



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at February 1st, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

International Financing Institutions: Asian Development Bank (AsDB)

Country/Region	General measures
ASIAN DEVELOPMENT BANK	
Financing	<p>The initial US\$6.5 billion financial package (18 March 2020) was dedicated to member countries responding to the impacts of the novel coronavirus pandemic. It included:</p> <ul style="list-style-type: none"> • US\$3.6 billion in loans, grants, and technical assistance to ADB developing member countries to address the health and economic consequences of Covid-19; • US\$1.6 billion provided to micro-, small-, and medium-sized enterprises; domestic and regional trade; and firms directly impacted by the pandemic; • US\$1 billion in concessional resources through reallocations from ongoing projects and assessing possible needs for contingencies; • US\$40 million for technical assistance and quick-disbursing grants. <p>ADB has also been supporting regional cooperation platforms such as the South Asia Subregional Economic Cooperation (SASEC), Central Asian Regional Economic Cooperation (CAREC) and the Greater Mekong Subregion (GMS) programs.</p> <p>In April 2020, AsDB tripled the size of its response to the Covid-19 pandemic to US\$20 billion and approved measures to streamline its operations for quicker and more flexible delivery of assistance.</p> <p>The package expands AsDB's US\$6.5 billion initial response announced on 18 March, adding US\$13.5 billion in resources for countercyclical expenditure financing. The US\$20 billion package includes about US\$2.5 billion in concessional and grant resources (13 April). Budget support for the Covid-19 Response has been enabled by expanding the scope of the Contingent Disaster Financing tool to include health-related emergencies.</p> <p>The AsDB reports that the Covid-19 pandemic has unraveled global financial markets, putting Asia's financial resilience to the test. As the economic losses associated with the pandemic are set to rise, Asian stocks have plunged and short-term portfolio flows reversed sharply in March 2020, putting local currencies under severe pressure. Amid flight to safety, global demand for the US dollar soared, risking the tightening of local financial conditions in emerging Asian economies which remain heavily exposed to US dollar funding risks.</p>

	<p>Similar patterns to that of the global financial crisis can be observed. Interbank money markets have come under severe strain due to a spike in US dollar demand during the Covid-19 pandemic. While Asian banks' exposure to US dollar funding risks rises, currency hedging mechanisms and instruments remain underdeveloped in the region. Emerging Asian economies' exposures to US dollar funding risks compound their external and financial vulnerabilities as a stronger US dollar increases the debt servicing costs of emerging market borrowers. The region's currencies have come under downward pressure, alongside tightening US dollar funding conditions. The Covid-19 outbreak put significant downward pressure on regional currencies, albeit at a lower magnitude than during the Asian financial crisis (July 2020).</p> <p>The report, Updated Assessment of the Potential Economic Impact of COVID-19, finds that economic losses in Asia and the Pacific could range from US\$1.7 trillion under a short containment scenario of 3 months to US\$2.5 trillion under a long containment scenario of 6 months, with the region accounting for about 30% of the overall decline in global output. The People's Republic of China (PRC) could suffer losses between US\$1.1 trillion and US\$1.6 trillion.</p>
Recovery	<p>The Asian Development Bank (ADB) has launched a US\$9 billion vaccine initiative — the Asia Pacific Vaccine Access Facility (APVAX) — that should provide support to its developing members as they procure and deliver coronavirus disease (Covid-19) vaccines. AsDB financing for vaccines will be provided in close coordination with other development partners including the World Bank Group, World Health Organization (WHO), COVID-19 Vaccines Global Access Facility (COVAX), GAVI (Global Alliance for Vaccines and Immunisation), and bilateral and multilateral partners (11 December 2020).</p> <p>According to the AsDB, poverty is increasing in Asia, the world's fastest urbanizing region, with newly-poor people emerging from the pandemic mostly from cities. Covid-19 exacerbated the threats posed to the urban poor by climate change. AsDB thus states that enabling poor households to become more resilient is key to achieving healthy, vibrant and diverse cities of the future. Existing livelihood strategies for the urban poor tend to focus on the protection of specific livelihoods from known climate-related events. This narrow approach is insufficient to build the resilience of the urban poor given the level of threat they face and the diversity of their livelihoods. It also fails to recognize the diversity of the urban poor themselves. Examples of this narrow approach include building infrastructure through community-driven development programs and other initiatives that combine income-earning activities while simultaneously protecting existing livelihoods. These approaches reduce the vulnerability of individuals and livelihood activities by providing temporary income and reducing the likelihood of specific threats – such as the flooding of wet market vendor stalls. Other actions could be by promoting household savings and safety nets; increasing opportunities for stable and diverse income sources; investing in market-relevant education and skills development; fostering inclusion; and increasing access to digital technology (27 January 2021).</p>