

Program Summary for Public Disclosure

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| Program Name | COVID-19 Emergency Program Loan for Supporting South Africa's Economic Recovery from COVID-19 |
| Country | The Republic of South Africa |
| Sector | COVID-19 Emergency Program Loan |
| Board Approval Date | 02 April 2021 |
| Initial Limit of NDB Financing | USD 1 billion |
| Current Limit of NDB Financing | USD 1 billion |
| Borrower | The Republic of South Africa |
| Implementing Agencies | Presidency of the Republic of South Africa, Department of Social Development of GoSA |
| Program Context | <p>The country-wide COVID-19 related restriction resulted in slowdown of economic activities and loss of jobs, with the unemployment rate striking a record high by the third quarter of 2020.</p> <p>To address the challenging situation, the GoSA adopted in October 2020 a comprehensive mid-term strategy, the Economic Reconstruction and Recovery Plan (ERRP). The ERRP embraces multiple sectors of the country's economy and society while making emphasis on initiatives to generate employment, with the Presidential Employment Stimulus (PES) being the priority program of ERRP. The NDB Loan will be focused on the first phase of the PES (hereinafter – the Program).</p> |
| Program Objective | <p>The objective of the Program is to support the GoSA in its efforts to contain the economic fallout of the pandemic and start economic recovery. The Program aims to create job opportunities, sustain private consumption and provide public services, therefore contributing to economic recovery in South Africa.</p> |
| Program Description | <p>The Program focuses on creation of employment opportunities in South Africa, in particular about 700,000 jobs in the first phase of the PES, together with social protection measures for active labor market participants that temporarily lost their jobs, in order to help them remain on the labor market.</p> |

| Expected Benefits | <p>The main impact of the Program will be to mitigate adverse economic effects of COVID-19 pandemic and to support economic recovery in South Africa. The Program will contribute to creating and supporting employment opportunities in the public sector and to keeping economically active population in the labor force. NDB's commitment to support member countries to achieve Sustainable Development Goals (SDGs) is emphasized in the Program's intervention logic. NDB's financing under the Program is primarily aligned with SDG 8 by promoting full and productive employment and decent work for all.</p> | | | | | | | | |
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| Environmental and Social Aspect | <p>The Program has been categorized as Category B in line with NDB's Environment and Social Framework. The E&S impacts will be associated with proposed public works as part of the employment generation program. The impacts will be low due to the nature of the activities. Adherence to the country systems will mitigate adverse E&S impacts. The Program will also achieve positive socio-economic impacts through creating job opportunities and assisting temporarily jobless persons.</p> | | | | | | | | |
| Financing Aspect | <p>The total loan amount for supporting South Africa's economic recovery from COVID-19 is up to USD 1 billion.</p> | | | | | | | | |
| Implementation | <p>The Program implementation arrangements rely on existing structures established in South Africa. The main subprogram related to employment creation will be coordinated by the Project Management Office in the Presidency of the Republic of South Africa and implemented by 11 relevant departments of GoSA. The supporting subprogram related to social assistance will be implemented by the Department of Social Development.</p> | | | | | | | | |
| Contacts | <table border="1"> <thead> <tr> <th data-bbox="470 1489 746 1579">NDB</th> <th data-bbox="746 1489 1098 1579">Borrower</th> <th data-bbox="1098 1489 1426 1579">Implementing Agencies</th> </tr> </thead> <tbody> <tr> <td data-bbox="470 1579 746 1984"> Africa Regional Centre Tshifhiwa Mukwevho </td> <td data-bbox="746 1579 1098 1984"> Department of National Treasury of South Africa Wanga Cibi debtissuanceandmanagement@treasury.gov.za </td> <td data-bbox="1098 1579 1426 1984"> National Department of Health and Department of Social Development of South Africa Wanga Cibi debtissuanceandmanagement@treasury.gov.za </td> </tr> </tbody> </table> | | | NDB | Borrower | Implementing Agencies | Africa Regional Centre Tshifhiwa Mukwevho | Department of National Treasury of South Africa Wanga Cibi debtissuanceandmanagement@treasury.gov.za | National Department of Health and Department of Social Development of South Africa Wanga Cibi debtissuanceandmanagement@treasury.gov.za |
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