

# Government of India & AIIB sign an Agreement for \$750 Million for COVID-19 support for India

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The Government of India and the Asian Infrastructure Investment Bank (AIIB) here today signed a \$750 million “COVID-19 Active Response and Expenditure Support Programme” to assist India to strengthen its response to the adverse impacts of the COVID-19 pandemic on poor and vulnerable households. This is the first ever budgetary support programme from the AIIB to India.

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 Shri Rajat Misra, Director General (Acting), on behalf of the AIIB.

*Shri Khare said, “We thank AIIB’s assistance for the government’s immediate response to the coronavirus pandemic to provide social assistance for compensating economic loss to vulnerable sections including women and social security measures enhanced for affected workers in both organised and informal sectors. AIIB’s timely financial support will contribute to the effective implementation of the government’s COVID-19 Emergency Response Programme.*

The Programme will provide the Government of India with budget support to mitigate the severe adverse social and economic impact of COVID-19. The current loan will be the second to India from AIIB under its COVID-19 crisis recovery facility apart from the earlier approved \$500 million loan for the COVID-19 Emergency Response and Health Systems Preparedness Project.

The Primary Programme beneficiaries would be families below the poverty line, farmers, healthcare workers, women, women’s self-help groups, widows, people with disabilities, senior citizens, low wage earners, construction workers and other vulnerable groups.

Mr D.J. Pandian, AIIB vice-president (Investment Operations) said that AIIB’s support to India aims to ensure economic resilience to prevent long-term damage to the productive capacity, including human capital, of India’s economy.

The project is being financed by the Asian Infrastructure Investment Bank (AIIB) and Asian Development Bank (ADB) in the amount of \$2.250 billion, of which \$750 million will be provided by AIIB and \$1.5 billion will be provided by ADB. The project will be executed by the Department of Economic Affairs, Ministry of Finance, through various line ministries.

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank with a mission to improve social and economic outcomes in Asia, began operations in January 2016. AIIB has now grown to 102 approved members worldwide.

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