Early Warning System

WB-P174198

COVID-19 Crisis Response Emergency Development Policy Financing

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Quick Facts

Countries	Seychelles
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	U
Voting Date	2020-06-25
Borrower	Republic of Seychelles
Sectors	Education and Health, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 15.00 million

Project Description

According to bank documents, the overall program development objective is to support the Republic of Seychelles in its response and recovery from COVID-19 crisis by (1) enhancing response mechanisms in health, social protection and private sector; and (2) supporting sustainable post-crisis recovery through strengthened financial systems and climate resilience.

The operation's first pillar - Protecting Lives and Livelihoods - support the adoption of the government's Response Plan to COVID-19; the reinforcement of social assistance programs to aid vulnerable households; and the deployment of financial mechanisms to manage the adverse economic impact of COVID-19 in the private and financial sector. Through PA 1, the Government approved the Seychelles Response Plan for Covid-19, which defines the strategy for the immediate response to the first wave of COVID-19 and lays the foundation for subsequent reopening and testing strategies. PA 2 includes the increase in the allocation to Social Welfare Assistance and the Unemployment Relief Scheme, which has allowed the GoS to provide coverage to informal workers or others who were facing hardships. Through PA 3, the government aims to guarantee the salaries of employees in the formal private sector and temporarily lessening the tax burden for businesses, enhancing liquidity and maintaining their viability during the pandemic. Finally, PA 4 includes the approval of the Central Bank Act, 2020 (Amendment) and the Financial Institutions Act, 2020 (Amendment) to allow the Central Bank to maintain a healthy financial sector for a rapid and balanced economic recovery.

The second pillar - Protecting the Future - comprises prior actions to promote transparency in the domestic financial sector; and to tackle the challenges posed by climate change. Specifically, PA 5 includes the approval of the new anti-money laundering and combating the financing of terrorism (AML/CFT) Act 2020 and Beneficial Ownership (BO) Act 2020. The implementation of the AML/CFT and BO laws will assist to promote transparency and better align the country's legal framework with international standards by introducing new measures to combat money laundering and terrorist financing. PA 6 supports the Cabinet of Ministers approval of the first national Climate Change Policy and, through it, the establishment of the National Climate Change Council. This will facilitate a coordinated, coherent, proac proactive and effective response to the local, regional and global challenges and opportunities presented by Climate Change.

Investment Description

- World Bank (WB)

Contact Information

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Bank Documents

- Appraisal Program Information Document (PID) - COVID-19 Crisis Response Emergency Development Policy [Original Source]