



Nepal: COVID-19 Active Response and Expenditure Support Program

Project Name	COVID-19 Active Response and Expenditure Support Program	
Project Number	54184-001	
Country	Nepal	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3926-NEP: COVID-19 Active Response and Expenditure Support Program concessional ordinary capital resources lending / Asian Development Fund US\$ 250.00 million	
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Health - Disease control of communicable disease - Health system development Public sector management - Public expenditure and fiscal management - Social protection initiatives	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The CARES Program will help the government in implementing its pandemic response plan the National Relief Program to respond to public health emergencies and to mitigate adverse economic and social impacts caused by the coronavirus disease (COVID-19) pandemic. The program will extend support to the poor and vulnerable to withstand the pandemic's adverse impact on their livelihoods through food assistance and employment support. It will pay special attention to establishing gender-segregated hospital units and facilities, and ensuring that additional incentives are extended to women health workers. Further, the program will increase women's resilience to the pandemic's economic shocks. It will promote resilience to external shocks and strengthen public service delivery, especially in the health sector, contributing to a reduction in shared health risks. The program facilitates the government's mapping of the poor and vulnerable populations for effective food distribution and other relief service delivery. Its support to the government's economic response measures, especially financing MSMEs, will accelerate the recovery of an export-oriented manufacturing as well as tourism sector, for enhanced regional cooperation and integration. The program complements efforts by SAARC and the South Asia Subregional Economic Cooperation to ensure coordinated responses to mitigate the impact of the pandemic in the region and facilitate the recovery process.	
Project Rationale and Linkage to Country/Regional Strategy	Nepal is considered as one of the high risk countries for rapid spread of COVID-19 infections due to the country's vulnerable public health system, underdeveloped sanitation and other infrastructure, and densely populated urban and semi urban areas. The sudden economic disruption caused by the pandemic hit hard the sectors such as service, wholesale, retail, trade, transport, construction and manufacturing, among others. Especially the entire service sector, which accounts over 60% of GDP and includes tourism, aviation and hospitality sector, have been severely affected. Further, remittance income, which contributes about 26.0% of GDP in fiscal year (FY) 2019 and the most important source of foreign exchange, will be adversely impacted. . Due to the pandemic, the fiscal deficit will widen from pre-COVID estimate of 6.4% of GDP to 8.5% in FY2020. The government estimates the additional financing need of \$1.26 billion to respond to COVID-19 for FY2020.	
Impact	Disaster risks in human lives, livelihoods, health, economy, and social aspects sustainably reduced (Disaster Risk Reduction Policy)a	
Project Outcome		
Description of Outcome	COVID-19 pandemic adverse impacts on health systems, livelihoods, poverty, employment, and economy mitigated	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Health system response measures supported Social protection and relief programs delivered Economic support for affected sectors implemented	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	C	
Involuntary Resettlement	C	
Indigenous Peoples	C	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services Any consulting services during the implementation of the program shall conform to all applicable ADB policies.

Procurement Any procurement during the implementation of the program shall conform to all applicable ADB policies.

Responsible ADB Officer Ozaki, Mayumi

Responsible ADB Department South Asia Department

Responsible ADB Division Public Management, Financial Sector and Trade Division, SARD

Executing Agencies Ministry of Finance
The Government of Nepal
Singha Durbar
Kathmandu, Nepal

Timetable

Concept Clearance -

Fact Finding 14 Apr 2020 to 14 Apr 2020

MRM 29 Apr 2020

Approval 26 May 2020

Last Review Mission -

Last PDS Update 26 May 2020

Loan 3926-NEP

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	250.00	Cumulative Contract Awards			
ADB	250.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/54184-001/main>

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