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September 30, 2020

**Statement by Ms. Mahasandana, Mr. Tan, Mr. Abenoja, and Mr. Chea on Catastrophe Containment and Relief Trust – Approval of the Second Tranche of the Grant Assistance for Debt Relief  
(Preliminary)  
Executive Board Meeting  
October 2, 2020**

We thank staff for the comprehensive report and donor members for their ongoing contribution and support to the Catastrophe Containment and Relief Trust (CCRT), which has enabled sufficient grant assistance for the disbursement of the second tranche of debt service relief. Despite the approved first tranche of debt relief that came into effect on April 14, 2020, the CCRT-eligible member countries' economic activities continue to be disrupted by the COVID-19 pandemic, adding further pressure to their balance of payment and fiscal financing needs. **We therefore support the approval of the second tranche of grant assistance for debt service relief for 28 qualifying member countries under the CCRT.** While we take comfort in the CCRT-eligible member countries' efforts to strengthen governance and transparency to safeguard priority spending and pandemic-related resources, continued fundraising efforts are needed to meet the initial target of SDR 1 billion for the two-year period. We broadly concur with staff's assessment and would like to offer the following comments for emphasis.

**Ensuring effective implementation of support programs and sound macroeconomic policies is warranted to limit the economic impact of the pandemic.** We welcome staff's assessment that CCRT-eligible member countries' macroeconomic policy responses have been in line with commitments made with the Fund. We also welcome the Fund's ongoing efforts in guiding the CCRT-eligible members in pursuing appropriate macroeconomic policies through technical assistance to mitigate the impact of the pandemic on the most vulnerable segment of the population. Close monitoring of the implementation of these policies from both the authorities and staff should remain a priority to further strengthen accountability and support the effective use of scarce CCRT resources. *We would appreciate*

*it if staff could elaborate on the longer-term assessment of the macroeconomic prospects and future financing needs of CCRT-eligible members to encompass over the remaining horizon of the intended 2-year debt relief period.*

**We welcome the assessment of staff that CCRT-eligible members have made good progress in undertaking governance and transparency arrangements to help safeguard priority spending.** We are encouraged by the publication and audit practices that were adopted by authorities as well as the establishment of oversight bodies to monitor and manage the earmarked funds. In this regard, we support staff's initiatives to provide technical assistance in upgrading emergency spending frameworks and strengthening PFM systems.

**We appreciate the additional grant contributions from donor members as of September 14, 2020 to help our low-income members who are particularly hard-hit by the pandemic.** We also note the significant shortage of funding in the trust to cover the full two-year financing gap. In this context, we strongly encourage management and staff to continue the fundraising efforts to unlock a possible third tranche of the CCRT debt service relief. The CCRT will help to continue to play a catalytic role in mobilizing support from other development partners for the poorest and most vulnerable members. This is also critical to help CCRT-eligible members to overcome the crisis while containing the disruptions to their ongoing efforts toward building a resilient economy, including against potential natural disasters.