FINANCIAL AID FOR TACKLING COVID-19 EFFECTS

After $1-b Health Package, WB Lines Up 2 More for India

Funds over $1 billion may be granted for social protection, economic recovery

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New Delhi:

The World Bank will top up the $1 billion health sector package announced on Friday for India with two more for social security and the economy to help mitigate hardships due to the coronavirus pandemic. They could be worth over $1 billion, said people with knowledge of the matter.

“We are looking at a package for social protection followed eventually by support on the economic side, which will be to small and medium enterprises (SMEs), creating lines of credit to providing credit enhancement,” said Junaid Ahmad, World Bank country director for India. The health programme is the first of its kind anywhere in the world.

The social security package is expected in the next 10-12 days, followed by that for the economy. Total World Bank lending to India for the year, including the aforementioned programmes, is seen at $4.2 billion. The bank’s financial year runs from July to June.

ET first reported on Tuesday that India was in discussions with the World Bank for aid.

The World Bank money will fund test kits, isolation wards, intensive care units, personal protective equipment, ventilators and medicines, it said in a release. The government and the central bank have both announced measures aimed at combating economic hardships for the poor and borrowers.

The social security initiative will seek to cover gaps in the safety net for urban groups, since the rural populace is served by schemes such as PM-Kisan and rural jobs programme.
Topup On Cards
WORLD BANK WORKING ON ECONOMIC AND SOCIAL SECURITY PACKAGES
Social protection package likely in 10-12 days
To focus on urban unorganised sector workers
Economic package to focus on MSME, credit enhancement
Total lending programme for India at $4.2b

COVID-19 SUPPORT
$1b package is the largest health sector support from WB to India
Buying of testing kits, protective gear & ventilators will be scaled up