDB | Evaluation started | N/A |
| AIIB | No evaluation conducted. Early Learning Assessment of the AIIB response to the pandemic completed. | Early Learning Assessment designed for learning purposes within the organization. Internal document. |
| CDB | No evaluation conducted yet | N/A |
| Source: IEO stocktaking exercise (2022). | | |

## Findings

"Tried and tested channels" of cooperation established prior to the emergency event work most effectively in the crisis times (AfDB, EIB, EBRD). There is a need to strengthen the relationships with partners beyond project level; the country level collaboration requires more work in normal times in order to work well in emergency (AfDB, ADB).

(i) Building on trusted partnerships and leveraging existing co-ordination mechanisms to quicky deploy resources at scale is a key ingredient of a successful crisis response toolkit (Global COVID-19 Evaluation Coalition, EIB, EBRD, ADB, AfDB)

(ii) Calls for creation of global diagnostic mechanisms across IFIs to systematically identify needs and demands not yet address by IFI community over time to reduce crowding out/undersupply of financing support. This requires transparency and co-ordination in data reporting and monitoring across all IFIs (Global COVID-19 Evaluation Coalition, EIB, EBRD, ADB, AfDB, IsDB, AIIB). The organization's reporting framework need to be adequate to ensure accountability and to demonstrate additionality (EIB, EBRD). Collaboration among partners on common reporting could help to reduce duplication of efforts and save time (Global COVID-19 Evaluation Coalition). In order to enhance the capacity to adequately capture and respond to the needs and the demand of the countries/sectors/actors affected by the crisis when launching the emergency response program, there is a need to develop a comprehensive ex-ante diagnostics mechanism within the organization as well as in partnership with others (EBRD, EIB).

(iii) Given the unpredictable length of a pandemic-related crisis, the decision to activate or discontinue a crisis response should be: (a) continuously revisited as the crisis unfolds; and (b) informed by updated analyses of the context and demand (EIB, EBRD). This should also be carried out in the spirit of collaboration among key partners.

| |
|---|
| The organizations could consider establishing a crisis mechanism that will enable it to quickly address future emergency needs (EIB, EBRD). Organizations were found insufficient in reacting to evolving phases of the pandemic and slow to revisit decisions or update strategies as the crisis continued, new information became available, and the scale and duration of the pandemic came into focus (Global COVID-19 Evaluation Coalition). |

The mechanism could in principle combine: (i) pre-defined governance arrangements to transfer some of the coordination costs upfront; and (ii) built-in flexibility to address different types of crisis events and adjust the course of implementation as the crisis unfolds (EIB). As a minimum, some of the governance arrangements could be defined upfront (such as mandate structure, type and modalities of contributions, rules of procedure with contributors, reporting and monitoring framework). To the extent desired, other aspects could also be defined upfront (such as activation/triggering conditions, financial pledges, product mix and risk appetite).

(i) **Solid communication.** A clear internal and external communication is required to ensure as part of an effective crisis response toolkit (EBRD, EIB, Global COVID-19 Evaluation Coalition).

(ii) **Speed matters**. Delays in implementation of the emergency support can significantly affect the attractiveness and the relevance of the emergency instruments (EIB, EBRD).

(iii) **Evolving market conditions.** Even if the EF is directed to priority sectors, its disbursements can be constrained by market conditions (EIB, EBRD). In the recovery phase of the crisis, over-indebtedness, and under-capitalization hamper investments in firms' transformation (EIB).

(iv) **Use of guarantees.** The provision of guarantees to intermediaries to cover the risk associated with amendments to the repayment terms of their clients (including the postponement of debt obligations, rescheduling of payment dates or credit holidays) is particularly conducive to helping address the urgent liquidity needs of firms resulting from a crisis (EIB-specific).

(v) **Strong networks and outreach channels.** There are benefits associated with a better networks and outreach capacity to reach out to the hardest hit sectors/countries/actors by working with as well as building capacity of business councils, business associations, chambers, prior to the crisis (Global COVID-19 Evaluation Coalition, EBRD).

(vi) **Feedback loop mechanisms.** The organization can become more agile by including learning loops and feedback processes (including from the private sector and key partners) to ensure its solutions are adapted to the evolving and changing needs of countries, sectors and businesses, thus continuing to be relevant and additional as the crisis evolves (Global COVID-19 Evaluation Coalition, EIB, EBRD).

(vii) **Wellbeing of staff.** Welfare of staff is a common issue during emergency responses. Stress on staff due to rigidity in reallocating staff was not uncommon among organizations. Such pressure on staff is unsustainable (Global COVID-19 Evaluation Coalition, ADB).

| **Box AII.1. Lessons from the Global COVID-19 Evaluation Coalition[1] Confirmed by the MDBs Evaluation Offices During the IMF-IEO Consultation** | |
|---|---|
| **What has worked well?** | • **The speed of initial responses**, both for new support specific to COVID-19 and for adjusting programming and allowing flexibility in ways of working and partner requirements (EIB, EBRD, ADB, AfDB, IsDB, NDB, AIIB)<br>• **Embrace of innovations** and a **higher relative risk appetite** to leverage ideas in support of response efforts (EIB, EBRD, ADB, AfDB, IsDB, AIIB)<br>• **Building on trusted partnerships** and **leveraging existing co-ordination mechanisms** to quickly deploy resources at scale (EIB, EBRD, ADB, AfDB) |
| **What may be improved?** | • **Operational and implementation challenges**, including displacement effects of COVID-19 that affect other priorities, and reduced abilities of implementing agencies, government counterparts and beneficiaries to fully participate and engage in activities (EIB, EBRD, ADB, AfDB)<br>• **Gaps in collection, consistency and reliability of data** and, reduced participation in **monitoring, reporting, and evaluation** (EIB, EBRD, ADB, AfDB, IsDB, AIIB)<br>• Challenges in consistent, effective **communication** (internal and external) (EBRD, ADB, EIB) |
| **What needs to be addressed?** | • **Unsustainable pressures on staff** (ADB, EBRD). Country offices more stressed than the HQ (WB).<br>• **Insufficient focus on systems strengthening**, incl. health systems, and preparations for a vaccine rollout *(TBC)*<br>• **Organizations insufficiently reactive and slow to revisit decisions or update strategies** as the crisis continued (EIB, EBRD) |

[1] COVID-19 Global Evaluation Coalition (July 2021): Synthesis of early lessons and emerging evidence on the initial COVID-19 pandemic response and recovery efforts. Available at: https://www.covid19-evaluation-coalition.org/documents/COVID19_Early_Synthesis-july-21.pdf

## Recommendations

At the time of this stocktaking exercise, only EIB issued a former recommendation in their evaluation. All the other evaluation offices are either in the process of drafting their evaluation products or have not issued former recommendations as opted for greater emphasis on learning under their real-time evaluation products. The following list of recommendations, thus, considers both approaches.

- **Establishment of a crisis mechanisms** to quickly address future emergencies (EIB, EBRD). Joint MDB playbook and Bank-Fund playbook of response in times of emergencies (WB)
- **Proactive communication** embedded in the design of the crisis-response package (EIB, ERBD)
- **Capacity to deliver rapidly**, based on tested instruments within the frame of the established operational delivery model (EIB, EBRD)
- **Combining investments** with policy dialogue (EIB, ERBD)
- **Reaching-out to new clients** to apply to the crisis-response package (EBRD)
- **Collaboration and co-ordination with other IFIs** and partners on the ground in a complementary and systematic way (EIB, EBRD, ADB, IsDB)
- **Using learning loops to collect feedback** on implementation challenges and what works and what should be adapted (EIB, EBRD, ADB, IsDB, AfDB, AIIB)
- **Effective monitoring and reporting** on progress and results (EIB, EBRD, AfDB, ADB, IsDB, AIIB)

## APPENDIX III. CHRONOLOGICAL TIMELINE OF GLOBAL COOPERATION DURING THE COVID-19 PANDEMIC

The following list of events presents the description of the multilateral efforts of cooperation to help deal with the COVID-19 pandemic. They are presented chronologically to the extent possible, as progress has taken place on multifaced and simultaneous ways that integrated efforts over time.[1] The timeline goes beyond the period of the evaluation period till October 31, 2021.

1. **March 2, 2020: first Joint IMF-WB Statement.** The IMF Managing Director and WB President issued an initial statement[2] to the effect that the institutions were fully committed and ready to help member countries address the challenges posed by the novel coronavirus, in a broad institutional context, with special attention to poor countries where health systems are the weakest and people are most vulnerable. They noted that they would use all available tools, including EF, policy advice, and technical assistance. In particular, they indicated use of rapid financing facilities that, collectively, can help countries respond to their needs. The strengthening of country health surveillance and response systems was seen as crucial to contain the spread of this and any future outbreaks.

2. **March 25, 2020: second Joint IMF-WB Statement.** The statement was issued to the G20 concerning the need for debt relief for the poorest countries.[3] It noted that the COVID-19 pandemic was likely to have severe economic and social consequences for IDA countries,[4] home to a quarter of the world's population and two-thirds of the world's population living in extreme poverty. The heads of the WB and the IMF called on all official bilateral creditors to suspend debt service payments by IDA countries that requested forbearance in order to help them deal with immediate liquidity needs to mitigate the impact of the coronavirus outbreak and allow time to assess the crisis impact and financing needs for each country. They suggested that the G20 leaders could appoint the two institutions to make that assessment, including identifying the countries with unsustainable debt situations, and to prepare a proposal for comprehensive action by official bilateral creditors to address both the financing and debt relief needs of IDA

[1] IEO is grateful to Claudio Loser and José Fajgenbaum from Centennial Group International who shared this useful summary of events as part of their work on the MOPAN report entitled: "Lessons in Multilateral Effectiveness: More Than the Sum of its Parts? The Multilateral Response to COVID-19. Overview", September 2022.

[2] Joint Statement from Managing Director, IMF and President, WB Washington, March 2, 2020.

[3] Joint Statement WB and IMF Call to Action on Debt of IDA Countries. Washington, DC, March 25, 2020.

[4] Eligibility for IDA support depends first and foremost on a country's relative poverty, defined as GNI per capita below an established threshold and updated annually ($1,205 in the fiscal year 2022). IDA also supports some countries, including several small island economies, which are above the operational cutoff but lack the creditworthiness to borrow from the WB. 74 countries are currently eligible to receive IDA resources.

countries. They subsequently sought endorsement for the Proposal at the Development Committee during the Spring Meetings (April 16–17) and indicated that the international community would welcome G20 support for this Call to Action.

3. **March 26, 2020**: **Extraordinary G20 Leaders' Summit.** The main points made during this summit were the following: [5]

    (i) need to share timely and transparently information; expanding manufacturing capacity in terms of medical supplies; and strengthening WHO's mandate in coordinating international actions.

    (ii) using all the instruments available to minimize the economic and social shocks; protecting workers and businesses, SMEs in particular; shielding the vulnerable through adequate social protection; injecting over $4.8 trillion into the global economy (targeted guarantee schemes, economic and fiscal measures); and supporting the exceptional measures taken by central banks, the IMF, and the WB.

    (iii) strengthening the global financial safety nets, paying special attention to developing countries, notably in Africa for the resilience of global health, as strongly endorsed by the President of France.

    The G20 noted that it stands ready to unlock development and humanitarian financing, and to react promptly and take any further action that may be required.

4. **April 15, 2020: DDSI endorsed by G20.** The IMF and WB welcomed the decision of the G20 Finance Ministers to respond to their call to allow the poorest countries of the world that request forbearance through the Debt Service Suspension Initiative (DSSI) to suspend debt service payment of official bilateral loans. The DDSI became effective on May 1, 2020, till to end-2020. The WB and IMF noted that they would move quickly to respond to the G20's request by working closely with these countries in ways that make the best use of this vital lifeline. They said, "We championed this debt initiative, and we're committed to taking all possible steps to support the poor."

5. **November 21, 2020: G20 Saudi Arabia Summit.** The G20 reiterated their commitment to collaboration on COVID-19 in a joint leaders' declaration issued during the summit.[6] They noted their strong conviction that coordinated global action, solidarity, and multilateral cooperation are more necessary today than ever to overcome the current challenges and realize opportunities of the 21st century. In this regard, they reiterated their support to all collaborative efforts, especially the Access to COVID-19 Tools Accelerator (ACT-A) initiative and its COVAX facility, and the voluntary licensing of

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[5] G20: an inclusive global response is called for to counter Covid-19, *27 March 2020*.

[6] G20 Saudi Arabia Riyadh Summit. Leaders Declaration- November 21, 2020

intellectual property. They welcomed the efforts made by the MDBs. They supported the extension of the DSSI through June 2021. They encouraged the MDBs to seek net-positive flows to DSSI-eligible countries during the suspension period. They finally endorsed the "Common Framework for Debt Treatments beyond the DSSI" (CF), which was also endorsed by the Paris Club.

6. **June 3, 2021: Joint IMF-WB statement on access to COVID-19 vaccines access.** After a long process of approval an implementation of vaccination in early 2021, the heads of the WB and the IMF issued a joint statement to the G7 concerning access to COVID vaccines for developing countries.[7] Together with the WHO and WTO, the WB and IMF have urged international support for $50 billion of financing aimed at achieving more equitable access to vaccines and thus helping to end the pandemic everywhere.

7. **June 30, 2021: Joint Statement of the Heads of the WB, IMF, WHO, and WTO.** This was issued to convene the first meeting of the Task Force on COVID-19 Vaccines, Therapeutics and Diagnostics for Developing Countries.[8] They indicated that they formed a Task Force as a "war room" to help track, coordinate, and advance delivery of COVID-19 health tools to developing countries and to mobilize relevant stakeholders and national leaders to remove critical roadblocks—in support of the priorities set out by WB, IMF, WHO, and WTO including in earlier joint statements, and in the IMF staff's $50 billion proposal. At their first meeting they discussed the urgency of increasing supplies of vaccines, therapeutics, and diagnostics for developing countries.

8. **August 2021**: **IMF-WHO COVID-19 Vaccine Supply Tracker launched.** Following the First Meeting of the Multilateral Leaders Taskforce (MLT), the IMF-WHO COVID-19 Vaccine Supply Tracker was made available and has been updated periodically. It consists of a comprehensive database jointly established by the IMF and WHO to track the number of vaccine doses secured by countries and areas through different channels, including bilateral agreements with manufacturers, donations from other countries, multilateral agreements through the COVAX Facility, WB, ADB or other institutions/sources.[9]

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[7] Call to Action on COVID Vaccine Access for Developing Countries by Heads of WB and IMF, June 3, 2021.

[8] Joint Statement by the Heads of the WB, IMF, World Health Organization, and World Trade Organization on the First Meeting of the Task Force on COVID-19 Vaccines, Therapeutics and Diagnostics for Developing Countries - June 30, 2021. A New Commitment for Vaccine Equity and Defeating the Pandemic 31 May 2021. A Proposal to End the COVID-19 Pandemic (IMF).

[9] The tracker builds on the work of the IMF Staff Discussion Note – A Proposal to End the COVID-19 Pandemic (Agarwal and Gopinath, 2021). This database draws information from the public domain, COVAX Global Vaccine Market Assessment, the United Nations Children's Emergency Fund (UNICEF), Duke Global Health Innovation Center, Airfinity, Our World in Data, the WB, ADB, and African Vaccine Acquisition Task Team (AVATT).

9. **August 27, 2021**: **Joint Statement of the Multilateral Leaders Taskforce on Scaling COVID-19 Tools.** At its third meeting, the Multilateral Leaders Taskforce on COVID-19 (MLT)—met with the leaders of the African Vaccine Acquisition Trust (AVAT), Africa CDC, Gavi and UNICEF to tackle obstacles to rapidly scale-up vaccines in low- and lower middle-income countries, particularly in Africa.[10] In their statement, they urged advanced countries (G7), and vaccine manufacturers to speed their help to poorer countries and called to eliminate export restrictions and any other trade barriers on COVID-19 vaccines and the inputs involved in their production.

10. **October 31, 2021: G20 Rome Leaders' Declaration.** In this statement signed during G20 2021 Rome Summit, the G-29 Finance Ministers noted their common efforts to recover better from the COVID19 crisis and enable sustainable and inclusive growth in across the world. The G20 committed to advance their efforts to ensure timely, equitable and universal access to safe, affordable, quality, and effective vaccines, therapeutics, and diagnostics, with particular regard to the needs of low- and middle-income countries.

[10] Joint Statement of the Multilateral Leaders Taskforce on Scaling COVID-19 Tools: A Crisis of Vaccine Inequity. August 27, 2021- Geneva / Washington, DC:

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