

## **Ex-Ante Evaluation (for Japanese ODA Loan)**

### **South Asia Division 1, South Asia Department, JICA**

#### **1. Name of the Program**

Country: India

Program: COVID-19 Crisis Response Emergency Support Loan

Loan Agreement: August 31, 2020

#### **2. Background and Necessity of the Program**

##### **(1) Current State and Issues of COVID-19 in India**

COVID-19, which has been declared a global pandemic by WHO in March 2020, has been spreading rapidly beyond borders across the world. By August 31, 2020, over 25 million cases were confirmed worldwide. The first case of COVID-19 in India was reported on January 30. COVID-19 cases have been surging nationwide since the end of March. By August 31, around 3.54 million people had been infected and about 63,000 people had died because of its infection (WHO, 2020). In response to the spread of COVID-19, the Government of India implemented a strict lockdown policy throughout the country on March 25. From June 8 onward, lockdowns have been lifted in steps excluding regions where COVID-19 were still spreading. Still, both the numbers of infection cases and deaths are on the rise, leaving the tense situation unabated. In India, more than 1,400 Japanese firms are operating, with more than 5,000 branches and offices across the country. The lockdown policy has caused decrease in sales, suspension and reduction of factory production, and disruption of supply chains. A survey conducted by JETRO at the end of April shows that more than 80 percent of the Japanese firms were facing various troubles upon their activities, suggesting that the spread of COVID-19, if it is prolonged, will have a further serious impact on their economic activities. Such Japanese firms also have concern on the condition of local healthcare system which they have to rely in case of infection. Improvement of healthcare system in India is a crucial issue in order to enable businesses to reopen or to continue their stable operations.

The Government of India has been engaged in improving the health sector through the National Health Mission. The Mission involves development of primary healthcare facilities across the country and development of human resources for healthcare. Nevertheless, India's public spending for the health sector has remained at around one percent of GDP (Government of India, 2019), leaving the country's healthcare system extremely vulnerable. For example, the

number of hospital beds and physicians per 1,000 people were 0.7 as of 2011 and 0.857 as of 2018 respectively, which are far below the world averages of 2.704 beds and 1.565 physicians. The number of physicians per 1,000 people in India is even below 1, which is the recommended level by WHO (World Bank, 2020). The spread of COVID-19 has also exposed several vulnerabilities of healthcare system in India, which has turned out to be significant issues to be solved. They include (i) insufficient numbers of medical institutions and physicians; (ii) an inadequate implementation structure for testing and monitoring of infectious disease; (iii) short supplies of ventilators and medical equipment especially personal protective equipment; and (iv) lack of facilities that provide appropriate care for the infected patients. In addition, the Government of India has also acknowledged the necessity to develop an affordable, efficient, and transparent healthcare system with the use of ICT, which would contribute to improving the situation in the rural areas where people have been suffering from the poor accessibility to healthcare service.

To control the rapid spread of COVID-19, the Government of India announced India COVID-19 Emergency Response and Health System Preparedness Package and its plan to provide about 150 billion rupees (approx. 210 billion yen) to each state government as emergency response funds for the healthcare sector in March. Furthermore, in response to various issues in the healthcare sector, especially with respect to infectious disease control, the Government of India has developed a new healthcare scheme with around 900 billion rupees (approx. 1.3 trillion yen) named Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PM-ASBY), which is to be announced soon (after Cabinet approval). The bulk of the budget for the India COVID-19 Emergency Response and Health System Preparedness Package has been allocated for the emergency response in FY2020. PM-ASBY, on the other hand, will focus on additional emergency responses in FY2020 and beyond as well as on mid-term improvements of the healthcare sector. The total budget of the India COVID-19 Emergency Response and Health System Preparedness Package (approx. 150 billion rupees) has already been financed with the loans from several donors including World Bank and ADB. As for PM-ASBY, however, support from donors has not been confirmed as of July 22, leaving a huge financing gap. To fill the gap, the Government of India is requesting external funding support for PM-ASBY, at the occasion of donor meetings.

PM-ASBY, which is to be implemented by various government agencies under

the Ministry of Health and Family Welfare (MoHFW), is aimed for tackling COVID-19 crisis as well as strengthening India's healthcare sector to prepare for future pandemics. The main components of PM-ASBY are; (1) Procurement of medical equipment and supplies for the emergency response to COVID-19; (2) Establishment of health centers in both urban and rural areas; (3) Setting up of hospitals for communicable diseases; (4) Augmentation of implementation structure for healthcare surveillance; (5) Reinforcements of the research structure for infectious diseases; and (6) Promotion of National Digital Health Mission for digitalization of the healthcare sector in India.

Given these issues in healthcare sector in India, COVID-19 Crisis Response Emergency Support Loan ("the Program") provides budget support to the Government of India engaging in emergency response to COVID-19 among other healthcare challenges facing the country.

#### (2) Japan and JICA's Cooperation Policy for COVID-19 and the Positioning of the Program

In Country Assistance Policy for India (March 2016), the Government of Japan highlights "health and sanitation sector" as one of the priority areas and addresses these sectors as part of its assistance in improving India's basic social services for the purpose of supporting sustainable and inclusive growth in India. The JICA Country Analysis Paper for India (March 2018) points out the importance of giving priority to major development issues with strong financial needs for which Japan and JICA's strengths can be applied, while comprehensively assisting India's efforts in achieving SDGs. The analysis paper also mentions that JICA will focus on strengthening of the management of infectious diseases and on improving access to healthcare services that can directly benefit the economically challenged as part of "the Basic Social Service Improvement Program" under the pillar of "Supporting Sustainable and Inclusive Growth". The Program is consistent with these policies and analyses.

#### (3) Other Donors' Activities

On April 2, the World Bank committed one billion US dollars as a project loan to assist the Government of India in implementing the India COVID -19 Emergency Response and Health System Preparedness Package. The Asian Infrastructure Investment Bank (AIIB) pledged 500 million US dollars as co-financing with the World Bank on May 8. At its Board of Directors meeting on April 28, the Asian Development Bank (ADB) committed 500 million US dollars as loans to support the same package as part of its assistance in tackling

COVID-19 employing its Countercyclical Support Facility (CSF). PM-ASBY is also attracting attention from multilateral donors such as the World Bank, ADB, and AIIB as well as bilateral donors such as the German Development Bank (KfW). These donors attended a donor meeting organized by the Government of India to call for financing for the package. On the other hand, a number of donors have decided to provide budget support for the Prime Minister's Poor Welfare Scheme (Pradhan Mantri Garib Kalyan Yojana (PMGKY)) whose total amount is around 1.7 trillion rupees (approx. 2.4 trillion yen). The scheme was announced by the Government of India in March as a part of its social protection scheme to support the economy amid the spread of COVID-19. The World Bank and AIIB committed 750 million US dollars, ADB committed one billion US dollars and the French Development Agency (AFD) committed 200 million euros for PMGKY. KfW is also considering lending 460 million euros as financial support. The New Development Bank (NDB) committed one billion US dollars to support both health sector and social protection.

### **3. Program Description**

#### **(1) Program Objective**

The objective of the Program is to contain COVID-19 and mitigate adverse socioeconomic impacts in India, by extending budget support to Government of India implementing emergency response programmes for health sector as countermeasures against the COVID-19, thereby contributing to promoting the social and economic stabilization and development efforts of India.

#### **(2) Program Site/Target Area**

India

#### **(3) Program Components**

The Program will provide budget support to the Government of India engaging in the emergency response for the healthcare sector. Policy matrix is prepared, against which JICA and the Government of India will monitor the achievement of the policy actions. The Program will focus on three core policy agendas of PM-ASBY. The Program's agendas and policy actions are shown below:

Policy agenda	Policy action
Emergency Care and Disaster Preparedness	<ul style="list-style-type: none"> <li>• Cabinet approval of Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PM-ASBY)</li> <li>• Implementation of at least 10 million COVID-19 tests</li> <li>• Development of training curriculum for doctors and nurses</li> </ul>
Strengthening district capacity for disease surveillance and early identification of emerging infectious diseases	<ul style="list-style-type: none"> <li>• Development of guidelines on the construction of new infectious disease hospitals</li> </ul>
Developing Digital Health Technology Eco-System	<ul style="list-style-type: none"> <li>• Development of guidelines for the introduction of Teleconsultation for implementation</li> <li>• Presentation of operational guidelines and directives for use of National Health Information Platform for surveillances to all the implementing states</li> </ul>

#### (4) Estimated Program Cost

Loan amount: 50,000 million yen

#### (5) Schedule

From July 2020 to March 2022 (21 months). The Program will be completed upon the completion of loan disbursement, which will be conducted as soon as the achievement of policy actions are confirmed.

#### (6) Program Implementation Structure

1) Borrower: The President of India

2) Executing Agency: The Ministry of Health and Family Welfare (MoHFW) of India

#### (7) Collaboration with Other Schemes and Donors

1) Japan's Assistance Activity: None in particular

2) Other donors' Assistance Activity: None in particular

#### (8) Environmental and Social Consideration/ Cross-Sectoral Issues/ Gender Category

##### 1) Environmental and Social Consideration

① Category: C

② Reason for Categorization: As the Program is a budget-support loan, the negative impact on the environment from this Program is likely to have minimal or little adverse impact on the environment under the 'JICA Guidelines for Environmental and Social Considerations (April

2010)'.  
 2) Cross-Cutting Issues:

- ① Relevance to climate action: N/A
- ② Poverty reduction and considerations: The Program is expected to improve the access of the poor to public healthcare services which deals with COVID-19 and other infectious diseases.
- ③ HIV/AIDS and Other Infectious Disease Control: N/A
- ④ Participation-type development: N/A
- ⑤ Disability Consideration, etc.: N/A

3) Gender Category: ■GI (Gender Informed)

<Reason for Categorization>

The assessment of gender mainstreaming was conducted in the appraisal process, however, it did not result in formulating specific components that would specifically focus on gender equality or women's empowerment.

(9) Other Important Issues: N/A

#### 4. Targeted Outcomes

(1) Quantitative Effects

1) Outcomes (Operation and Effect Indicators)

Indicator	Baseline (May 2020)	Target (2022)
No. of the COVID 19 tests carried out	3,800,000	15,000,000
No. of Doctors and nurses trained following MOHFW guidelines consistent with WHO standards of clinical treatment for COVID- 19	10,000	75,000
No. of districts with approved construction and development plan of 100/50 Infectious disease hospital block in accordance with issued guidance	0	70
Percentage of districts with COVID-19 isolation facility in at least one hospital (%)	-	85
No. of district hospitals equipped for teleconsultation in accordance with issued guidance	12	73
Percentage of states using a national health information reporting platform for surveillance that unifies multiple pre-existing data sources (%)	33	50

(2) Qualitative Effects

Mitigation of adverse socio-economic impacts due to COVID-19

(3) Internal Rate of Return

Not calculated as it is a program loan.

## **5. External Factors and Risk Control**

(1) Preconditions

None in particular

(2) External Conditions

The trend of recovery in spread of COVID-19 shall be maintained globally and the rapid deterioration of the situation shall be avoided.

## **6. Lessons Learned from Past Programs**

Two major lessons have been drawn from the ex-post evaluation of the “Emergency Budget Support Japanese ODA Loan” program for the Philippines. Firstly, this particular loan, which was built on the framework of existing program loans, was provided in a flexible and timely manner in the midst of the financial crisis of 2008, thus enhancing the effectiveness of the intervention. Secondly, since one of the objectives of emergency budget support was to extend financing in a timely manner to facilitate crisis responses, the procedures for the loan disbursement should be as simple and flexible as possible.

Having learned the lessons above, the Program makes the most of the framework of COVID-19 Emergency Response and Health System Preparedness Package—a scheme that has been already drawn up by the Government of India and is implemented with the support of ADB and other donors—in identifying the policy actions and evaluation indicators. In fact, four of the six operation and effect indicators for the Program were employed from the above framework. The four indicators are: (i) No. of the COVID 19 tests carried out; (ii) No. of Doctors and nurses trained following MOHFW guidelines consistent with WHO standards of clinical treatment for COVID- 19; (iii) Percentage of districts with COVID-19 isolation facility in at least one hospital; and (iv) Percentage of states using a national health information reporting platform for surveillance that unifies multiple pre-existing data sources. This arrangement enables the timely provision of loans to meet the urgent financial needs.

## **7. Evaluation Results**

The Program, which is designed to support emergency responses of the Government of India for health sector amid the COVID-19 crisis, is consistent with the development issues and policies of India as well as Japan's and JICA's cooperation policies and analyses. Also, the Program will likely contribute to three of the SDGs: Goal 1 (No Poverty), Goal 3 (Good Health and Well-being), and Goal 8 (Decent Work and Economic Growth).

## **8. Plan for Future Evaluation**

### (1) Indicators to be Used

As indicated in section 4.

### (2) Timing

Ex-post evaluation: two years after the program completion

End