

**EXECUTIVE
BOARD
MEETING**

EBS/21/107
Correction 1

CONFIDENTIAL

December 14, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Catastrophe Containment and Relief Trust—Fifth Tranche of Debt Service Relief in the Context of the Covid-19 Pandemic**

Board Action: The attached correction to EBS/21/107 (12/2/21) has been provided by the staff:

Evident Ambiguity **Page 1**

Questions: Ms. Fernandez, FIN (ext. 35902)
Mr. Kim, SPR (ext. 34916)
Ms. Rosenberg, LEG (ext. 37790)



December 1, 2021

CATASTROPHE CONTAINMENT AND RELIEF TRUST—FIFTH TRANCHE OF DEBT SERVICE RELIEF IN THE CONTEXT OF THE COVID-19 PANDEMIC

EXECUTIVE SUMMARY

On March 26, 2020, the Executive Board approved changes to the Catastrophe Containment and Relief Trust (CCRT). These changes enabled the Fund as Trustee of the CCRT to provide grants for debt service relief to its poorest and most vulnerable members up to a maximum of two years from April 14, 2020 to help tackle the COVID-19 pandemic and its economic repercussions. To date, the Executive Board has approved four tranches of debt service relief (three six-month tranches and one three-month tranche) to all CCRT-eligible countries with eligible debt service to the Fund falling due from April 14, 2020 through January 10, 2022.¹

On October 6, 2021, when discussing possible debt relief during the final six months of the maximum two-year period for debt relief following the determination of a qualifying health event, the Executive Board approved a two-step approach consisting of (i) an immediate approval of the disbursement of a fourth tranche of debt service relief to all qualified beneficiary countries² covering the period from October 16, 2021 through January 10, 2022, and (ii) consideration by January 2022 of a final tranche of CCRT debt service relief through April 13, 2022 based on a brief Board paper with an assessment of resources at that time.

¹ Where debt service falling due to the Fund is referenced, this comprises debt service falling due to the General Resources Account and the Poverty Reduction and Growth Trust (PRGT).

² Chad, the Democratic Republic of the Congo, Mozambique, Tanzania, and Togo do not have eligible debt service falling due during the fifth tranche covering the period from January 11 to April 13, 2022 (see Table 2). At the time of issuance of this paper, there continues to be a basis for pausing dealings with Afghanistan based on public statements issued by a critical mass of the membership that raise doubts as to whether members, in their own bilateral relations, recognize or deal with the Taliban as the government of Afghanistan. However, unlike the case with the fourth tranche of CCRT debt relief where political developments were still unfolding, the Taliban regime has announced an interim government in September and most posts have been filled by now, which provides a basis to seek to clarify the views of the Fund's membership regarding government recognition in Afghanistan before the Executive Board considers the fifth tranche. This is consistent with the Fund's long-standing approach on government recognition cases, under which steps are taken to clarify the views of the Fund's membership where there are important decisions to be made (e.g., use of the Fund's resources, voting for Executive Directors) and such steps have not previously been taken. Afghanistan's next payment to the Fund [under the fifth tranche period](#) is due on February 3, 2022 for SDR 0.45 million.