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ADB Assures Covid-19 Support Package

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Why in News

The **Asian Development Bank (ADB)** has assured the Ministry of Finance of USD 2.2 billion (about Rs 16,500 crore) support to India in its fight against the **Covid-19 pandemic**.

- On **18th March, 2020**, ADB announced an **initial package of approximately USD 6.5 billion** to address the immediate needs of its **developing member countries, including India**, as they respond to the Covid-19 pandemic.
- The **World Bank** has approved a **\$1-billion assistance to help India** prevent, detect and respond to the outbreak, and strengthen its public health preparedness.

Key Points

- **Background: Weakening global economic growth** is causing
 - Disruptions in India's trade and manufacturing supply chains,
 - Slowdown in tourism and other economic activities,
 - Strain on the large number of micro, small, and medium-sized enterprises,
 - A negative impact on the livelihood of formal and informal labourers across the country, etc.
- **ADB praised efforts of the Government:** ADB praised the Indian government's decisive response to the pandemic, including
 - **A national health emergency program.**
 - **Tax and other relief measures** provided to businesses.
 - **Rs 1.7 lakh crore economic relief package** (Pradhan Mantri Garib Kalyan Yojana), which provides immediate income and consumption support to the poor, women, and workers affected by the three-week nationwide lockdown.

- **ADB's Support to India**

- It is now preparing **USD 2.2 billion in immediate assistance** in response to Covid-19 to the health sector to help alleviate the economic impact of the pandemic on the poor.
- ADB is also engaged with the **private sector to meet its financing needs** during this period.
- It is ready to provide **further financial assistance and policy advice** whenever the situation warrants.
- ADB is also planning to **consider all financing options available to meet India's needs**, to facilitate swift disbursement of ADB funds including emergency assistance, policy-based loans, and budget support.

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: IE