

COVID-19 Response: Multilateral actions

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The Federal Reserve Board (FRB) and the central banks of other jurisdictions are authorized to take certain open market actions to stabilize their respective currencies. In the United States, the FRB's Federal Open Market Committee (FOMC) uses the authority granted under section 14 of the Federal Reserve Act to enter into arrangements with other central banks to improve liquidity conditions in US dollar funding markets in the United States and abroad and to offer liquidity in foreign currencies to US financial institutions. Highlights from other multilateral efforts are included below.

Federal Reserve

Initial date	Initiative name	Overview	Applicable entities	Key terms	2008 comparable initiative
03/23/2020	Coordinated central bank action to further enhance the provision of US dollar liquidity	<p>The FRB and the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, and the Swiss National Bank announced a coordinated action to improve the swap lines' effectiveness in providing US dollar funding by increasing the frequency of 7-day maturity operations from weekly to daily.</p> <p>These daily operations will commence on Monday, March 23, 2020, and will continue at least through the end of April. The central banks also will continue to hold weekly 84-day maturity operations.</p> <p>The swap lines among these central banks are available standing facilities and serve as an important liquidity backstop to ease strains in global funding markets.</p>	Central banks		<p>On December 12, 2007, the FRB announced the establishment of foreign exchange swap lines with the European Central Bank and the Swiss National Bank. In its press release, the FRB indicated that the swap lines, like the Term Auction Facility created at the same time, were intended "to address elevated pressures in short-term funding markets." This initiative subsequently expanded.</p>
03/19/2020	US Dollar Liquidity Arrangements Authorized under section 14 of the Federal Reserve Act and FOMC policies and procedures	<p>The FRB US dollar liquidity arrangements with other central banks are designed to help lessen strains in global US dollar funding markets and thereby mitigate the effects of these strains on the supply of credit to households and businesses, both domestically and abroad.</p>	<p>Central banks of Australia, Brazil, Denmark, Korea, Mexico, Norway, New Zealand, Singapore and Sweden.</p> <p>(The FRB has existing US dollar swap arrangements in place with the central banks of Canada, the European Union,</p>	<p>The US dollar liquidity arrangements are swaps that allow a participating foreign central bank to sell its home country currency to the Federal Reserve in exchange for US dollars at the prevailing exchange rate with both the home country currency and US dollars under a swap agreement that requires the foreign central bank to buy back its home country currency at a specified future date at the initial exchange rate with interest.</p>	<p>The FOMC authorized liquidity swap lines with central banks in Australia, Brazil, Canada, Denmark, Japan, Korea, Mexico, New Zealand, Norway, Singapore, Sweden, Switzerland and European Union from December 2007 through February 2010 to provide liquidity in US dollars to overseas markets.</p>

			Japan, Switzerland and the UK.)	The FRB has set an initial cap on swap arrangements with each participating central bank of either \$30 billion or \$60 billion.	
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International Monetary Fund

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
3/25/2020	Joint Statement World Bank Group and IMF Call to Action on Debt of IDA Countries	The IMF and World Bank called on official bilateral creditors to suspend debt payments from Internal Development Association (IDA) borrowing countries that request forbearance to allow them to meet liquidity needs in light of the COVID-19 crisis. They also requested that G-20 leaders task the World Bank and IMF with identifying countries with unsustainable debt situations and preparing a proposal for comprehensive action by official bilateral creditors to address both the financing and debt relief needs of IDA countries. The IMF and World Bank would then seek endorsement up such a proposal at the Development Committee during the Spring Meetings (April 16-17).	IDA countries and creditor countries	
03/04/2020	IMF Makes Available \$50 Billion to Help Address Coronavirus	The IMF has made available approximately \$50 billion through its rapid-disbursing emergency financing facilities for low income and emerging market countries that could potentially seek support. Of this, \$10 billion is available at zero interest for the poorest members through the Rapid Credit Facility. (The IMF has \$1 trillion in overall lending capacity moving forward.)	Low income and emerging market countries.	
03/03/2020	Virtual IMF-World Bank Spring Meetings 2020	The Management of the IMF and World Bank Group and their Executive Boards have agreed to implement a joint plan to adapt the 2020 IMF-World Bank Spring Meetings to a virtual format. The IMF also issued FAQs in connection with the Spring Meetings.	Central banks, finance ministers, parliamentarians, and civil society.	The IMF and World Bank did not take similar steps in the 2008 crisis, but did take similar extraordinary steps in the wake of the September 11, 2001, terrorist attacks in New York and Washington, DC by postponing

				and then shifting policy meetings to another location.
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G-7/G-20/FSB

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
3/26/2020	G-20's Leaders' Summit Statement on COVID-19	<p>The G-20 is undertaking immediate and vigorous measures to support global economies; protect workers, businesses and the sectors most affected; and shield the vulnerable through adequate social protection, including by injecting over \$5 trillion into the global economy through targeted fiscal policy, economic measures, and guarantee schemes.</p> <p>The leaders ask their Finance Ministers and Central Bank Governors to coordinate on a regular basis to develop a G-20 action plan in response to COVID-19 and work closely with international organizations to swiftly deliver the appropriate international financial assistance.</p> <p>The G-20 also welcomes the steps taken by the World Bank and IMF to support countries in need using all instruments to the fullest extent as part of a coordinated global response and ask them to regularly update the G-20 on the impacts of the pandemic, their response, and policy recommendations.</p>	Governments and central banks	
3/24/2020	Statement of G-7 Finance Ministers and Central Bank Governors	<p>The G-7 is committed to deliver the fiscal effort necessary to help economies rapidly recover and resume the path towards stronger and more sustainable economic growth. Alongside nations' efforts to expand health services, G-7 finance ministries are undertaking, and recommend all countries undertake, liquidity support and fiscal expansion to mitigate the negative economic impacts associated with the spread of COVID-19.</p> <p>G-7 central banks are taking exceptional action, consistent with their mandates, to put in place a comprehensive package of monetary policy measures to support economic and financial stability. The G-7 countries are taking actions to improve liquidity and overall market functioning of the financial system, including through swap lines among central banks and with those of other nations. The G-7 pledges to maintain expansionary policies for</p>	Governments and Central banks	

		<p>as long as needed and stand ready to take further action, using the full range of instruments consistent with our mandates.</p> <p>Consistent with the direction from the G-7 leaders, finance ministries will coordinate on a weekly basis on the implementation of these measures and take further timely and effective actions.</p>		
3/23/2020	G-20 Finance Ministers & Central Bank Governors Virtual Meeting	<p>The G-20 Finance Ministers and Central Bank Governors met virtually on March 23, 2020 to discuss the impact of COVID-19 pandemic on the global economy and coordinate their efforts in response to this global challenge. They also discussed the preparation for the virtual G-20 Leaders' Summit, which is convening in a few days to coordinate international efforts to address the pandemic and the related economic and social impacts.</p> <p>G-20 Finance Ministers and Central Bank Governors agreed to develop a joint G-20 Action Plan in response to COVID-19, which will outline the individual and collective actions that G-20 has taken and will be taking to respond to the COVID-19 pandemic.</p>	Governments and Central banks	
03/20/2020	FSB coordinates financial sector work to buttress the economy in response to COVID-19	<p>The Financial Stability Board (FSB) encourages authorities and financial institutions to make use of the flexibility within existing international standards to provide continued access to funding for market participants and for businesses and households facing temporary difficulties from COVID-19, and to ensure that capital and liquidity resources in the financial system are available where they are needed.</p> <p>The FSB has 68 member institutions, comprising ministries of finance, central banks, and supervisory and regulatory authorities from 25 jurisdictions as well as international organizations (including the European Central Bank, the European Commission, the IMF, OECD, and the World Bank) and standard-setting bodies (including the Basel Committee on Banking Supervision), and 6 Regional Consultative Groups reaching out to 65 other jurisdictions around the world.</p> <p>The FSB is hosted and funded by the Bank for International Settlements.</p>	Governments	The FSB was established after the G-20 London summit in April 2009 as a successor to the Financial Stability Forum (FSF).
03/16/2020	G-7 Leaders' Statement	G-7 leaders commit to "doing whatever is necessary to ensure a strong global response through closer cooperation and enhanced coordination of our efforts."	Governments	

		Among other things, the G-7 leaders “call on the International Monetary Fund and the World Bank Group and other International Organizations to further support countries worldwide as part of a coordinated global response, focused on this specific challenge. We also ask our finance ministers to work closely with International Organizations to design and implement swiftly the international financial assistance that is appropriate to help countries, including emerging and developing economies, face the health and economic shock of COVID-19.”		
03/11/2020	Call for emergency G-20 summit on coronavirus	The leaders from the 2008 financial crisis have called for an emergency G-20 summit on coronavirus. The next ordinary, scheduled meeting of the G-20 is not until November 2020, hosted by Saudi Arabia.	Governments	In the aftermath of the 2008 global financial crisis, the G-20 was effective in helping to stabilize financial markets and launching a global economic stimulus initiative. It also launched mutual assessment processes, among other important initiatives.
03/03/2020	Statement of G-7 Finance Ministers and Central Bank Governors	The G-7 finance ministers and central bank governors announced that they “reaffirm our commitment to use all appropriate policy tools to achieve strong, sustainable growth and safeguard against downside risks. Alongside strengthening efforts to expand health services, G-7 finance ministers are ready to take actions, including fiscal measures where appropriate, to aid in the response to the virus and support the economy during this phase. G-7 central banks will continue to fulfill their mandates, thus supporting price stability and economic growth while maintaining the resilience of the financial system.”	Governments and central banks	

Basel Committee on Banking Supervision

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
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03/20/2020	Basel Committee coordinates policy and supervisory response to COVID-19	<p>The Committee is suspending consultation on all policy initiatives and postponing all outstanding jurisdictional assessments planned in 2020 under its Regulatory Consistency Assessment Programme.</p> <p>The Committee is continuing to assess and address the banking and supervisory implications of COVID-19, and is actively coordinating with the Financial Stability Board and other standard setting bodies on cross-cutting financial system issues.</p> <p>In the coming days, the Committee will consider additional measures aimed at supporting the financial resilience of banks and the operational resilience of both the banking and supervisory community.</p>		<p>In the aftermath of the 2008 global financial crisis, the Basel Committee was a key thought leader and policy driver with respect to financial regulatory and supervisory policy, including measures regarding financial institution capital, liquidity, resolvability, interconnectedness and resiliency.</p>
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