

Program Summary for Public Disclosure

Program Name	COVID-19 Emergency Program
Country	The Republic of South Africa
Sector	COVID-19 Emergency Program Loan
Board Approval Date	19 June 2020
Loan Amount	USD 1 billion
Borrower	The Republic of South Africa
Implementing Agencies	National Department of Health and Department of Social Development, the Government of South Africa
Program Context	<p>South Africa, like many other countries in the global community, has been impacted by the COVID-19 outbreak. The country's socio-economic dynamics further increase the risk of rapid transmission of COVID-19. In this context, the Government of South Africa was quick to initiate measures aimed at containing the outbreak and preparing its healthcare system to deal with the pandemic, while minimizing the adverse impacts of these measures on the economy. The steps taken by the Government of South Africa include implementing a national lockdown, rolling out extensive testing and contact tracing programs, and implementing a number of initiatives aimed at assisting vulnerable population.</p> <p>The limitation of movement during lockdown as well as the impact of containment measures implemented by the country's trade partners leave the economy and people vulnerable, particularly the poor. Prior to the outbreak, the country has been growing below its potential. This necessitated that the Government of South Africa respond to the pandemic, not only to support the public health but also to stabilize and recover the economy, and to help vulnerable population.</p>
Program Objective	<p>The objective of the Program is to assist the Government of South Africa in its efforts to combat the outbreak of COVID-19, minimize the loss of human life, and reduce social and economic losses.</p> <p>The Program will enable recovery of economic and social activity through (i) procurement and deployment of critical healthcare goods and services, which will enhance South Africa's disease detection and diagnosis, infection prevention and control capacities; and (ii) increasing the amount of social grants paid out to beneficiaries to strengthen the country's social assistance measures during the outbreak period, which will assist in reducing economic losses, particularly for the vulnerable population.</p>
Program Description	The Program consists of two components: Healthcare and Social Safety Net.

	<p>Healthcare: This component aims to contain, detect, and counteract the spread of the epidemic. Measures to be undertaken include: (i) screening and testing programs; (ii) creating isolation facilities for those who cannot self-isolate; (iii) procurement of Personal Protective Equipment; (iv) reinforcement of hospital facilities required for treatment of infected individuals; (v) ventilator distribution; and (vi) medication.</p> <p>Social Safety Net: This component focuses on increasing the amount of grants to vulnerable individuals who have limited capacity to withstand loss in earnings caused by the economic lockdown. Additional beneficiaries will receive social grants through the COVID-19 Social Distress grant scheme.</p>		
Expected Benefits	<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>		
Environmental and Social Aspect	<p>The Program is Category “B” in line with NDB’s Environmental and Social Framework (ESF). Potential negative environmental and social impacts from the Program are minimal and limited to the safety of medical waste management and occupational health and safety of medical and supporting personnel. These risks will be managed and mitigated by adherence to requirements of E&S country system. South Africa’s procurement and E&S managements laws and regulations will be followed.</p>		
Financing Aspect	<p>The total loan amount is USD 1.0 billion. Disbursement will be one tranche of the total loan amount.</p>		
Implementation	<p>The Program duration is 12 months, and will be implemented during the fiscal year April 1, 2020 to March 31, 2021. The Program implementation arrangements rely on existing structures established in South Africa. The activities related to the healthcare sector will be implemented by the National Department of Health through provincial, municipal, and local governments. The activities related to social safety net will be implemented by the Department of Social Development through the government-owned South African Social Security Agency.</p>		
Contacts	NDB	Borrower	Implementing Agencies

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