



NDB Board of Directors approves USD 1 billion COVID-19 Emergency Program Loan to South Africa

On June 19, 2020, the Board of Directors of the New Development Bank (NDB) approved a COVID-19 Emergency Program Loan of USD 1 billion to the Government of the Republic of South Africa.

“The COVID-19 Emergency Program Loan to South Africa will be provided in response to the urgent request and immediate financing needs of the South African Government. NDB’s assistance will address urgent health needs in South Africa to overcome the COVID-19 pandemic and help mitigate socio-economic impacts on the most vulnerable populations,” said Mr. Xian Zhu, NDB Vice President and Chief Operations Officer. “Such focus of the Bank’s financing is in line with the emergency loans provided by the NDB to China and India earlier this year.”

The Loan will assist the South African Government in rolling out its healthcare response to the Novel Coronavirus Disease-19 and in providing a social safety net to alleviate the economic impact of the disease containment measures on vulnerable individuals. The Program envisages preventing, detecting and responding to the health threat posed by COVID-19, and providing social grants to vulnerable groups affected by measures implemented to prevent and contain the disease.

In its [Statement on Response to COVID-19 Outbreak](#), the NDB Board of Governors welcomed the NDB contribution to the ongoing efforts of BRICS countries to address the health and economic consequences of the outbreak and stressed that BRICS would unite to combat the COVID-19 outbreak. The NDB established an Emergency Assistance Facility to meet the emergency needs of its member countries. COVID-19 Emergency Program Loan to South Africa is the third loan approved by the NDB Board of Directors in response to the COVID-19 outbreak.

Background information

On June 16, 2020, the New Development Bank priced its inaugural benchmark USD 1.5 billion 3-year COVID Response Bond in the international capital markets. The net proceeds from the Bond issue will be used to finance sustainable development activities in the NDB’s member countries, including emergency assistance loans to the Bank’s member countries.

The NDB was established by Brazil, Russia, India, China and South Africa to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development. The NDB received AA+ long-term issuer credit ratings from S&P and Fitch and AAA foreign currency long-term issuer rating from Japan Credit Rating Agency (JCR).

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