



Global Recovery: The EU disburses SDR 141 Million to the IMF's Catastrophe Containment and Relief Trust

Brussels, 5 April 2021

The International Monetary Fund (IMF) today received the European Union (EU)'s contribution of SDR 141 million (equivalent to EUR 170 million or US\$199 million) to the Catastrophe Containment and Relief Trust (CCRT), which provides grants for debt service relief to countries hit by catastrophic events, including public health disasters such as COVID-19.

Jutta **Urpilainen**, European Commissioner for International Partnerships, said: *"Through this contribution to the CCRT, Team Europe continues to stand in solidarity with its most vulnerable partners. In this difficult period, the resources freed up can provide social services for the most vulnerable people, such as access to essential healthcare and education for young people, including girls. Team Europe's Global Recovery Initiative is working to provide debt relief and sustainable investment for the SDGs."*

"The EU's generous contribution of €183 million is critical to help the world's most vulnerable countries cope with the impact of the COVID-19 crisis and continue providing health care, economic and social support for their people. I am grateful to the EU and its member states for their support and strong partnership. I urge other countries to contribute to the CCRT so we can in turn support our most vulnerable member countries," IMF Managing Director Kristalina Georgieva noted.

This disbursement is part of the EU's overall contribution of €183 million (SDR 152 million or US\$215 million) to the CCRT. It finances grants for the third tranche of CCRT debt service relief that was approved by the IMF's Executive Board on April 1, 2021.

The EU stands ready to disburse its remaining grant contribution in support of additional debt service relief in the context of potential future CCRT tranches. With this contribution, the EU, together with the EU institutions and its Member states, has committed more than half of the current CCRT pledges.

Together with the third tranche, the IMF has provided about SDR 519 million (about US\$736 million or €626 million) in grants for debt relief to all 29 CCRT-eligible members since the pandemic began in early 2020. The purpose of the debt relief initiative under the CCRT is to free up resources to meet exceptional balance of payments needs created by the disaster rather than having to allocate those resources to debt service.

Background

The CCRT provides grants to pay debt service owed to the IMF by eligible low-income member countries that are hit by the most catastrophic of natural disasters or battling public health disasters - such as the COVID-19 pandemic.

CCRT-eligible countries are those eligible for concessional borrowing through the IMF's Poverty Reduction and Growth Trust (PRGT) and whose annual per capita gross national income level is below \$1,175. Vulnerable countries most seriously affected by the COVID-19 crisis benefit from the CCRT.

The EU, as a global player, can help integrate debt relief into a broader policy dialogue, financing strategies and actions, in order to 'build back better'.

This €183 million contribution is fully in line with Commission President von der Leyen's proposal for a Global Recovery Initiative that links investments and debt relief to the Sustainable Development Goals.

The beneficiaries of the third CCRT tranche are Afghanistan, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Tajikistan, Togo and Yemen.

For More Information

[Factsheet on CCRT](#)

[Q&As on CCRT](#)

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