

NEWS RELEASE

New Financing Agreement to Boost South Africa's COVID-19 Vaccination Program and Health System

WASHINGTON, June 13, 2022 — Today, the World Bank Group Board of Executive Directors approved a 454.4 million euro (ZAR 7.6 billion or \$480 million) loan for South Africa's COVID-19 Emergency Response Project. The loan comes following a request by the Government of South Africa (GoSA) for assistance in financing vaccine procurement contracts. Specifically, this project will retroactively finance the procurement of 47 million COVID-19 vaccine doses by the GoSA. South Africa is the epicenter of the COVID-19 pandemic in Africa, with the highest cumulative numbers of infections and deaths.

By supporting the country's COVID-19 vaccination program, the project will help the government better cope with the pandemic, as the country experiences its fifth wave, and support the GoSA to create the fiscal space needed to strengthen its health system and ensure financial and institutional sustainability.

South Africa has embarked on a robust vaccination program: As of June 13, 2022, over 36.4 million doses have been administered, with about 50.3% of adults and 29.9% of 12 to 17-year-old adolescents vaccinated. However, more can be done to increase vaccine coverage, curb the spread of the virus, and boost the country's economic recovery.

Along with the [Genomic Surveillance Project](#), which seeks to improve the capacity to identify variants of SARS-CoV-2 in South Africa and the Africa region, and the [South Africa COVID-19 Response Development Policy Operation](#), which aims to protect the poor and vulnerable from the adverse socio-economic impacts of the COVID-19 pandemic, the COVID-19 Emergency Response Project forms part of World Bank's expanded support for South Africa's response to the pandemic

"South Africa welcomes this EUR 454.4 million World Bank loan to support COVID-19 vaccination as the spread of the virus continues to pose a threat to South Africa's citizens, health system, and economic recovery. The loan forms part of government efforts to reduce debt service costs by making use of cheaper sources of funding through multilateral development banks, whilst supporting the health system to respond to COVID-19 through the roll-out of vaccines, critical research, and treatment measures," says **Ismail Momoniat, National Treasury Acting Director-General, South Africa.**

In addition to providing vital support to South Africa's health system, this new low-interest loan contributes to the government's fiscal relief package while reinforcing South Africa's decisions on how best to provide relief to the economy and those worst affected by the crisis.

"This support aims to put the country on a more resilient and inclusive growth path by boosting South Africa's COVID-19 vaccination efforts with the goal of vaccinating up to 70% of the country's target population," says **Marie Françoise Marie Nelly, World Bank Country Director for South Africa** *"This project builds on our new [World Bank Group Country Partnership Framework \(CPF\)](#) 2022 – 2026, jointly developed with the government in July 2021 to help stimulate investment and job creation."*

The loan complements support by the International Monetary Fund, the African Development Bank, and the New Development Bank as part of the Government of South Africa's broader financing strategy to access external financing from international financial institutions.

World Bank Group COVID-19 Response

As of May 16, 2022, the World Bank has deployed \$20 billion to support vaccine procurement and roll out enabling the affordable and equitable access to COVID-19 vaccines needed to reverse the pandemic's massive health, social, and economic impact. The financing is helping 96 operations (including MPA-Vaccine operations) in 73 countries, more than half of which are located in Africa, by supporting countries' vaccination programs.

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