

**EXECUTIVE
BOARD
MEETING**

EBS/21/88
Supplement 1

October 1, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Catastrophe Containment and Relief Trust—Fourth Tranche of Debt Service Relief in the Context of the Covid-19 Pandemic and Approval of Additional Beneficiary Member Countries—Draft Press Release**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Wednesday, October 6, 2021**

Publication: Proposed, together with main paper

Questions: Mr. Kim, SPR (ext. 34916)
Mr. Kryshko, SPR (ext. 36527)
Mr. Mineyama, SPR (ext. 36150)



The IMF Executive Board Extends Debt Service Relief for 24 Eligible Low-Income Countries

FOR IMMEDIATE RELEASE

Washington, DC— October [8], 2021: The Executive Board of the International Monetary Fund (IMF) approved on October 6, 2021 a fourth tranche of debt service relief from the Catastrophe Containment and Relief Trust (CCRT) for 24 member countries with eligible debt falling due in the period through January 10, 2022.¹ The Executive Board also approved the inclusion of the Kyrgyz Republic and Lesotho among the beneficiary countries, enabling these members to receive relief of their debt service falling due to the Fund through January 10, 2022.

The approval of the fourth tranche, totaling approximately SDR 87.9 million (US\$XXX) million, follows three prior tranches approved on April 13, 2020, October 2, 2020, and April 1, 2021 (see Press Releases [20/165](#), [20/304](#), and [21/99](#)). This debt service relief helps free up scarce financial resources for vital health, social, and economic support to mitigate the impact of the COVID-19 pandemic. Subject to the availability of sufficient resources in the CCRT, debt service relief for all beneficiary countries could be provided for the remaining period from January 11 to April 13, 2022, amounting to approximately SDR [82] million and a cumulative debt service relief of about SDR 690 (US\$XXX) million for the entire two-year period.

In March 2020, Managing Director Kristalina Georgieva launched an urgent fundraising effort to raise SDR 1 billion (US\$1.4 billion) in grants for the CCRT. This would enable the CCRT to provide financial assistance for relief on debt service for up to a maximum of two years, while leaving the CCRT adequately funded for future needs. So far, donors have pledged contributions totaling about SDR 609 million (US\$xxx million), including from the European Union, the UK, Japan, Germany, France, the Netherlands, Spain, Switzerland, Norway, Singapore, Greece, China, Mexico, the Philippines, Sweden, Bulgaria, Luxembourg, and Malta. On September 20, 2021, Japan provided a second grant contribution of US\$50 million (SDR 35.2 million) in addition to the US\$100 million (SDR 73.4 million) it provided in April 2020.

Executive Board Assessment²

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¹ There remains a lack of clarity within the international community regarding the recognition of the government in Afghanistan. As such, the Fund's engagement with Afghanistan continues to be on pause. Therefore, approval of a fourth tranche of debt relief for Afghanistan was not proposed at this stage.

² 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>.