



The IMF Executive Board Extends Immediate Debt Service Relief for 28 Eligible Low-Income Countries for Another Six Months

FOR IMMEDIATE RELEASE

Washington, DC – October 5, 2020: The Executive Board of the International Monetary Fund (IMF) approved on October 2, 2020 a second six-month tranche of debt service relief for 28 member countries under the Catastrophe Containment and Relief Trust (CCRT). This approval follows the first six-month tranche (April 14 – October 13, 2020) approved on April 13, 2020 ([see Press Release No. 20/151](#)), and enables the disbursement of grants from the CCRT for payment of eligible debt service falling due to the IMF from October 14, 2020 to April 13, 2021, estimated at SDR 161 (US\$227) million. Subject to the availability of sufficient resources in the CCRT, debt service relief could be provided for a total period of two years, through April 13, 2022, estimated at nearly SDR 680 (US\$959) million. Relief on debt service will free up scarce financial resources for vital emergency medical and other relief efforts while these members combat the impact of the COVID-19 pandemic.

In the context of the approval of the first tranche, Managing Director Kristalina Georgieva launched an urgent fundraising effort that would enable the CCRT to provide relief on debt service for up to a maximum of two years, while leaving the CCRT adequately funded for future needs. This will require a commitment of about SDR 1 billion (US\$1.4 billion). Thus far, donors have provided grant contributions totaling about SDR 360 million, including from the UK, Japan, Germany, the Netherlands, Switzerland, Norway, China, Mexico, Sweden, Bulgaria, Luxembourg, and Malta.

Executive Board Assessment¹

Executive Directors underscored that the COVID-19 pandemic continues to exact a serious human and economic toll on the Fund membership. In this context, Directors noted that Catastrophe Containment and Relief Trust (CCRT) grants for debt service relief on obligations to the Fund falling due during the April 14 through October 13, 2020 assisted its poorest and most vulnerable members tackle the pandemic and its repercussions.

Directors welcomed the country updates on the policy responses to the pandemic of CCRT beneficiary countries. They underscored the importance of continued follow-through on governance and transparency commitments by beneficiary countries to safeguard priority and COVID-19-related spending. Directors concurred that countries that received the CCRT debt relief are, in the main, pursuing sensible macroeconomic policies to support stability in response to the economic fallout from the pandemic. They also agreed that resources freed

¹ At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.imf.org/external/np/sec/misc/qualifiers.htm>.

up by the initial tranche of CCRT debt service relief were helping to provide emergency health, social and economic support to mitigate the impact of the pandemic on lives and livelihoods.

Directors agreed that the available resources are sufficient to finance a second six-month tranche of debt service relief under the CCRT. Accordingly, they approved grant assistance for relief for 28 of the 29 eligible members with debt service falling due during October 14, 2020 and April 13, 2021 and looked forward to bringing the proposal for the remaining one member soon.

Directors noted that the Fund has received grant pledges of just over one-third of the SDR 1 billion fundraising target and noted that available resources will need to be boosted to support the approval of future tranches. To this end, Directors welcomed the generous contributions in recent months and stressed the importance of ongoing efforts to secure additional resources for timely grant assistance in the future. Directors agreed that it would be useful to conduct a stocktaking on the CCRT before the end of the second tranche period in April 2021.