

World Bank approves SA's R7.6bn loan for Covid-19 vaccines

The World Bank has approved a €454.4m (R7.6bn) loan to South Africa for the country's Covid-19 Emergency Response Project.



Source: [Rxabay](#)

Approved by the Bank's group board of executive directors on Monday, the loan comes following a request by the government of South Africa for assistance in financing vaccine procurement contracts.

In a joint statement by the World Bank and the National Treasury, the entities said, specifically, this project will retroactively finance the procurement of 47 million Covid-19 vaccine doses by the GoSA.

They said: "South Africa is the epicentre of the Covid-19 pandemic in Africa, with the highest cumulative numbers of infections and deaths.

"By supporting the country's Covid-19 vaccination programme, 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."

The country's robust vaccination programme has seen 36.4 million doses having been administered, with about 50.3% of

adults and 29.9% of 12 to 17-year-old adolescents vaccinated, as at 13 June.

However, they said, 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, the Covid-19 Emergency Response Project forms part of World Bank's expanded support for South Africa's response to the pandemic.

Genomic Surveillance Project seeks to improve the capacity to identify variants of SARS-CoV-2 in South Africa and the Africa region.

A step ahead of the virus

Government welcomed the loan approval, saying it would 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.



New vaccine plant in Senegal gets €75m from EIB

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"Treasury said the loan forms part of government efforts to reduce debt-service costs by making use of less-expensive sources of funding through multilateral development banks, while 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.

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.

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.

As at 16 May 2022, the World Bank Group Covid-19 Response had deployed \$20bn 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 programmes

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