



Corona Bonds

Why in News

Recently, the Italian Prime Minister has proposed Corona bonds to be issued by [European Union \(EU\)](#) to deal with the situation created by [Covid-19](#).

Key Points

- Corona bonds are **joint debt issued to member states** of the EU.
- This would be **mutualised debt, taken collectively by all member states** of the EU.
- The funds would come from the **European Investment Bank**.
- Countries like **Italy, Spain** which have suffered huge deaths due to Covid-19 are demanding such kind of economic measures from the EU to meet the extraordinary situation.
- However, **Germany, Netherlands, Austria and Finland**, also known as the "**Frugal Four**", the fiscally conservative EU states have opposed such type of idea.

[Source: IE](#)

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