

Government of India and World Bank sign \$400 million project to protect India's poor and vulnerable from the impact of COVID-19

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The Government of India and the World Bank today signed a \$400 million project to support India's efforts at providing social assistance to the poor and vulnerable households, severely impacted by the COVID-19 pandemic. This is the second operation in a programmatic series of two. The first operation of \$750 million was approved in May 2020. The programme will strengthen the capability of state and national governments in India to provide coordinated and adequate social protection to the poor and vulnerable from the shocks triggered by the COVID-19 pandemic.

Dr. C. S. Mohapatra, Additional Secretary, Department of Economic Affairs stated that the COVID-19 crisis has brought to the fore the risks that migrants and the urban poor face and the need for governments to strengthen preparedness for future disasters of this nature. This programme will help further expand and deepen the coverage of India's social protection systems by helping these vulnerable groups in urban and peri-urban areas across the country.

The agreement was signed by Dr. Mohapatra on behalf of the Government of India and Ms Sumila Gulyani, Acting Country Director, India, on behalf of the World Bank.

Early results from tracking the first operation through a representative household survey across India highlights the strengths and challenges of India's social protection system. The Second Accelerating India's COVID-19 Social Protection Response Programme signed today will build on the shifts that the first operation has achieved.

Mr Junaid Ahmad, World Bank Country Director in India said that in face of the COVID-19 pandemic, Government of India has been actively strengthening the nation's social protection system. In support of this process, the first operation by the World Bank followed Government's lead to scale up pre-existing programmes for emergency relief. This second operation will complement the expansion of India's safety net programmes to create a portable social protection platform ensuring food and cash support for poor households, urban migrants, and unorganised sector workers across state boundaries.

Given the continent-like size and heterogeneity in India, the post COVID-19 economic shocks are likely to manifest itself differently at the sub-national, community and household levels. The new operation will allow flexibility for state governments to cater to their contexts, while ensuring that the needs of migrants, informal workers and the urban poor are addressed. The proposed reforms will allow states to access flexible funding from disaster response funds to design and implement appropriate social protection responses to COVID-19 and future disasters. Given that larger shares of COVID-19 cases in India are currently in urban and peri-urban areas, geographically targeted support to these hot-spot districts will help deepen social protection coverage in urban areas.

The programme was prepared in collaboration with the Asian Development Bank (ADB), Agence Française de Développement (AFD) and Kreditanstalt Fur Wiederaufbau (KfW).

The \$400 million credit is from the International Development Association (IDA) – the World Bank's concessionary lending arm.

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