



\$1.5 Billion ADB Loan to India

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Why in News

Recently, the **Asian Development Bank (ADB)** has provided a \$1.5 billion loan to India to fund India's immediate response to the **Covid-19 pandemic**.

Earlier, the Asian Development Bank (ADB) **had assured Indian government of \$2.2 billion (about Rs 16,500 crore)** support to fight against the Covid-19 pandemic.

Key Points

- The loan will help the Central government to focus on immediate priorities such as:
 - Covid-19 containment and prevention.
 - Social protection for the poor and economically vulnerable sections of the society.
- The loan has been provided under ADB's **Covid-19 Active Response and Expenditure Support (CARES) Program**. The CARES Program
 - **support the government's stimulus package** geared to expand existing social assistance programs,
 - boost resources for Covid-19 prevention and control,
 - safeguard productive sectors and workers from the economic downturn.
- The CARES Program is **funded through the Covid-19 Pandemic Response Option (CPRO)** under ADB's Countercyclical Support Facility.

CPRO was introduced as part of a \$20 billion package approved by ADB on 13th April, 2020 to assist its developing member countries in their fight against Covid-19.
- The CARES Program will be **implemented through a country engagement framework** focused on policy dialogue and monitoring of the government's countercyclical strategy and measures.

Asian Development Bank

- ADB is a **regional development bank** established on **19th December 1966**.
- ADB now has **68 members, 49 from within Asia**.
- As of 31 December 2019, ADB's five largest shareholders are **Japan and the United States (each with 15.6% of total shares)**, the People's Republic of China (6.4%), India (6.3%), and Australia (5.8%).
- It aims to promote social and economic development in Asia.
- ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.
- ADB is **headquartered in Manila, Philippines**.

Source: TH