



# GUINEA

April 2015

## REQUEST FOR DEBT RELIEF UNDER THE CATASTROPHE CONTAINMENT WINDOW OF THE CATASTROPHE CONTAINMENT AND RELIEF TRUST—STAFF REPORT; AND PRESS RELEASE

In the context of the Request for Debt Relief Under the Catastrophe Containment Window of the Catastrophe Containment and Relief Trust, the following documents have been released and are included in this package:

- The **Staff Report** was prepared by a staff team of the IMF for the Executive Board's consideration on a lapse of time basis. Based on information provided by the authorities, the staff report was completed on March 9, 2015
- A **Press Release**

The document listed below has been or will be separately released.

Letter of Intent sent to the IMF by the authorities of Guinea\*

\*Also included in the Staff Report

The policy of publication of staff reports and other documents allows for the deletion of market-sensitive information.

Copies of this report are available to the public from

International Monetary Fund • Publication Services  
PO Box 92780 • Washington, D.C. 20090  
Telephone: (202) 623-7430 • Fax: (202) 623-7201  
E-mail: [publications@imf.org](mailto:publications@imf.org) Web: <http://www.imf.org>  
Price: \$18.00 per printed copy

**International Monetary Fund**  
**Washington, D.C.**



# GUINEA

March 9, 2015

## REQUEST FOR DEBT RELIEF UNDER THE CATASTROPHE CONTAINMENT WINDOW OF THE CATASTROPHE CONTAINMENT AND RELIEF TRUST

### KEY ISSUES

**Background.** Since early 2014 Guinea has been experiencing an ongoing Ebola epidemic that has spread to several countries in the region. The epidemic, which constitutes a public health disaster, has claimed a significant number of lives and disrupted economic activity, including regional commerce. Economic activity registered in 2014 a pronounced slowdown projected to worsen in 2015. The epidemic has created revenue shortfalls and spending pressures that translated into significant financing gaps. Poverty is estimated to have increased.

**Program status.** The ECF-supported program is on track. On February 11, 2015, the Executive Board completed the 5th review under the ECF arrangement, and approved an augmentation of access equivalent to 42.1 percent of quota and the extension of the arrangement to end-2015. The Executive Board also approved in end-September 2014 a disbursement under the Rapid Credit Facility (RCF) to meet urgent fiscal and balance of payments needs created by the epidemic.

**Request.** The authorities are requesting debt relief under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief (CCR) Trust in an amount equivalent to 20 percent of quota (SDR 21.42 million) to reduce Guinea's debt service burden and free up resources for use in relief, containment and recovery efforts. With no debt obligations to the Fund falling due in 2015–16, debt relief under the CCR will cover debt service falling due in 2017–19 on credit outstanding prior to approval of the current request. The authorities have adjusted their economic policies to focus on eradicating the epidemic, supporting the affected people, and strengthening Guinea's health infrastructure.

**Appraisal.** Staff supports the authorities' request for assistance under the CC window of the CCR Trust given the nature of the public health disaster and the ensuing financing needs to contain the disease and rehabilitate Guinea's public health system. In staff's view, the authorities' macroeconomic policy framework, including the continued implementation of the current ECF arrangement, is appropriate to address the fiscal and balance of payments needs created by the epidemic.