

CARES Programme of Asian Development Bank (ADB)

March 1, 2021

Recently, the Government of India and the Asian Development Bank signed a \$1.5 billion loan that will support the government's response to the COVID-19 pandemic

About the CARES program

- The CARES programme is funded through the COVID-19 pandemic response option (CPRO) under ADB's Countercyclical Support Facility.
- CPRO was established as part of ADB's USD 20 billion expanded assistance for developing member countries' pandemic response, which was announced on April 13

The Countercyclical Support Facility (CSF)

was established in 2009/11 and mainstreamed in 2011; its access criteria were modified in 2016. The CSF provides budget support to developing member countries (DMCs) undertaking fiscal stimulus for growth in the form of countercyclical development expenditures. It is an exceptional instrument reserved for addressing severe crises at the macroeconomic level.

ADB's aid to India

- On April 28, ADB approved USD 1.5 billion COVID-19 Active Response and Expenditure Support (CARES) programme to support India in its immediate pandemic response efforts, including disease containment and prevention, as well as social protection measures for the poor and economically vulnerable, particularly women and disadvantaged groups.
- The grant, which was financed by the Japanese

government, used to procure thermal scanners and essential commodities to strengthen India's COVID-19 response

- The new grant complements ADB's ongoing support to the Government of India in strengthening its COVID-19 response. .
- This support will enhance disease surveillance and help in early detection, contact tracing, and treatment.
- The CARES Programme is provided as the first support to meet the immediate requirements of the government.
- Building on the CARES Programme, ADB is also in dialogue with the government for further possible support for stimulating the economy, support strong growth recovery, and to build resilience to future shocks.
- This includes the support for the affected industries and entrepreneurs particularly micro, small, and medium-sized enterprises (MSMEs) by facilitating their access to finance through credit guarantee schemes, MSME integration into global and national value chains through enterprise development centers, and a credit enhancement facility for infrastructure projects.

Asian Development Bank (ADB)

- ADB was conceived in the early 1960s as a financial institution that would be Asian in character and foster economic growth and cooperation in one of the poorest regions in the world.
- A resolution passed at the first Ministerial Conference on Asian Economic Cooperation held by the United Nations Economic Commission for Asia and the Far East in 1963 set that vision on the way to becoming reality.
- ADB's headquarters are in Manila, Philippines. The primary mission is to foster growth and cooperation among countries in the Asia-Pacific Region.
- It raises capital through the international bond markets. The ADB also relies on member contributions,

retained earnings from lending, and the repayment of loans for funding of the organization.

- It provides assistance to its developing member countries, the private sector, and public-private partnerships through grants, loans, technical assistance, and equity investments to promote development.
- India was a founding member of ADB in 1966 and is now the bank's fourth-largest shareholder.
- ADB's operations in India commenced in 1986. India has been ADB's top borrower since 2010.