

berneunion 
Capacity Sharing
Marketplace



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GROUP 1 Feedback

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Composition Group 1

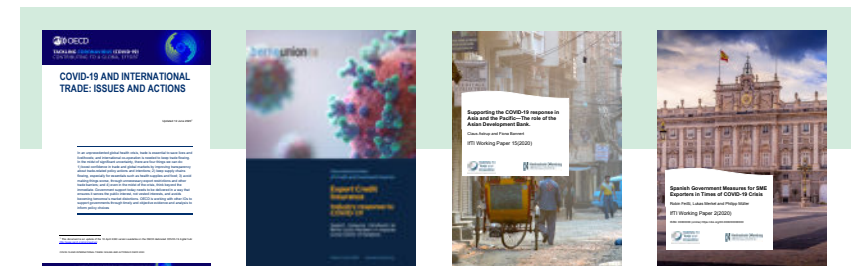
- Colleagues from MDBs, DFIs, ECAs, Exim-Banks, private sector and academia
- Group discussion with Ciani Smith (DFC), Daniel Bouzas (EBF) and Erik de Jonquières (EKF)
- Additional input by email, e.g., from Irene Gambelli (SACE) and Jim Cruse (US EXIM)
- Views expressed are personal



Summary of Conclusions

1) The COVID-19 Experience

- ECAs and Exim-Banks made extraordinary efforts in 2020 to keep exporters liquid.
- Working capital guarantees were most important, innovative solutions are key.
- MDBs and DFIs also stepped in with significant COVID-packages.
- Coordination between commercial banks was important, e.g., to allow moratoria.
- Liquidity demand might abate in 2021, but restructuring will become important.



Further Reading, e.g.:

Astrup, C. & Bannert, F. (2020) Supporting the COVID-19 response in Asia and Pacific – The Role of the Asian Development Bank. *IfTI Working Paper*. 15(2020). Available at: <https://ifti.hs-offenburg.de/research/publications>.

Berne Union (2020) *Export Credit Insurance. Industry response to COVID-19*. Available at: <https://www.berneunion.org/Publications>.

Bernhardt, M. & Krämer, B. (2020) Slovak Government Measures for Automotive Exporters in Times of COVID-19 Crisis. *IfTI Working Paper*. 11(2020). Available at: <https://ifti.hs-offenburg.de/research/publications>.

OECD (2020) *COVID-19 and International Trade: Issues and Actions*. Available at: https://read.oecd-ilibrary.org/view/?ref=128_128542-3jg8kfswh&title=COVID-19-and-international-trade-issues-and-actions.

Summary of Conclusions

2) Complementarity of Risk Profiles

- In general, it will be a challenge for institutions to square demand/risk requirements with existing equity/authorisation.
- Although governments/institutions were able to respond quickly, there is a stickiness of decisions due to limited mandates and bureaucracy.
- Some governments show a willingness to elaborate and be flexible on the different corners of the official mandate.
- While some institutions are reluctant, there is an emerging best practice for ECA/DFI/MDB complementarity.
- The public policy role of commercial banks is highly on the agenda - they are a core partner for disbursing support schemes with efficient credit allocation and risk management procedures.

Summary of Conclusions

3) How to Prioritise?

- Both COVID-19 responses and climate finance will be top priorities in 2021.
- Topics such as climate action, infrastructure needs and MSME support create new opportunities for collaboration.
- However, MDBs/DFIs and ECAs/Exim-Banks have different mandates.
- Let's not forget the IWG collapse and the need for OECD Arrangement reform, growing multipolarity and digital disruption in the industry.



Further Reading, e.g.:

Bronswijk, A., Gabriel, R., Hale, T. & Klasen, A. (2020) Working towards a commitment to net zero. *Berne Union Yearbook*. 2020, 153-157.

Bärtl, M. & Krummacker, S. (2020) Prediction of Claims in Export Credit Finance: A Comparison of Four Machine Learning Techniques. *Risks*. 8(22), 1-29.

Cernat, L. & Alam, O. (2020) Sailing Against the Storm of Protectionism: The Role of the EU in Shaping Global Trade Policy. In: Klasen, A. (ed.) *The Handbook of Global Trade Policy*. Oxford, Wiley, pp. 351-378.

Hale, T. (2017) Climate Change: From Gridlock to Catalyst. In: Hale, T. & Held, D. (eds.) *Beyond Gridlock*. Cambridge, Policy, pp. 184-204.

Klasen, A. (2020) Quo Vadis, Global Trade?. In: Klasen, A. (ed.) *The Handbook of Global Trade Policy*. Oxford, Wiley, pp. 3-21.

Summary of Conclusions

4) Joined up Action

- Transparent approach and agreement on basic general mandates are required.
- Information sharing between MDBs, DFIs, Exim-Banks, ECAs and commercial players.
- Better structuring the dialogue is needed, leveraging „neutral“ players and platforms.
- Much more concrete and focused action is crucial, e.g. presenting cases and joint solutions.
- Policy makers have to push the agenda, e.g. on green transition and net zero.

