



## Corona Bonds

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### Why in News

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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

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- 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**