Early Warning System

EBRD-13430

COVID-19 Response - Business Insolvency and Restructuring Policy Assistance

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Quick Facts

Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2020-05-21
Sectors	Education and Health, Technical Cooperation

Project Description

According to EBRD website, the COVID-19 crisis has already had a major impact on economic activity around the globe and is still unfolding. The objective of the TC Project in a selected number of CoOs:

1. New Financing Support will include the following activities:

(i) a high level paper setting out the rationale for protection of new financing and focusing on the main legislative support needed, including intercreditor and security agent arrangements and insolvency avoidance provision support;

(ii) policy dialogue with country authorities on any gaps in the secured transactions and insolvency law framework;

(iii) drafting legislative provisions relating to the recognition and validity of subordination arrangements among creditors and the security agent structure; and

(iv) drafting amendments to insolvency avoidance provisions in liquidation procedures to ring-fence any COVID-19 new financing and security.

2. Financial Restructuring Support will comprise the following activities:

(i) drafting changes to existing legislative frameworks, guided by the recent EU Directive 1023/2019 on preventive restructuring and other relevant international benchmarking, such as the UNCITRAL Legislative Guide on Insolvency Law and consultations with local stakeholders, including through ASB networks and Investment Councils;

(ii) drafting a paper on specialisation of judges and courts in the area of insolvency and advising CoOs on specialisation of judges to manage insolvency cases;

(iii) delivery of training to a selected group of judges on business financial restructuring and any reforms introduced pursuant to (i) above; and

(iv) outreach activities for businesses to share and promote information on financial restructuring tools. This will involve the preparation of standard guidance and delivery of at least one national conference.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html.