

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Focus and Key Activities

1. The coronavirus disease 2019 (COVID-19) which was first detected in Wuhan, People's Republic of China, has continued to spread globally. On 30 January 2020, the World Health Organization has declared COVID-19 a public health emergency of international concern and a pandemic subsequently on 11 March 2020. The first case of COVID-19 in India was identified on 30 January 2020 and since then, it has continued to spread across the country, causing unprecedented strain on the country's social and economic outcomes. The 21-day nationwide lockdown imposed since 25 March 2020 to contain the spread has disrupted economic activities, adversely impacting businesses and livelihoods.¹

2. The Government of India has been implementing a wide range of public health and other responses. Among the government measures to address the pandemic impact, Asian Development Bank's (ADB's) COVID-19 Active Response and Expenditure Support Program (CARES Program) will focus on addressing immediate needs of vulnerable groups for 3 months while stepping up the health sector response. The program will support the government's (i) **₹150 billion (\$2 billion or about 0.1% of GDP) COVID-19 Response and Health Systems Preparedness project²** and (ii) **₹1.7 trillion (\$23 billion or about 0.8% of GDP) Prime Minister's Welfare Scheme for the Poor (PMGKY)**. The key components of the pro-poor package include (i) food security (provision of free cereals), (ii) financial assistance to the poor, women, senior citizens, and other vulnerable groups, and (iii) expansion of social coverage of informal workers and increase in public expenditure for medical services.

3. Along with ADB, the International Monetary Fund, the World Bank, Asian Infrastructure Investment Bank, International Labor Organization, World Health Organization, United Nations Children's Fund, other UN agencies, and other development partners have been supporting the government's response to COVID-19 in the country. Before the emergency response to COVID-19, the World Bank has also been actively engaged in supporting livelihood and poverty reduction projects in India. The commitment and activities by major development partners for COVID-19 and other pro-poor programs are summarized in Table 1 (as of 7 April 2020).

Table 1: Support Activities by Major Development Partners

Development Partner	Program Name ^a	Duration	Tentative Financing (\$ million)
COVID-19 Emergency Response			
World Bank	COVID-19 Emergency Response and Health Systems Preparedness Project (approved)	2020–2024	1,000.00
	Accelerating Pradhan Mantri Garib Kalyan Yojana (under consideration)	2020–2021	1,000.00
AIIB	COVID-19 Emergency Response and Health Systems Preparedness Project (under consideration)	2020–2024	500.00

¹ On 15 April 2020, the lockdown has been extended until 3 May 2020.

² Ministry of Health and Family Welfare, Government of India. 2020. *Government of India sanctions Rs 15000 crores for COVID-19 Emergency Response and Health System Preparedness Project*. Delhi. Available at <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1612534>.

Development Partner	Program Name^a	Duration	Tentative Financing (\$ million)
NDB	Under consideration		500.00
US CDC	Financial Assistance for COVID-19	2020	2.90
GIZ	Supporting short-term training of healthcare workers, providing protective equipment for streetcleaners and others.	2020	0.34
Livelihoods			
World Bank	Tamil Nadu Empowerment and Poverty Reduction "Vazhdhu Kattuvom" Project Additional Financing	2010–2017	191.00
	Rajasthan Rural Livelihoods Project	2011–2018	184.00
	National Rural Livelihoods Project	2011–2023	1,171.00
	North East Rural Livelihoods Project	2011–2019	144.00
	Tamil Nadu Empowerment and Poverty Reduction Project: TA Disability	2012–2016	2.8
	Tejaswini: Socioeconomic Empowerment of Adolescent Girls and Young Women	2016–2021	90.00

AIIB = Asian Infrastructure Investment Bank, COVID-19 = coronavirus disease 2019, GIZ = Gesellschaft für Internationale Zusammenarbeit, NDB= New Development Bank; US CDC = United States Center for Disease Control.

^a The list includes indicative ones being discussed with the government as of 7 April 2020.

Sources: Consultations with and official websites of development partners.

4. To increase the social and economic resilience of the vulnerable segment to the pandemic, the CARES Program will provide budget support to the government-led short-term relief. In the medium-term, ADB will support the government in formulating an overall macroeconomic policy, in cooperation with other development partners including the World Bank, to (i) stimulate the economy after COVID-19 is contained, and (ii) accelerate the recovery by promoting structural adjustments in micro-, small-, and medium-sized enterprises and financial sectors, and improving fiscal governance and public service delivery in state governments.

5. The government's COVID-19 Emergency Response and Health Systems Preparedness Project, supported by the World Bank and other development partners, will help the country prevent, detect, and respond to the pandemic and strengthen public health preparedness. The support covers all states and union territories across India and addresses the needs of infected people, at-risk populations, medical and emergency personnel and service providers, medical and testing facilities, and national and animal health agencies.³ The Asian Infrastructure Investment Bank will cofinance \$500 million of the above proposed health project with the World Bank. The Government of the United States has also announced a \$2.9-million support to India to fight the pandemic. This assistance is part of a larger American global response package across multiple departments and agencies, including the Center for Disease Control. International Labor Organization India is currently preparing policy recommendations with emphasis on protecting and supporting jobs and incomes of workers especially those in the informal sector, protecting workers in workplaces including frontline workers in healthcare, essential services and

³ The government sanctioned \$2 billion COVID-19 Emergency Response and Health Systems Preparedness Project for multilateral development banks' support to be coordinated and implemented by the Ministry of Health and Family Welfare. ADB was requested to consider \$500 million, which is proposed to be provided through the CARES program, combined with the pro-poor package.

outreach, sustaining businesses, especially small and micro enterprises. Gesellschaft für Internationale Zusammenarbeit, Kreditanstalt fuer Wiederaufbau and several UN organizations are providing support directly or indirectly (through nongovernment organizations) on areas including (i) short-term training for healthcare workers and domestic workers; (ii) providing protective equipment to the needy including sweepers, police, health workers and civil society organizations; and (iii) providing meals for unemployed day workers. The Bill & Melinda Gates Foundation is supporting the maintenance of essential nutrition services for the underserved classes including pregnant and lactating mothers and children as India responds to the pandemic.

B. Institutional Arrangements and Process for Development Coordination

6. The Department of Economic Affairs (DEA), Ministry of Finance is actively coordinating development partner support in response to the COVID-19 situation. DEA is the nodal department for coordinating foreign assistance from multilateral and bilateral agencies and is responsible for all policy issues pertaining to external assistance received by the government. DEA prescribes limits, if any, for sector-wise or lender-wise external borrowing, develops a pipeline of projects, negotiates external assistance, and monitors implementation. For the project proposals of central ministries and state governments, all agreements with the multilateral and bilateral agencies are signed by the central government since this is a subject on the union list.

7. ADB is closely coordinating with other development partners, both bilateral and multilateral, to harmonize pandemic crisis responses. Development partners are actively engaged with DEA and other government agencies to assess opportunities for additional support and/or reallocation within existing programs and advancing commitment schedules for planned projects and programs. ADB is tracking the macroeconomic situation to assess the knock-on effects of the pandemic and to effectively support the government's stimulus response programs, in close coordination with the government, International Monetary Fund, and the World Bank.

C. Achievements and Issues

8. ADB has responded swiftly to the pandemic situation in India. As an instant support to India, ADB through its regional TA already provided \$500,000 grant for thermal scanners⁴ and supported successful e-learning modules for training of health workers.⁵ ADB has held several remote consultation meetings with the executing and implementing agencies to effectively design the program and carry out due diligence. ADB has proactively engaged with all key development partners for general coordination purposes as well as to identify concrete opportunities for collaboration.

D. Summary and Recommendations

9. The government's first response to the crisis was disbursing ₹411 million to states and union territories for emergency response and allocating ₹150 billion (\$2 billion) for ramping up testing facilities, isolation beds, personal protective equipment, and ventilators (footnote 2). Second, the government has moved to provide economic relief to sections of the population which have been hit hardest by the pandemic through the ₹1.7 trillion (\$23 billion). The CARES Program will support the health intervention and the pro-poor economic package amounting to \$25 billion.

⁴ ADB. 2020. *Technical Assistance Report: Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases*. Manila.

⁵ Since the launch on 7 April 2020, over 21,000 people completed the e-learning with tests.

Through well-established coordination through DEA and proactive efforts, development partners' support programs are being designed and will be implemented in a harmonized way, strongly supporting the government's overarching objectives in building resilience for the population, especially for the poor and vulnerable, against the pandemic crisis.

10. As the impact of the pandemic on the economy is still unfolding, it is recommended that ADB closely monitors the situation and proactively coordinates with the government and development partners to provide additional support that focuses on (i) development and upgrading of health infrastructure, and (ii) support to businesses and livelihoods that have been severely disrupted by the spread of the disease.