

Program Summary for Public Disclosure

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| Program Name | NDB Emergency Assistance Program in Combating COVID-19 |
| Country | China |
| Sector | Public Health |
| Board Approval Date | 19 March 2020 |
| Loan Amount | RMB 7 billion |
| Borrower | China |
| Implementation Agency | Hubei Provincial Government, Guangdong Provincial Government, and Henan Provincial Government |
| Program Context | <p>Since the outbreak of the Novel Coronavirus Disease (COVID-19) in December 2019, the lives of the Chinese people and the Chinese economy have been broadly impacted. While the outbreak touched all provinces in China, the three provinces that are hit the hardest are Hubei Province, Guangdong Province, and Henan Province, with confirmed cases of COVID-19 infection rank the top three among all Chinese provinces. Amid the outbreak, urgent but unexpected government expenditures related to immediately curbing the outbreak have been substantially increasing, which are causing pressures on the fiscal budgets of the governments at all levels in China, particularly for Hubei, Guangdong, and Henan.</p> <p>In this context and at this difficult time, NDB’s commitment to helping the Chinese Government in combating the outbreak of COVID-19 through the emergency assistance Program will not only be strategically relevant under NDB’s mandate of promoting sustainable development of its member countries, but more importantly, it provides much needed emergency support to its member country, which is facing serious economic challenge and human hardship. While the outbreak is still ongoing with growing number of cases being confirmed, at the time of the approval of the Program by NDB Board, NDB’s support through this Program will be timely and significant, as part of the global response to curb the outbreak of COVID-19.</p> |

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| <p>Program Objective</p> | <p>The Program is NDB’s first emergency assistance program in response to an outbreak in its member countries. The preparation and processing time from the request to NDB by the Chinese Government to the approval of the Program by NDB’s Board is about a month, which is a new record for NDB’s loan preparation and processing time with efficiency and quality, in efforts to ensure the timeliness of the Program and to accommodate the urgency of the outbreak. The Program is designed with features of innovations in loan structuring, real-time outbreak situation and development dialogues with relevant governments at all levels, prioritization of most critical issues amid the outbreak, and expeditious response to the identified emergency needs, which are in line with NDB’s strong commitment to supporting sustainable development of its member countries.</p> <p>The objective of the Program is to provide an emergency assistance to China in combating the outbreak of COVID-19, through fiscal support to key stakeholders, at the national level, the provincial levels of the three provinces, and the municipal levels within the provinces. The Program will contribute to China’s ongoing efforts to minimize the health and economic consequences of the outbreak, and lay a solid foundation for a more resilient health system and quicker economic recovery in near future.</p> |
| <p>Program Description</p> | <p>The Program will finance the public health expenditures on curbing the outbreak with the objective to help the three local governments to finance the most urgent needs for fighting the spread of virus, to reduce the financing gaps, and to free up fiscal resources amid the outbreak so that the adverse impacts from the outbreak on the local economies can be minimized.</p> <p>The scope of financing of the Program includes outbreak-related public health expenditures, including already incurred public health expenditures since the outbreak till date, and the expected public health expenditures for onward transmission containment, up to the end of 2020.</p> |

| <p>Expected Benefits</p> | <p>The positive impacts of the Program include: (i) reduced loss of human lives; (ii) improved resilience of the public health sector and health emergency response system; (iii) containment of onward transmission of COVID-19; (iv) mitigated government financial gaps, due to the unexpected expenditures caused by the outbreak; (v) mitigation of adverse social and economic impacts from the outbreak; and (vi) recovery of social and economic activities for sustainable development.</p> <p>An outbreak like this respects no borders and all countries have a stake in controlling it. NDB's emergency support to help curb the outbreak will contribute to the global community. The beneficiaries of the Program will not only be in China, but also all countries in the world, including NDB's member countries.</p> | | | | | | | | | | | |
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| <p>Environmental and Social Aspect</p> | <p>The Program is Category "B" in line with NDB's Environmental and Social Framework (ESF) and China's environmental impact assessment regulations. Potential negative environmental and social impacts from the Program are minimal and limited to the safety of medical waste management, which will be handled using standard medical hazmat management practices and be mitigated by adherence to requirements of E&S country system.</p> | | | | | | | | | | | |
| <p>Financing Aspect</p> | <p>The Program will finance the three Chinese provinces that are hit the hardest by the outbreak of COVID-19. The total Loan amount is RMB 7 billion. Disbursement will be one tranche of the total loan amount. The proposed allocation of the Loan to the three provinces is given below.</p> <table border="1" data-bbox="407 1486 1463 1715"> <thead> <tr> <th data-bbox="407 1486 727 1535">Province</th> <th data-bbox="727 1486 1463 1535">NDB Loan (RMB Billion)</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 1535 727 1583">Hubei</td> <td data-bbox="727 1535 1463 1583">3.5</td> </tr> <tr> <td data-bbox="407 1583 727 1631">Guangdong</td> <td data-bbox="727 1583 1463 1631">2.1</td> </tr> <tr> <td data-bbox="407 1631 727 1680">Henan</td> <td data-bbox="727 1631 1463 1680">1.4</td> </tr> <tr> <td data-bbox="407 1680 727 1715">Total NDB Loan</td> <td data-bbox="727 1680 1463 1715">7.0</td> </tr> </tbody> </table> | | Province | NDB Loan (RMB Billion) | Hubei | 3.5 | Guangdong | 2.1 | Henan | 1.4 | Total NDB Loan | 7.0 |
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| Implementation | <p>The Program duration is within one year, up to December 31, 2020. Provincial Governments of Hubei, Guangdong, and Henan will be the Implementing Agencies of the Program. Procurement will be conducted in compliance with China's country systems and regulations at the national level, and with NDB's procurement policy framework.</p> | | |
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