
LOAN NUMBER 9413

Loan Agreement

(South Africa COVID-19 Emergency Response Project)

between

REPUBLIC OF SOUTH AFRICA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SOUTH AFRICA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of four hundred fifty-four million four hundred thousand Euro, (EUR454,400,000, as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance, provided that the Commitment Charge for the period beginning on the date of accrual of the Commitment Charge and ending on the date of eighteen (18) months after such date of accrual shall be zero percent (0%).
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project and the MPA Program. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Minister of Finance.

5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

40 Church Square
Old Reserve Bank Building
2nd Floor,
Pretoria; and

(b) the Borrower's Electronic Address is:

Telex:	Facsimile:	E-mail:
(012) 323 8911	(012) 323 3262	Enoch.Godongwana@treasury.gov.za

5.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	mmarienelly@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF SOUTH AFRICA

By

Duncan Pieterse

Authorized Representative

Name: Duncan Pieterse

Title: Dr

Date: 22-Jun-2022

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Marie Françoise Marie-Nelly

Authorized Representative

Name: Marie Françoise Marie-Nelly

Title: Country Director

Date: 15-Jun-2022

SCHEDULE 1

Project Description

The objective of the Project is to increase COVID-19 vaccination coverage among the population of the Borrower.

The Project is a part of the MPA Program and consists of the following part:

Part 1: Emergency COVID-19 Response

Support the purchase of Project COVID-19 Vaccines.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall carry out the Project through the National Department of Health (“NDoH”). To this end, the Borrower shall maintain, throughout Project implementation, a team within NDoH: (a) headed by its Deputy Director General of the National Health Insurance; and (b) staffed with personnel in number and with functions, responsibilities, qualifications, and experience satisfactory to the Bank, including overall Project coordination, administrative and fiduciary matters such as financial management, procurement, social and environmental standards, and monitoring and evaluation. Notwithstanding with the aforementioned, the Borrower shall maintain, throughout Project implementation, adequate national and provincial coordination, and management arrangements satisfactory to the Bank.
2. To ensure adequate Project implementation, the Borrower shall carry out the Project in accordance with the COVID-19 Vaccine Rollout Strategy, which shall include, *inter alia*:
 - (a) rules and procedures for prioritizing intra-country vaccine allocation following principles established in the WHO Fair Allocation Framework, including an action plan setting out the timeline and steps for implementing such rules;
 - (b) rules and procedures establishing minimum standards for vaccine management and monitoring, including medical and technical criteria, communications and outreach plan, cold chain infrastructure, and other related logistics infrastructure;
 - (c) rules and procedures for processing and collection of Personal Data in accordance with national law on Personal Data protection and good international practice; and
 - (e) vaccine distribution plan, including action plan setting out timeline and steps for immunization.

In the event of any conflict between the provisions of the COVID-19 Vaccine Rollout Strategy and this Agreement, the provisions of this Agreement shall prevail.

B. Standards for Project COVID-19 Vaccine Approval

All Project COVID-19 Vaccines shall satisfy the Vaccine Approval Criteria.

C. Environmental and Social Standards

1. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Borrower shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the

activities described in Schedule 1 of this Agreement, the Borrower shall ensure that such information, report, or document does not include Personal Data.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods	454,400,000	100%
TOTAL AMOUNT	454,400,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed EUR 454,400,000 may be made for payments made prior to this date but on or after March 1, 2021, for Eligible Expenditures.
2. The Closing Date is March 31, 2024.

SCHEDULE 3

1. Subject to the provisions of Section 3.03 of the General Conditions, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each May 15 and November 15, the first installment to be payable on the seventh (7th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the twenty-sixth (26th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-twentieth (1/20) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after May 15, 2037, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “COVAX Facility” means the COVID-19 Vaccine Global Access Facility, a mechanism through which demand and resources are pooled to support the availability of, and equitable access to, COVID-19 vaccines for all economies, and which is coordinated by Gavi, the Vaccine Alliance, the Coalition for Epidemic Preparedness Innovations (CEPI), and the WHO.
4. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “COVID-19 Vaccine Rollout Strategy” means the Borrower’s vaccination delivery and distribution plan for COVID-19, dated January 2021, and related documentation (i.e., implementation plans, guides, toolkits, standard operating procedures and circulars), which is referred to in Section I.A.2 of Schedule 2 to this Agreement, as said document may be modified from time to time between the Borrower and the Bank, and such term includes all schedules and annexes to said document.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 16, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
7. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial

- Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
8. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
 9. “MPA Program” means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
 10. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification, number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.
 11. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
 12. “Project COVID-19 Vaccine” means a vaccine for the prevention of COVID-19, authorized by the Borrower’s national regulatory authority for distribution, marketing and administration within the territory of the Borrower, and acquired or deployed under the Project; “Project COVID-19 Vaccines” means the plural thereof.
 13. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
 14. “Stringent Regulatory Authority” means a National Regulatory Authority (“NRA”) that is classified by WHO as a Stringent Regulatory Authority.
 15. “Vaccine Approval Criteria” means that the Project COVID-19 Vaccine: (a) has received regular or emergency licensure or authorization from at least one of the Stringent Regulatory Authorities identified by WHO for vaccines procured and/or supplied under the COVAX Facility, as may be amended from time to time by WHO; (b) has received the WHO Prequalification or WHO Emergency Use Listing; or (c) has met such other criteria as may be agreed in writing between the Borrower and the Bank.
 16. “WHO” means the World Health Organization.

17. “WHO Emergency Use Listing” means a risk-based procedure for assessing and listing by WHO of unlicensed vaccines, therapeutics, and in vitro diagnostics with the aim of expediting the availability of these products to people affected by a declared public health emergency.
18. “WHO Fair Allocation Framework” means the rules which govern the allocation of vaccines to participants in the COVAX Facility, as developed by WHO, subject to periodic review by the COVAX Facility.
19. “WHO Prequalification” means a service provided by WHO to assess the quality, safety, and efficacy of medical products for priority diseases, and which are intended for United Nations and international procurement to developing countries.