INTERNATIONAL FINANCIAL INSTITUTIONS MUST ACT FAST

Governments are often the fastest way to get support to the private sector. When the World Bank provides general budget financing, it can be channeled to banks and businesses to fund payrolls, provide guarantees, credit or loan forbearance.

World Bank Investment Lending can get to enterprises faster when adding finance to existing loans and when designing new simple or repeater loans. IFC’s direct support to the private sector should focus on programs and instruments that already have a solid track record and have shown the capacity for rapid mobilization during a crisis.

WHEN THE CRISIS IS OVER, THE PRIVATE SECTOR STILL NEEDS SUPPORT

Even when responding to a crisis, there is a need for longer term planning, focused on an enduring restoration of growth and employment, and sustained responses. A roadmap for crisis engagement should be based on ongoing, systemic analysis of stress factors, a framework for coordination within the World Bank Group and with other international financial institutions, and a review of instruments for effective crisis support, meaningful growth and medium-term development.

For more details, please see the learning note that elaborates on each of the four lessons.