



NDB was the first multilateral institution to approve a COVID-19 loan facility and to issue a COVID-19 related bond in China. The early work in answering a request from one of its members by leveraging the lean structure and fast-track process has proved to be crucial in shaping the Bank's responsiveness toward all member countries.

Chapter 2

Response to COVID-19



**Helping our
communities
through the
pandemic**

In the challenging year of 2020, the COVID-19 pandemic caused hardship and suffering for billions of people around the globe. NDB has demonstrated a swift response to member countries in fighting the pandemic and the ensuing economic crisis.

NDB has committed to providing up to USD 10 billion for the crisis-related Emergency Assistance Facility, including support for member countries' economic recovery, in a fast-track process. The facility comprises up to USD 5 billion for member countries' most urgent needs, including health-related current expenditures and

social safety nets, and up to a further USD 5 billion to support economic recovery. The Policy on Fast-Track Emergency Response to COVID-19 was approved in June 2020, entailing flexibilities commensurate with the urgency, the size of loans and their programme-related nature.

Indicative of NDB's responsiveness in the face of the global COVID-19 pandemic, the ARC, BHRC, the BoD and BoG were able to continue their normal work programme by meeting in virtual format. Due to the agile and lean nature of the Bank's structure, it was able to quickly respond to its members' urgent needs in the face of the global pandemic crisis by seeking swift, but well-considered, BoD approvals.

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RMB 7 bn

Emergency loan to China and first-ever RMB denominated Coronavirus Combating Bond

USD 5 bn

Set-aside for member countries' health-related current expenditures and social safety nets

Brazil

Emergency Assistance Programme in Combating COVID-19

This programme aimed to support

- (i) the maintenance of minimum income levels for informal, self-employed and unemployed workers with basic emergency aid; and
- (ii) families under the cash transfer Bolsa Família Programme that were also eligible for basic emergency aid.

The programme contributed to women's economic empowerment and gender equality by providing a double amount of aid to families headed by women. It is estimated that about 9.2 million families headed by women received basic emergency aid.

The loan helped the Brazilian Federal Government (GoB) to ensure that strong fiscal support was in place to combat the COVID-19 outbreak and that priority investment projects continued to be implemented, thereby also contributing to the economic recovery of the country.

USD 1 bn

Approved on July 20, 2020

Emergency Assistance Programme for Economic Recovery

This programme aimed to support

- (i) the GoB in its efforts to maintain jobs and income and
- (ii) economic recovery through an enhanced credit access programme for small- and medium-sized companies (SMEs).

It improved SMEs' access to credit by providing guarantees at zero premium charges, assisting these businesses in overcoming temporary liquidity problems, ensuring the continuity of operations, and strengthening financial sustainability, by contributing to sustain employment rates and complementing workers' incomes.

The total cost of the programme is estimated at USD 3.5 billion. NDB will finance USD 1.0 billion or 29% of the total cost. The balance of the cost will be financed by the GoB (USD 2.3 billion) and the Inter-American Development Bank (a loan of USD 200 million).

USD 1 bn

Approved December 7, 2020

China

Emergency Assistance Programme in Combating COVID-19

The loan of RMB 7 billion for emergency assistance to China was NDB's first emergency assistance loan to its member countries. It was also the first emergency assistance from a multilateral development bank to support China in combating COVID-19. This programme aimed to help the Government of China in combating the immediate health impacts of COVID-19. It supported Hubei, Guangdong and Henan provinces in financing their most urgent needs for fighting the spread of COVID-19, and reducing the adverse impacts of the outbreak on their local economies. The loan was fully disbursed in April 2020 and was fully utilised by the end of 2020.

RMB 7 bn

Approved March 19, 2020

Emergency programme loans to member countries

By the end of 2020, making use of the above-described policy framework and fast-track approach, NDB's approved emergency loans to member countries totalled USD 6 billion. The NDB COVID-19 response financing is aligned with Sustainable Development Goals (SDGs).

Two emergency assistance loans are primarily aligned with SDG 1 on Poverty Alleviation by safeguarding vulnerable populations from living in poverty due to the effects of the COVID-19 pandemic, while the other two mainly contribute to SDG 3 on Good Health and Well-being by helping to contain onward transmission of COVID-19 and manage the disease. The two economic recovery loans are primarily aligned with SDG 8 on Decent Work and Economic Growth by supporting jobs, income and economic recovery. Loan projects under the emergency programme featured fast-track preparation and disbursement.

India

Emergency Assistance Programme in Combating COVID-19

This programme aimed to support the Government of India (GoI) in its efforts to contain the spread of the virus and reduce human, social and economic losses. The programme focused on

- (i) preventing, detecting and responding to the threat posed by COVID-19;
- (ii) funding critical healthcare expenditure that would enhance healthcare capacity in India and strengthen national health systems' preparedness; and
- (iii) providing immediate economic assistance to the vulnerable and affected groups, thus facilitating economic and social recovery.

The loan provided critical healthcare resources, urgent goods, services and works that were procured and deployed by the GoI, as well as financial support to the GoI in strengthening the social safety net to combat the economic and social impact of COVID-19.

USD 1 bn

Approved April 30, 2020

Emergency Assistance Programme for Economic Recovery

This programme aimed to support India's economic recovery following the impact of the COVID-19 pandemic and national lockdowns, through natural resources management works. These aim at facilitating economic activity and rural employment generation and stimulate rural demand, thereby spurring economic growth in a sustainable manner.

The programme will result in works leading to the creation of natural resource management assets and generation of employment opportunities for rural poor, especially migrant workers who have returned from urban areas and have lost their livelihoods due to the COVID-19 pandemic. The programme will enhance livelihood for rural households through increased income, increased consumption and diversified income sources. Agricultural productivity will be improved through natural resource management works that promote water conservation, water harvesting and watershed management.

USD 1 bn

Approved December 11, 2020

South Africa

Emergency Assistance Programme in Combating COVID-19

The loan assisted the Government of the Republic of South Africa (GoSA) in rolling out its healthcare response to COVID-19 and in providing a social safety net to alleviate the economic impact of the disease containment measures on vulnerable individuals. This programme envisaged

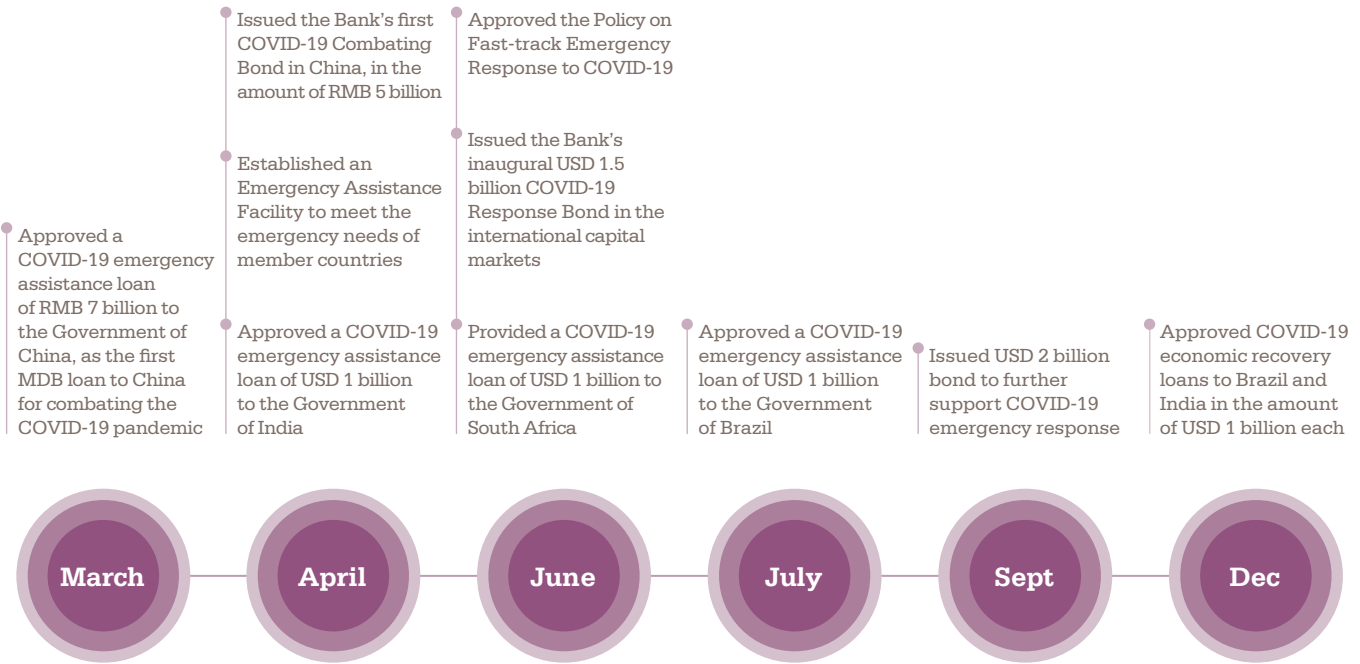
- (i) preventing, detecting and responding to the health threat posed by COVID-19, and
- (ii) providing immediate economic assistance to vulnerable groups affected by measures implemented to prevent and contain the disease.

It was in quick response to the urgent request and immediate financing needs of GoSA and represents a part of a larger governmental plan to fight COVID-19.

USD 1 bn

Approved June 19, 2020





NDB office safety in the time of COVID-19

In 2020, in view of the global spread of the COVID-19 pandemic, for the well-being of all staff members, the Bank took action to prevent the possible spread of the virus in NDB's Headquarters and regional offices. At the earliest opportunity the measures taken included adopting home working and utilising cloud-based work solutions.

Taking into consideration the stabilising trends of the outbreak in Shanghai and the importance of continuity of the Bank's operations, NDB's Headquarters office in Shanghai ('HQ') resumed normal operations from March 16, 2020.

With the stricter preventive measures implemented against the COVID-19, the Bank has provided a safe and healthy workplace for all staff members, visitors and service providers.

