

## IsDB

News

### **Second Statement on IsDB Group Emergency Response to the Impact of the COVID-19 Pandemic in Member Countries**

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16 March 2020

On 11<sup>th</sup> March, the World Health Organization (WHO) declared COVID-19 a pandemic. The IsDB is deeply concerned about the exponential growth in the number of cases worldwide and the human, social and economic fallout from this pandemic, especially in IsDB member countries. The global supply chain disruptions, demand compression and macroeconomic instability will have severe economic growth and poverty impacts on the member countries, if not managed appropriately.

IsDB Group fully recognizes the limited ability and capacity of its member countries to cope with these adverse impacts of COVID-19 and assures them of the Group's full and unwavering support to get through this tough period.

In order to support its member countries in this time of need, IsDB Group is setting-up a special 'Strategic Preparedness and Response Facility' of US\$730 million to mitigate the negative health and socio-economic impact of the COVID -19 pandemic. This will include US\$280 million from the Bank and Islamic Solidarity Fund for Development for sovereign projects and programs, US\$300 million from International Islamic Trade finance Corporation (ITFC) for trade finance and US\$150 million from ICIEC for insurance coverage.

The facility will extend financing to both the public and private sector in minimizing the spread and impact of the pandemic in IsDB member countries and to build their resilience. Financing will be extended in the form of grants, concessional resources, trade finance, private sector lending and political and risk insurance coverage. The IsDB Group will deploy all the available financing instruments to channel the funds in a fast track manner to support its member countries.

The SPRF funding will target interventions that focus on emergency preparedness and response to curb and contain the spread of the COVID-19, minimize socio-economic impact of the pandemic especially on the poor, and to build resilience of Member countries in responding to outbreaks and pandemics. The facility will support strengthening of the health systems, funding of national epidemic preparedness and response plans, community awareness and education, disease surveillance, data collection and analysis, sustained provision of essential social services, provision of social safety nets, and support private sector activity.

The IsDB Group will also invest in research and development and provide technical assistance support for development of innovative solutions for preventing and containing the pandemic under its Science, Technology and Innovation Program. In addition, the Bank will use its Reverse Linkage program facility to share lessons, best practices and technical expertise from other member countries in addressing the response and management of the COVID-19.

The IsDB Group's entities will support the private sector in responding to the crisis and to minimize its impact on SMEs to sustain economic development. ITFC's trade financing support shall be in the form of short-term rapid response initiatives mainly aimed at enabling the member countries to purchase emergency COVID preparedness related medical equipment and supplies and medium term support to enable MCs and SMEs to recover from the impact of the crises. The rapid response package will be to the tune of US\$300 million. ITFC's support will enable revival of trade and sustenance of supply chains in strategically important sectors. ICIEC will provide credit and political risk insurance to sustain imports of strategic commodities, investment protection, and to minimize volatility.

The Bank strongly believes that effective coordination and interaction at global, national local level is extremely important to effectively address the current situation. IsDB will closely work and partner with the Multilateral Development Banks (MDBs) and development financing institutions to effectively coordinate and mobilize resources to support the affected member countries and to implement its interventions.

IsDB has also reached key donors and development partners including Arab coordination Group to mobilize resources to support the member countries. Significant number of partners including Asia Infrastructure Investment Bank, OPEC Fund for International Development, Saudi Fund, and Kuwait Fund for Development have also expressed interest in joining the Bank's efforts for responding to the COVID-19 Pandemic.

IsDB calls for strong global coordination and collaboration for immediate response, and medium to long term interventions. IsDB will work hand in hand with all partners for a united action to overcome this pandemic and calls for unity towards addressing global issues.

IsDB Group has internally put in place practical measures, as part of its Business Continuity Management, to ensure our critical functions are operating without interruptions. We have proactively tested internal response mechanism both at HQ and our regional offices to continue Bank Group's operations during this global pandemic.

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