

Government of India & AIIB sign agreement for \$500 million COVID-19 support for India

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The Government of India and the Asian Infrastructure Investment Bank (AIIB) signed a US\$ 500 million “COVID-19 Emergency Response and Health Systems Preparedness Project” here today to help India to respond to the COVID-19 pandemic and strengthen its public health preparedness. This is the first ever health sector support from the Bank to India.

This new support will cover all States and Union Territories across India and address 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.

The agreement was signed by Shri Sameer Kumar Khare, Additional Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India and Mr Rajat Misra, Director General (Acting) on behalf of the AIIB.

Shri Khare said that AIIB’s timely assistance will help Government in its efforts to respond to the threat posed by COVID-19 and strengthen the national health systems for preparedness in India. Responding to the urgency of the pandemic, this project was prepared in record time, underlying the efforts of the officials from the Finance and Health Ministries and the AIIB.

The project will enable the Government of India to slow and limit as much as possible the spread of COVID-19 in India by providing immediate support to enhance disease detection capacities by scaling up procurement of PPE, oxygen delivery systems, and medicines, build resilient health systems to provide core public health, prevention, and patient management functions to manage COVID-19 and future disease outbreaks, support research on COVID-19 by Indian and other global

institutions working in collaboration with the Indian Council of Medical Research, address significant negative externalities expected in the event of a widespread COVID-19 outbreak and strengthen public structures for the coordination and management of the project.

The primary project beneficiaries will be infected people, at-risk populations, medical and emergency personnel, service providers at medical and testing facilities (both public and private), and public and animal health agencies engaged in India's COVID-19 response.

Mr D.J. Pandian, AIIB vice-president (Investment Operations), said that building a resilient health system that can effectively treat COVID-19 patients and prevent its spread is the immediate priority. This funding will address this need and strengthen India's capacity to effectively manage future disease outbreaks.

He further said that facing this unprecedented global challenge, AIIB will play its part and work closely with international financial institutions to help the Government of India with urgent financing they need to shore up their healthcare systems and help their economies recover as quickly as possible.

The project will also enhance the resilience of India's health system to provide core public health prevention and patient care to better manage COVID-19 and future disease outbreaks. It will help strengthen India's Integrated Disease Surveillance Program, revamp infectious disease hospitals, district, civil, general and medical college hospitals, and build a network of high containment Biosafety Level 3 laboratories.

Today, about 75 per cent of new infectious diseases begin with human-to-animal contact, including HIV/AIDS, Ebola, and SARS. The project will develop capacity and systems to detect existing and emerging zoonoses, support biomedical research on COVID-19 by Indian institutions, and upgrade viral research and diagnostic laboratories for testing and research.

It will also help address potential significant negative externalities in the event of a widespread COVID-19 outbreak, including comprehensive health awareness and behaviour change campaigns on hygiene practices, wearing masks, social distancing, and mental health and psychological services for vulnerable communities.

The project is being financed by the World Bank and AIIB in the amount of \$1.5 billion, of which \$1.0 billion will be provided by World Bank and \$500 million will be provided by AIIB.

The project will be implemented by the National Health Mission (NHM), the National Center for Disease Control (NCDC) and the Indian Council of Medical Research (ICMR) under the Ministry of Health and Family Welfare.

RM/KMN

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