New Development Bank

CASE STUDY

NDB's COVID-19 Emergency Assistance

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NDB's COVID-19 Emergency Assistance

Executive Summary

COVID-19, which emerged in late 2019, quickly developed into a global crisis that disrupted health systems, economic activity and livelihoods worldwide. As infections surged, several countries experienced severe strain on healthcare infrastructure, while lockdowns and mobility restrictions led to widespread loss of income and livelihoods and significant contraction in economic activity. Governments were forced to balance urgent healthcare spending and social support amid limited fiscal capacity.

The New Development Bank (NDB) played a crucial role by providing rapid financing support to member countries. NDB was the first multilateral institution to approve a COVID-19 loan facility and to issue a COVID-19 related bond in China. The Bank approved a series of loans worth USD 9 billion equivalent in pandemic-related assistance, including measures to aid economic recovery in its member nations. The financing helped member countries strengthen healthcare systems, protect vulnerable groups, stabilise livelihoods and rejuvenate economic activity.

Key success factors included NDB's strategic adaptability, rapid and agile financing, strong alignment with country systems, and favourable lending terms, enabling timely and targeted crisis response. Its focus on member needs, innovative bond issuances, and coordination with partners further strengthened the impact. Key takeaways include the importance of speed, flexibility, and country-driven approaches in crisis response, demonstrating how adaptable financing frameworks can enhance institutional effectiveness in future global shocks.

1. COVID-19 PANDEMIC

Emerging in late 2019, coronavirus disease (COVID-19) rapidly spread worldwide, evolving into a global pandemic. In March 2020, the World Health Organization (WHO) officially declared it a global health emergency. The onset of the COVID-19 pandemic had a profound and multifaceted impact on countries and societies worldwide, disrupting public health systems and economies simultaneously. Healthcare infrastructures were overwhelmed as nations struggled to contain the spread of the virus, leading to an urgent reallocation of resources and prioritisation of emergency care. Economically, lockdowns and restrictions caused widespread supply chain disruptions, business closures, and unemployment, triggering recessions in many countries, with global economy contracting by 2.7% in 2020.[1] Developing economies faced acute challenges due to structural vulnerabilities such as weaker healthcare systems, large informal sectors, limited fiscal space, and existing inequality. Impact of the pandemic on GDP growth of NDB's founding member countries is given in Table 1.

[1] IMF World Economic Outlook, April 2026
https://www.imf.org/-/media/files/publications/weo/2026/april/english/text.pdf

Table 1: Impact of COVID-19 Pandemic on NDB's Founding Members

Country	GDP Growth (%) 2020
Brazil	(-) 3.3
Russia	(-) 2.7
India	(-) 5.8
China	2.3
South Africa	(-) 6.2

Source: IMF World Economic Outlook (April 2026).
Note: India's GDP growth pertains to Apr 2020 - Mar 2021 period.

Governments were required to dramatically increase healthcare expenditure, implement social protection measures, and stabilise financial systems. This created a tension between urgent spending needs and constrained fiscal capacity. In this context, multilateral development banks (MDBs) played a critical countercyclical role. They provided rapid financing, technical expertise, and policy support to help countries manage the crisis. The World Bank Group (WBG) responded to the COVID-19 pandemic through a USD 14 billion fast-track financing package to assist countries in efforts to prevent, detect and respond to the rapid spread of COVID-19.[2] From April 2020 to March 2021, the WBG committed over USD 200 billion to public and private sector clients to fight the impacts of the pandemic.[3] Asian Development Bank (ADB) expanded its COVID-19 response package from the initial USD 6.5 billion to USD 20 billion in April 2020, to address the urgent challenges in tackling the pandemic and economic downturn.[4] African Development Bank (AfDB) created a USD 10 billion COVID-19 Response Facility to help African countries manage both the health crisis and economic shock.[5] European Bank for Reconstruction and Development (EBRD) launched its Solidarity Package in March 2020 and committed around EUR 21 billion during 2020-2021 to mitigate the pandemic's economic impact.[6] NDB, despite being relatively new compared to institutions like the World Bank and the ADB, quickly positioned itself as a responsive and agile lender during the pandemic.

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[2] https://www.ifc.org/en/pressroom/2020/ifc-increases-covid-19-support-to-8-billion-to-sustain-private-sector-companies-and-livelihoods-in-developing-countries
[3] https://www.worldbank.org/en/news/factsheet/2020/02/11/how-the-world-bank-group-is-helping-countries-with-covid-19-coronavirus
[4] https://www.adb.org/news/adb-triples-covid-19-response-package-20-billion
[5] https://afdb.africa-newsroom.com/press/african-development-bank-group-unveils-10-billion-response-facility-to-curb-covid19?lang=en
[6] https://www.ebrd.com/home/what-we-do/focus-areas/our-response-to-the-covid-19-pandemic.html

2. NDB'S RESPONSE

The crisis necessitated a temporary shift in MDB priorities – from long-term infrastructure financing to immediate emergency response. For NDB, whose mandate traditionally focused on infrastructure and sustainable development, COVID-19 required rapid adaptation toward health system strengthening, social protection, and economic stabilisation – areas not originally central to its operations.

In response to the COVID-19 pandemic, NDB acted swiftly and was one of the first MDBs to launch a major emergency support programme for its member countries. The Bank committed to providing up to USD 10 billion in COVID-19-related assistance to help address both the immediate health crisis and the longer-term economic and social impacts of COVID-19. In fact, NDB was the first multilateral institution to approve a COVID-19 loan facility and to issue a COVID-19 related bond in China.

To facilitate a rapid and effective response, NDB introduced the Policy on Fast-track Emergency Response to COVID-19 in June 2020, complementing its existing sovereign lending framework. This policy enabled sovereign emergency assistance in support of government measures in public health, social safety nets, and economic recovery to address COVID-19 impacts. Under this framework, NDB approved a series of sovereign emergency assistance and economic recovery loans of USD 9 billion equivalent across its member countries, providing timely financial support to mitigate the pandemic's health, social, and economic consequences.

A series of five loans, of 1 billion USD equivalent each, were provided to the five founding members to support their combat against COVID-19.

i. A loan to China of RMB 7 billion was approved in March 2020, within 40 days of initiating the dialogue with the Government. The loan was designed based on a diagnosis of urgent needs for emergency assistance finance for the three Chinese provinces – Hubei, Guangdong, and Henan – that were hit the hardest during the first wave of the COVID-19 pandemic. NDB mobilised resources for this emergency loan to China through the first-ever RMB-denominated Coronavirus Combating Bond issued by the Bank in China in the amount of RMB 5 billion.

ii. A loan to India of USD 1 billion was approved in April 2020 to support the Government in its efforts to contain the spread of the virus and reduce human, social, and economic losses.

iii. A loan to South Africa of USD 1 billion was approved in June 2020. The objective of the programme loan to South Africa was to assist the Government in its efforts to combat the outbreak of COVID-19, minimise the loss of human life and reduce social and economic losses through two components: healthcare and social safety net.

iv. A loan to Brazil of USD 1 billion was approved in July 2020. The purpose of the NDB loan to Brazil was to support the Government's Basic Emergency Aid programme of cash transfers to maintain minimum income levels for the most vulnerable population, strengthening social safety nets and addressing immediate socio-economic impacts arising from the COVID-19 outbreak.

v. A loan to Russia of USD 1 billion equivalent (in EUR) was approved in March 2021. The programme in Russia aimed to address one of the most critical needs in Russia's healthcare response to the COVID-19 pandemic by providing support to frontline health workers, including doctors, nurses, and medical staff.

A second series of four further programme loans were provided to Brazil, India, China, and South Africa aimed at supporting the economic recovery.

i. A loan to Brazil of USD 1 billion was approved in December 2020, aimed at supporting economic recovery by enhancing SMEs' access to credit through guarantee mechanisms to sustain operations and preserve jobs.

ii. A loan to India of USD 1 billion was approved in December 2020, aimed at supporting economic recovery by boosting rural employment and demand through natural resource management works under government schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).[7]

iii. NDB approved a loan of RMB 7 billion to China in February 2021, aimed at revitalising production, supporting employment, and sustaining recovery in key sectors impacted by the pandemic.

iv. A loan to South Africa of USD 1 billion was approved in April 2021, aimed at supporting economic recovery by financing employment generation and social protection measures, particularly through the Presidential Employment Stimulus programme.

To mobilise resources, NDB issued thematic bonds in international capital markets and China's domestic capital market, with proceeds used to finance COVID-19-related projects. A timeline of key NDB actions in response to the COVID-19 pandemic is presented in Annex.

3. DEVELOPMENT IMPACT

NDB's emergency assistance and economic recovery loans have contributed to high-impact outcomes across health, fiscal stability, and economic recovery. Rapid implementation and targeted support were critical in mitigating the COVID-19 crisis and enabling economic recovery.

Through the emergency financing programme, the NDB enabled governments of founding member countries to strengthen healthcare systems, protect vulnerable populations, and stabilise livelihoods. Member countries' efforts to scale up the healthcare infrastructure and spending received critical support, saving lives. The loans funded measures such as insurance coverage for millions of frontline health workers, income support to vulnerable populations, and direct assistance to farmers and disadvantaged groups, thereby cushioning the immediate socio-economic shock of the pandemic. These interventions helped expand social safety nets and ensured continuity of basic services, contributing to human development outcomes and preventing deeper poverty and inequality in affected economies.

Beyond short-term relief, NDB's assistance also supported medium-term economic recovery and development by reviving production, employment, and infrastructure investment. It facilitated job creation and strengthened sectors such as agriculture, logistics, and health systems, which are critical for sustainable growth. By targeting recovery in key economic sectors and financing infrastructure and supply chain restoration, the loans helped accelerate post-pandemic growth while maintaining a focus on inclusive and sustainable development. Overall, NDB's swift and large-scale response demonstrated the role of MDBs in crisis mitigation and reinforced development resilience in emerging economies. Individual programme-specific development impacts are given in Table 2.

[7] The scheme provides livelihood security in rural areas by providing at least 100 days of guaranteed wage employment at minimum wage on public projects in a fiscal year.

Table 2: Programme-wise Details of Development Results[8]

Programme	Development Impact
COVID-19 Emergency Response Loans	
Emergency Programme for Supporting China's Response to COVID-19	• Containment of transmission of COVID-19 and minimising loss of lives in Hubei, Guangdong, and Henan provinces – daily confirmed cases dropping from 634 at programme appraisal to two by programme completion; daily deaths dropped from 97 to zero. • Construction and expansion of more than 70 hospitals and community healthcare centres. • Subsidies to 145,700 medical personnel and epidemic prevention workers. • Procurement of anti-epidemic supplies and medical equipment; free nucleic acid tests. • Support to 117 scientific research projects on pandemic prevention and control, including the research and development of vaccines. • Local economies of Hubei, Guangdong, and Henan provinces had seen a fast recovery from the crisis.
Emergency Programme for Supporting India's Response to COVID-19	• Life insurance coverage for 2.2 million health workers. • Training of 100% of district hospital doctors and nurses. • Cash transfers to more than 206 million poor women. • Ex gratia support to 28.1 million vulnerable beneficiaries. • Free food grain support to around 165 million households. • 141.7 million free cooking gas refills. • 5,437.4 million person-days of employment were generated, of which 2,865.5 million person-days, i.e., 52.7% accrued to women beneficiaries under MGNREGS scheme. • Support to 3.9 million workers through provident fund contributions.
Emergency Programme for Supporting South Africa's Response to COVID-19	• 136,214 hospital admissions of COVID-19 patients (in the public sector). • 5,449 hospital admissions of COVID-19 patients in critical care (public sector estimate). • 9,992 quarantine beds activated. • 17,730 admissions into quarantine sites. • 9,108,609 persons screened for COVID-19 by field workers.

[8] Reported development results pertain to the overall project, which is implemented as a collaborative, multi-financier effort. NDB financing represents only a share of total project costs, and results cannot be attributed solely to NDB support.

	• 4,307,390 COVID-19 tests conducted (public sector), which recorded 742,203 confirmed COVID-19 cases. • 27% increase in social grants paid out in 2020-21 compared to 2019-20, representing 13.2 million additional beneficiaries to the social grants.
Emergency Programme for Supporting Brazil's Response to COVID-19	• Brazil's Basic Emergency Aid programme reached about 118.7 million people (56% of Brazil's population), providing critical income support during the pandemic. • Around 23 million people (about 10% of the population) were lifted out of extreme poverty. • Prevented 14–23 million people from falling below the poverty line at the peak of the crisis. • Benefits were concentrated among the poorest households and vulnerable groups, including informal workers, unemployed individuals, and women-headed households, thereby enhancing social protection and equity.
Emergency Programme for Supporting Russia's Response to COVID-19	• 1.3 million health workers received COVID-19 related payments with average gross support (including administrative costs) of about USD 4,054 per worker. • Close to 14 million COVID-19 patients treated in medical facilities.
COVID-19 Economic Recovery Loans	
Emergency Programme for Supporting India's Economic Recovery from COVID-19[9]	• Around 206 million person-days of employment generated with 54% women person days. • 0.32 million households completed minimum 100 days of employment. • Natural Resource Management works of about INR 47.92 billion created.
Emergency Programme for Supporting China's Economic Recovery from COVID-19	• 45,423 jobs created or maintained. • RMB 3.8 billion incremental amount of salary generated for vulnerable people, particularly rural population. • Support for 101 companies on the supply chain with RMB 14.5 billion procurement from upstream and sales to downstream. • Enhanced trade facilitation with RMB 1 billion trade enabling infrastructure built. • Improved sustainability of infrastructure with annual CO_2 emission reduction of 5.8 million tonnes.
Emergency Programme for Supporting South Africa's Economic Recovery from COVID-19	• 715,664 individuals recruited under Presidential Employment Stimulus (PES) by December 2021. • Around ZAR 17.1 billion spent for creating public employment initiatives for people impacted by COVID-19.

[9] The figures have been extrapolated for NDB loan from MGNREGS website.

	• Additional social safety measures for temporarily jobless population, providing financial support of ZAR 350 per month to 6.1 million and 10.8 million beneficiaries in 2020/21 and 2021/22 financial years respectively.
Emergency Programme for Supporting Brazil's Economic Recovery from COVID-19	• Unlocking credit for Small and Medium Enterprises (SMEs), by guaranteeing up to 80% of loan value, the program alleviated the risk to financial institutions, allowing businesses that lacked traditional collateral to secure financing and survival during the crisis. • Protecting Jobs and Income: by keeping businesses afloat during severe revenue drops, the program had a direct, measurable positive effect on preserving existing formal jobs, salaries and maintaining human capital. • Affordable Rates and Favourable Terms: The program set a ceiling on average interest rates that banks could charge (e.g., capped at 1.75% per month), and provided grace periods of 6 to 12 months, making the credit highly accessible and manageable for small and medium size businesses. • The Program was effective in reducing the mortality of supported companies.

Source: Programme Completion Reports, NDB

4. SUCCESS FACTORS

Key success factors of NDB's COVID-19 response include:

Strategic Adaptability: In response to the unprecedented challenges posed by the COVID-19 pandemic, NDB demonstrated notable strategic adaptability by recalibrating its traditionally infrastructure-focused mandate toward urgent emergency response measures. NDB Policy on Fast-track Emergency Response to COVID-19 was introduced in June 2020 to complement the Bank's existing sovereign lending modality. This policy enabled sovereign emergency assistance in support of government measures in public health, social safety nets, and economic recovery to address COVID-19 impacts. By prioritising pandemic-related assistance, the Bank showcased its ability to respond dynamically to evolving global needs. This transition not only underscored the importance of integrating resilience-oriented approach into development financing but also reflected a growing institutional maturity in balancing long-term development objectives with immediate humanitarian imperatives.

Speed and Agility: A defining feature of NDB's COVID-19 response was the exceptional speed and agility with which it provided financial assistance. The Bank approved its first COVID loan to China in March 2020, within 40 days of initiating the dialogue with the Government. NDB demonstrated the capacity to act far more swiftly than the traditional timelines often associated with MDBs. By implementing fast-track procedures, the Bank was able to significantly reduce bureaucratic bottlenecks typical of MDBs and accelerate disbursement processes. This rapid response proved critical in the context of a global health crisis, where delays can directly translate into loss of lives and deeper economic disruption.

Alignment with Country Systems: NDB demonstrated a strong commitment to aligning with country systems by relying extensively on existing national frameworks and programmes rather than introducing externally designed interventions. Its financing was closely tied to each member country's official COVID-19 response strategy, ensuring that support was directly relevant to national priorities. NDB funds were mostly channelled through and used to reinforce ongoing government programmes, which helped minimise duplication of efforts and significantly reduced implementation delays. By respecting and leveraging national systems, the NDB contributed to greater operational efficiency while simultaneously strengthening domestic institutions and governance capacity – outcomes that are critical for both immediate crisis response and long-term resilience.

Favourable Financing Terms: NDB extended support through highly competitive financing terms that were designed to ease the fiscal burden on member countries. These terms included extended maturities and grace periods, which collectively helped reduce immediate debt servicing pressures during a time of acute economic stress. Eight of the nine loans had 25-year repayment period with a five-year grace period. Retroactive financing was allowed for the loans, and eight out of the nine loans were disbursed in a single tranche. By offering such favourable conditions, NDB enabled governments to access critical funding without significantly exacerbating existing fiscal risks or debt vulnerabilities.

Thematic Bond Offerings: NDB accessed international capital markets by issuing USD-denominated COVID-19 response bonds and pandemic support bonds, and China's Interbank Bond Market by issuing RMD denominated coronavirus combating bonds, which were specifically earmarked to finance emergency health expenditures, economic recovery, and social protection measures. These strategic bond issuances attracted strong demand from a high-quality and geographically diverse investor base, including central banks and institutional investors, supporting the Bank's pandemic response efforts. By clearly linking bond proceeds to COVID-19 emergency programme loans (e.g., for healthcare system strengthening, vaccine procurement support, and economic stimulus measures), NDB enhanced transparency and investor confidence. The competitive pricing and strong subscription levels of these issuances enabled the Bank to maintain cost-effective funding while ensuring rapid disbursement to member countries.

Coordination with Other Institutions: NDB's COVID-19 response demonstrated strong collaboration with other development institutions and MDBs. In several instances, assistance was delivered through parallel financing arrangements involving multiple institutions, enabling governments to pool resources and respond more comprehensively to the crisis. In some cases, national authorities actively coordinated financing support from different multilateral partners to ensure alignment and complementarity. There were also examples where financing from different institutions complemented each other by targeting distinct regions or sectors within the same country. Overall, such collaborative approaches enhanced the effectiveness of financial assistance by improving resource mobilisation, reducing duplication, and ensuring broader coverage. Coordination among development partners amplified the overall developmental impact and contributed to stronger, more coherent crisis responses.

5. KEY TAKEAWAYS

The pandemic served as an opportunity for NDB to broaden its coverage, showing its ability to go beyond infrastructure financing and address urgent public health and economic challenges. NDB's actions during the pandemic demonstrated the growing relevance of emerging MDBs alongside more established institutions. By responding swiftly and aligning its support closely with member country needs, the Bank proved that newer institutions could make meaningful contributions during global crises.

Importantly, the NDB model, characterised by speed, flexibility, and strong country alignment, offered valuable lessons for future crises. It highlighted the need for adoption of flexible financing mechanisms that can adapt to evolving and system-wide shocks. Also, the Bank's COVID-19 response illustrated how crises can catalyse institutional evolution while reinforcing the importance of adaptable and responsive development finance systems. The pandemic also underscored the importance of strong coordination between multilateral institutions, national governments, and other development partners. NDB's experience demonstrated that effective crisis responses depend not only on financial resources but also on collaborative frameworks that enable rapid policy support and knowledge sharing. Beyond immediate emergency support, the crisis also underscored the need to integrate resilience-building into development strategies.

Annex : NDB's COVID Response Timeline

- **Mar 2020**
  - Approved a COVID-19 emergency assistance loan of RMB 7 billion to the Government of China, as the first MDB loan to China for combating the COVID-19 pandemic
- **Apr 2020**
  - Issued the Bank's first COVID-19 Combating Bond in China (RMB 5 billion)
  - Established an Emergency Assistance Facility
  - Approved COVID-19 loan of USD 1 billion to India
- **Jun 2020**
  - Established the Policy on Fast-track Emergency Response to COVID-19
  - Issued USD 1.5 billion COVID-19 Response Bond
  - Provided USD 1 billion COVID-19 loan to South Africa
- **Jul 2020**
  - Approved COVID-19 emergency assistance loan of USD 1 billion to Brazil
- **Sep 2020**
  - Issued USD 2 billion bond to support COVID-19 emergency response
- **Dec 2020**
  - Approved COVID-19 economic recovery loans to Brazil and India (USD 1 billion each)
- **Feb 2021**
  - Approved an economic recovery loan of RMB 7 billion to China
- **Mar 2021**
  - Approved a COVID-19 emergency assistance loan of USD 1 billion equivalent (in EUR) to Russia
- **Apr 2021**
  - Approved a loan of USD 1 billion for South Africa for supporting economic recovery
- **Jul 2021**
  - Issued USD 2.25 billion pandemic support and sustainable bond
- **Dec 2021**
  - Issued USD 500 million SOFR-linked pandemic support and sustainable bond

About BRICS-NDB Knowledge Portal

The BRICS-NDB Knowledge Portal is a joint initiative of BRICS and NDB. The Portal aims to institutionalise the existing knowledge available across BRICS Working Groups by systematically compiling them in alignment with NDB priority areas and sharing good practices from NDB's operations.

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