



INTERVIEW: THE RESPONSE OF INTERNATIONAL FINANCIAL INSTITUTIONS TO COVID-19 AND THE ROLE OF THEIR LAWYERS



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Interview with lawyers from International Fund for Agricultural Development, Asian Development Bank, the EBRD and International Finance Corporation

As countries and people across the globe are working hard to contain the spread and impact of Covid-19, international financial institutions (IFIs) are also taking unprecedented measures and mobilising resources to help contain the global pandemic and its economic fallout. IFI lawyers are playing a vital role in setting-up new facilities targeted to help countries respond to the crisis, introducing changes to their policies and streamlining their internal processes.

We invited four lawyers from various IFIs to share their experiences during these unusual and challenging times. They talk about the new programmes and policies that each institution initiated in response to the pandemic, the legal challenges that the offices of the general counsel have encountered, and their own experiences of working from home. We intend to provide you with some insights on IFI lawyers’ professional contribution to their institutions’ Covid-19 responses as well as their personal efforts in coping with the impact of this pandemic.



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1. Please briefly introduce yourself and your work at the institution:



Cynthia Colaiacovo (International Fund for Agricultural Development, IFAD): I am the Deputy General Counsel at IFAD, an IFI and a UN Specialized Agency. In this capacity, I oversee the Office of the General Counsel's four units (that is, corporate, institutional, operations, as well as finance and impact investment). Before joining IFAD, I practised law in the United States of America and Brazil and worked for over a decade at the Inter-American Development Bank in sovereign-guaranteed operations and corporate legal affairs.



Douglas Perkins (Asian Development Bank, ADB): I am a Principal Counsel in ADB's Office of the General Counsel. I joined ADB in early 2011, before which I worked for many years as a corporate transactional lawyer for a large international law firm with a significant presence in Asia. My current primary focus at ADB is supporting sovereign operations in South Asia and the Pacific.



Remy Cottage-Stone (EBRD): I have been working in the Banking Group of the Office of the General Counsel (OGC) of the EBRD for almost 20 years. This part of OGC focuses on the legal work required in connection with the EBRD's lending and investment operations and provides legal support to the banking team, from the inception of each project until final repayment/exit. My work consists of supporting and supervising the team, assisting senior management on projects, policies, processes and various other administrative matters, as well as working on my own deals, which cut across sectors, geographies and instruments.



Turgut Cankorel (International Finance Corporation, IFC): I am Senior Counsel at IFC. My work consists mainly of advising on IFC investment and advisory projects in the Europe and Central Asia and Middle East and North Africa regions, across a broad spectrum of sectors and products. I also hold the global role of knowledge management lead within IFC's legal department, which is a volunteer role that rotates every couple of years. In that capacity, I am in charge of designing and implementing the department's knowledge management, which includes delivering onboarding and trainings, managing knowledge databases and using technology to improve business systems.

2. What is your institution doing specifically to help the international effort of managing the ongoing Covid-19 crisis?

Cynthia (IFAD): The Covid-19 crisis is having a severe negative impact on the progress achieved in the Sustainable Development Goal (SDG) 1, no poverty, while threatening to aggravate the already deteriorating SDG 2, zero hunger. IFAD's response strategy includes:

- repurposing ongoing investments
- establishing a Rural Poor Stimulus Facility (RPSF). IFAD launched a rapid-response intervention to mitigate the effects of Covid-19 on vulnerable communities. The RPSF aims to improve the resilience of rural poor communities by ensuring timely access to inputs, information, markets and liquidity. We launched the facility by providing an initial US\$ 40 million seed donation envisioned to be scaled up to at least US\$ 200 million through contributions by countries and partners. To accelerate the recovery of poor and vulnerable people from Covid-19, the RPSF will focus on four main areas: (i) inputs and basic assets, (ii) access to markets, (iii) targeted funding to small-scale producers and agricultural enterprises, and (iv) digital services
- supporting policy responses through advice and analysis
- working with financial institutions to improve financial flexibility in affected countries.

Douglas (ADB): In mid-April this year, ADB announced that it would be providing an overall Covid-19 response package of US\$ 20 billion, which included approval of several special policy variations and other measures that allow ADB to respond more rapidly and flexibly to the crisis. In terms of financing support, the most significant step ADB has taken is the establishment of a COVID-19 Pandemic Response Option (CPRO) under its existing Countercyclical Support Facility. Up to US\$ 13 billion of the ADB response package has been allocated for CPRO operations to help the governments of ADB's developing member countries implement effective countercyclical expenditure programmes to mitigate the impacts of the pandemic, with a particular focus on the poor and vulnerable. In addition, approximately US\$ 2 billion of the response package is being

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made available for the private sector, and a number of policy variations were approved to facilitate such support. ADB has also quickly deployed grant resources for providing expert technical support and medical and personal protective equipment and supplies from expanded procurement sources.

Remy (EBRD): In March 2020 the EBRD's shareholders approved the Covid-19 Solidarity Package (further expanded in April 2020), which consists of a series of response and recovery measures with a view to helping the 38 economies where the EBRD invests to combat the economic impact of the coronavirus pandemic. A central pillar of the Solidarity Package is the Resilience Framework, a €4 billion envelope focused on providing finance to the EBRD's existing clients to meet their short-term liquidity and working capital needs. Other elements of the Solidarity Package include an expansion of the EBRD's Trade Facilitation Programme, the use of existing finance frameworks to expeditiously channel financing in particular to small and medium-sized enterprises (SMEs) and corporates and a new Vital Infrastructure Support Programme to provide financing for the continuity of essential infrastructure services or infrastructure investment programmes. Moreover, the EBRD can help the economies where it invests survive the pandemic not only with investments but also by providing governments and other state institutions with high-quality, straightforward and usable policy advice. Covid-19-related areas of policy dialogue where the Bank is active include:

- supporting digitalisation efforts in various government sectors
- facilitating SME access to finance
- promoting financial restructurings and insolvency policy initiatives.

Turgut (IFC): IFC is providing US\$ 8 billion in fast-track financial support to existing clients to help sustain economies and preserve jobs during this global crisis, which will likely hit the poorest and most vulnerable countries the hardest. IFC's response consists of four financing facilities.

- *Supporting critical industries* – the Real Sector Crisis Response Facility will provide US\$ 2 billion to support existing clients in the infrastructure, manufacturing, agriculture and services industries vulnerable to the pandemic.
- *Keeping trade flowing* – the Global Trade Finance Program will provide US\$ 2 billion to cover the payment risks of financial institutions so they can provide trade financing to companies that import and export goods.
- *Helping clients pay their bills* – the Working Capital Solutions Program will provide US\$ 2 billion funding to emerging-market banks to extend credit to help businesses shore up their working capital, the pool of funds that firms use to pay their bills and employees' salaries.
- *Shoring up local banks* – the Global Trade Liquidity Program, and the Critical Commodities Finance Program, will together provide US\$ 2 billion in funding and risk-sharing support to local banks so they can continue to finance companies in emerging markets.

3. In such Covid-19 crisis projects, what are the new challenges or opportunities that lawyers of your institution are facing? How are the lawyers contributing to the objectives of your institution?

Cynthia (IFAD): Before the onset of the Covid-19 crisis, IFAD had already been working on a timely paradigm shift to expand its development toolkit to include financing the private sector as well as sponsoring (and now itself investing in) an agri-impact investment fund. Throughout this shift and expansion, the legal team has been adapting in an agile, creative way to help IFAD solve the complex 21st century problems facing the rural poor. Our lawyers' assistance in developing the RPSF is no exception. The legal team was able to ensure that the RPSF was established quickly and with integrity—minimising risk while enabling innovation in a time of global crisis. More specifically, the legal team has been instrumental in expediting approvals of new projects under the RPSF. The legal team has also helped redesign ongoing projects and amended the respective loan and grant agreements to incorporate such changes. Furthermore, we have supported project teams with internal approvals and changes to internal policies and procedures.

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Douglas (ADB): The attorneys and other legal staff of ADB's OGC have been right in the middle of virtually all aspects of ADB's pandemic response efforts. Numerous OGC attorneys took a front-line role in the working group that identified and crafted the special policy variations needed to facilitate ADB's Covid-19 response efforts. Similarly, ADB attorneys have been key members of the teams put together to prepare individual financing operations both for governments and the private sector, helping ensure that the compliance and quality of ADB's operations remain high, notwithstanding the speed at which new Covid-19-related operations are being processed and approved.

Remy (EBRD): The EBRD's staff have been working remotely since mid-March. Remote working combined with the increase in EBRD's workload has been challenging: (i) working remotely on a full-time basis is to a certain extent more difficult and less efficient than working in an office environment with easy access to printing facilities and secretarial support; and (ii) there were initially IT issues. We also had to adapt, anticipate and address issues linked to a world where remote working was the new way forward,

such as ensuring that enough bank executives across the Bank's regions had the required authorities to execute agreements, that originals of the signed documentation were being kept track of, and so on. Of course, the current conditions are not only challenging on the transactional side, but across all groups in OGC. I think generally lawyers at the EBRD are very involved and our contribution has been critical to the adaptation of EBRD's processes and modus operandi to the new Covid-19 situation and the EBRD's operations.

Turgut (IFC): I think the obvious new challenge for lawyers is the increased demand for our services. Clients look to us to fulfil these functions, which we do on top of our pre-existing day jobs, and often under great time pressures and unknown variables given the uncertainty around how the Covid-19 crisis will unfold. But from what I have seen, the legal profession's characteristic ability to manage uncertainty and time pressure is helping lawyers shine through in this environment. In my mind, the main opportunity is to use our experience to facilitate these fast-track Covid-19 financings and help our clients. They also raise a number of novel legal issues and thus

provide a new platform for creating and sharing new knowledge across our institutions. For example, within weeks of the announcement of the pandemic, IFC's legal department had launched an internal website dedicated to Covid-19 related legal issues, raising awareness among our clients of how the main legal issues (*force majeure*, and so on) are addressed at our institution and in the market, as well as how to think about practical challenges (how to deal with remote signings, and so on). Another opportunity is to re-think how technology can help us do our jobs, and to seize the moment to create positive momentum in our institutional culture in that direction (for example, facilitating remote work and signings).

4. With the increasing amount of new challenges coming with these projects as well as the inconvenience necessitated by working from home, how are you and your colleagues coping with this new norm? How is your institution helping its employees during this adjustment?

Cynthia (IFAD): As the situation changed rapidly, our team handled uncertainty and changes with optimism. Our headquartered location in Rome, Italy, placed us at the epicentre of the outbreak at the beginning of the pandemic. Without having many others to consult with, we were among the first IFIs to develop and implement a work continuity plan and Covid-19-related policies. As part of these efforts, we have successfully handled the virtual onboarding of various new staff members based all over the world. Later, IFAD became an adviser to other IFIs regarding Covid-19 adjustments. More specifically, a key coping strategy from the onset has been frequent and honest communication. This has resulted in tailored solutions to specific challenges – from providing the appropriate equipment in order to work from home, supporting authorisations to telework from a different country, adjusting



portfolio priorities, among others. We have continued with this strategy as we recently started a gradual return to the office. Our flexibility and optimism has paid off.

Douglas (ADB): ADB's headquarters are located in Manila, the Philippines, which has been subject to government-mandated quarantine starting from mid-March of this year. Since that time, virtually all of ADB's headquarters staff has been on work-from-home arrangements, with many international staff returning to their home countries. The technology solutions and resources made available to ADB staff even before the pandemic started have enabled us to largely perform our jobs without significant disruption. What's more, not having to commute to the office each day (Manila traffic is notoriously bad!) means more productive use of the available time. Of course, one of the huge perks of working at a multilateral development bank is the chance to meet and work with colleagues and clients from around the world, which has been unfortunately lost under the current circumstances. While I imagine that the old way of working will not be entirely restored once the crisis is over (some degree of working from home will likely continue), I do look forward to the day that I get to catch up with my colleagues in the hallways and over lunch again!

Remy (EBRD): I think some of those who were sceptical about working from home have learned to adapt, organise their workstation to be efficient and are now seeing the positive aspects of it; when this is for a couple of days per week and not full time. I think most of us are struggling with an increased workload while being overall less productive because of the working conditions, leading to longer days. Also, whilst you can (most of the time) leave work behind when leaving the office, there are no boundaries when working from home and work seems to invade your private life without a set timeframe. Lastly, after a few months of remote working and with the absence of face-to-face contact, staff are missing the human interaction with colleagues and this has become difficult for morale. The EBRD has been supportive of its staff, by giving allowances to buy equipment and facilitate the set-up of functional and comfortable workstations, doing surveys and giving regular advice on how to improve our work conditions or mental health as well as giving regular updates on the Covid-19 situation and on the EBRD's plans.

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Turgut (IFC): From my perspective, it took around a month to adjust but overall it seems to me that colleagues are coping rather well with the new norm (though many of us admit that some days are better than others). In my mind, this is largely because our baseline is an institutional culture of mobility, personal accountability, and genuine dedication to the development mission. The institution is very good about keeping us informed on a real-time basis, creating a lot of personal touch-points that could have otherwise disappeared in remote work settings, providing excellent technology platforms and support, and providing administrative flexibilities where needed. But above and beyond the institution's support toward its staff, for me the most motivational factor has been to see the institution's quick and extensive response to the Covid-19 crisis – which further reinforces my personal sense of belonging to the development mandate and justifies all the extra work that we are doing during this period.

