



ADB ASSISTANCE ON AVIAN FLU

As of 16 March 2006

Introduction

Recognizing that H5N1 avian flu virus poses a significant threat to human health and economic activity in the Asia and Pacific region, ADB is working closely with its partners – in particular ASEAN, FAO, and WHO – to identify areas of assistance for affected countries.

ADB has pledged up to **\$470 million** in funds to fight bird flu, including up to about \$370 million (\$300 million in loans and \$70 million in grants) for new projects. If requested, ADB could also consider making available additional uncommitted loan funds in case of a pandemic.

In this effort, ADB can leverage on its experiences of working with the affected countries, multisectoral approaches, and designing complex projects, as well its support for developing countries during the SARS epidemic in 2003.

Landmarks in ADB's Response to Bird Flu

- **March 2006:** *\$38 million bird flu partnership:* the \$38 million grant project will specifically address avian flu and the risk of a human influenza pandemic in Asia and the Pacific, in close coordination with ASEAN, FAO and WHO. The Government of Japan is contributing \$10 million. Included is a \$14.5 million quick release emergency fund.
- **March 2006:** \$50,000 in equipment and supplies for detection, testing and disinfection operations was delivered to Azerbaijan to support urgent efforts to address the threat of bird flu.
- **January 2006:** *\$1.2 million grant for three countries:* The technical assistance will strengthen epidemiological surveillance and response systems to communicable and emerging diseases in Philippines, Indonesia, and Malaysia.
- **November 2005:** *\$30 million Mekong grant:* This targets regional communicable disease control in Cambodia, Lao People's Democratic Republic, and Viet Nam. The project will tackle various endemic and emerging diseases including avian flu within the Greater Mekong subregion framework.
- **August 2005:** *\$40 million health project in Viet Nam:* The Preventive Health System Support Project is supported by a \$28.9 million loan and \$10.1 million grant
- **Winter 2004:** ADB provided grant money to Viet Nam, Cambodia, and Lao PDR for protective clothing, equipment, supplies and other support for front line workers combating avian flu. Another \$6.1 million was reallocated from a Rural Health Project in Viet Nam for avian flu related medical equipment.
- **2003:** ADB has been providing support to WHO's Manila office under a regional grant established in 2003 to address the SARS outbreak as well as other emerging diseases. ADB plans to allocate an additional \$600,000 to continue this support and extend the cooperation to WHO's Southeast Asia office in New Delhi.

Economic Impact of Avian Influenza

Based on WHO best-case estimates that 2 million to 7 million people could die worldwide in an influenza pandemic, a recent ADB study calculated the costs to the region would amount to \$297 billion in one year and the pandemic would throw the world into recession and reduce Asia's growth to near zero.

A pandemic would cause a reduction in activity in Asian consumers and investors and a cutback in consumption in the rest of the world.

Some countries would be harder hit than others. The most vulnerable economies are the high income and high export economies, including Hong Kong, China; Singapore; Malaysia; and Thailand.

According to the economic models, in the case of an outbreak with an infection rate of 20% and a population mortality rate of 0.1% (3 million dead), lasting two quarters, Asia would experience a demand shock of a 2.3 percentage point reduction in GDP, equivalent to \$99 billion.

In the case of four quarters of strong demand contraction, the estimated loss to Asia would be \$283 billion, or around 6.5 percentage points of GDP, leaving Asia's GDP growth at just 0.1%. In this case, world GDP would fall to -0.6% growth.

A pandemic would also increase poverty, as many poor households never recover their initial standard of living as their capacity is reduced through the losses of productive family members and the sales of productive assets to pay health care costs.