



IMF POLICY PAPER

CATASTROPHE CONTAINMENT AND RELIEF TRUST— APPROVAL OF GRANT ASSISTANCE FOR DEBT SERVICE RELIEF

April 15, 2020

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its April 13, 2020 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on April 8, 2020 for the Executive Board's consideration on April 13, 2020.

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International Monetary Fund
Washington, D.C.



IMF Executive Board Approves Immediate Debt Service Relief for 25 Eligible Low-Income Countries

FOR IMMEDIATE RELEASE

WASHINGTON, DC - The Executive Board today approved relief on debt service for 25 member countries that are eligible for support from the Catastrophe Containment and Relief Trust (CCRT); a further 4 countries are expected to request such relief in the coming weeks. The approval enables the disbursement of grants from the CCRT for repayment of total debt service falling due to the IMF over the next six months, with potential extensions, up to a maximum of full two years from April 14, 2020, subject to availability of sufficient grant resources. The initial relief provided to these countries amounts to SDR 157.1 million (US\$213.4 million). Relief on debt service will free up scarce financial resources that now can be directed toward vital emergency medical and other relief efforts while these members combat the impact of the pandemic.

The Managing Director has launched an urgent fundraising effort that would enable the CCRT to provide relief on debt service for a full two years, while leaving the CCRT adequately funded for future needs. This will require a commitment of about US\$1.4 billion. Donors have already stepped up with pledges and contributions including a US\$185 million pledge by the United Kingdom and US\$100 million provided by Japan as immediately available resources. Other donors, including the People's Republic of China and the Netherlands, are also stepping forward with important contributions.

On March 26, the Executive Board of the International Monetary Fund (IMF) adopted [a set of reforms to its Catastrophe Containment and Relief Trust \(CCRT\)](#) to enable the Fund to provide immediate debt service relief for its poorest and most vulnerable members during the current COVID-19 pandemic. The CCRT enables the IMF to deliver grants to eligible low-income countries to cover their IMF debt service obligations in the wake of catastrophic natural disasters and during major global public health emergencies. Eligibility for CCRT support is limited to IMF member countries with annual per capita GNI below the World Bank's operational cut-off (or twice the cut-off for small states), generally the poorest and most vulnerable member countries.

Executive Board Assessment¹

Executive Directors determined, effective April 14, 2020, that the COVID-19 pandemic is a Qualifying Public Health Disaster under the Catastrophe Containment

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>.

and Relief Trust (CCRT) that is inflicting severe economic disruption across the Fund's membership. The crisis is creating balance of payments needs on scale that warrant concerted international efforts to support the poorest and most vulnerable countries through substantial additional grant support for debt service relief. Directors also approved the technical modifications to the CCRT Instrument, which would facilitate operational implementation of the provision of assistance for debt relief under the Catastrophe Containment (CC) window.

Directors agreed that the CCRT has sufficient financial resources to deliver a first tranche of grants for debt service relief to all 29 countries with outstanding credit to the Fund that are potentially eligible for CCRT assistance over the next six months. They agreed that 25 of these countries that have requested such assistance meet the specific criteria for qualification for debt service relief, and looked forward to considering the requests for assistance of the remaining four eligible members.

Directors would consider committing additional tranches, up to a cap of two years through April 13, 2022, in light of the availability of CCRT resources at the end of each tranche period. To this end, Directors stressed the urgency of the ongoing fundraising effort to ensure timely delivery of assistance to the eligible countries.

Directors underscored the importance of monitoring the macroeconomic situations of the recipient countries, including their policy responses to pandemic, and looked forward to an update from staff toward the end of the initial six-month period of debt service relief. In this context, a number of Directors highlighted the need for careful analysis of debt sustainability, safeguards, and accountability, and called for staff assessment on the effectiveness of country policies and use of debt service relief resources prior to the commitment of future tranches.



April 8, 2020

CATASTROPHE CONTAINMENT AND RELIEF TRUST— APPROVAL OF GRANT ASSISTANCE FOR DEBT SERVICE RELIEF

EXECUTIVE SUMMARY

This paper proposes that the Executive Board determine that the global COVID-19 pandemic constitutes a Qualifying Public Health Disaster (QPHD) under the Catastrophe Containment (CC) Window of the Catastrophe Containment and Relief Trust (CCRT), in line with the new QPHD test approved by the Board on March 26. The CCRT has sufficient financial resources for an initial tranche of grant assistance for debt service relief covering eligible debt falling due from all CCRT-eligible members through October 13, 2020. Fundraising efforts continue to secure the financial resources needed to commit future such tranches for CCRT debt service relief, up to a cap of two years. Staff considers that the 25 members requesting CCRT assistance qualify for immediate CCRT relief.

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DETERMINATION OF GLOBAL PANDEMIC

1. The global COVID-19 pandemic meets the criteria for a Qualifying Public Health Disaster (QPHD). The Executive Board recently approved changes to the CCRT, including an expansion of the scope of a QPHD for debt service relief under the CC window of the Trust. Under the new, alternative test for a QPHD, the Executive Board may determine that a QPHD exists where a life-threatening global pandemic is inflicting severe economic disruption across the Fund's membership and is creating balance of payments needs on such a scale as to warrant a concerted international effort to support the poorest and most vulnerable countries through substantial additional grant support and debt service relief.¹ In making the determination of the occurrence of a QPHD under this alternative test, the Fund will be guided by the assessments of the World Health Organization (WHO).² The Director General of the WHO, on March 11, 2020, declared that COVID-19 constituted a global pandemic, noting that this was the first time that a coronavirus had caused a pandemic. At that time, the WHO reported that there were 118,000 cases in 114 countries; as of April 7, 2020, the number of reported cases had grown to about 1.3 million in 173 member countries, with about 73,000 confirmed deaths. In addition to the human toll, the pandemic has been inflicting severe economic disruption across the Fund's membership. As of April 7, 2020, the Fund has received about 70 requests for urgent balance of payments support through the Rapid Credit Facility (RCF), Rapid Financing Instrument (RFI), or augmentations of existing Fund arrangements. The Fund is acting rapidly to respond to these urgent requests for emergency support. Other international organizations such as the World Bank are responding forcefully to meet the needs of their membership. The balance of payments needs are of an exceptional scale, warranting a concerted international effort to support CCRT-eligible countries through substantial additional grant support and debt service relief.

2. Up to 29 IMF member countries can potentially qualify for CCRT debt service relief in connection with the COVID-19 pandemic. These are members with per capita income below the IDA operational threshold (or twice that level for small states) that have debt outstanding to the Fund and are not already covered by HIPC debt relief. To allow for immediate debt service relief to all qualifying countries, the debt relief is initially committed for a period of six months from April 14, 2020, with any further tranches of such relief being committed only once sufficient resources have been secured, up to a cap of two years from the date of the Board determination that a global pandemic exists. Executive Board qualification of all 29 CCRT-eligible members would require about SDR 183 million in grant support to cover the first six months of debt service relief from the CCRT

¹ See [Catastrophe Containment and Relief Trust—Policy Proposals and Funding Strategy](#) and associated Decision approved on 03/26/20.

² Section III, Paragraph 3(a)(iii) of the CCRT Instrument as amended.

following the date of the Board decision. About SDR 680 million in grant resources would be needed to cover all CCRT-eligible debt service to the Fund falling due in the full two-year period.³

Figure 1. Global Spread of COVID-19, as of April 8, 2020



Source: The Johns Hopkins University.

FUNDING STATUS OF THE CCRT

3. Recent contributions to the CCRT allow for the delivery of an initial six-month period of debt service relief for all 29 potentially qualifying countries. With only SDR 150 million in available financial resources for both the natural disaster and health crises windows, the CCRT was severely underfunded already before the current pandemic. The IMF has launched an urgent fund-raising effort among a broad spectrum of its members to raise SDR 1 billion in new grants for the CCRT, with the option of making contributions contingent on agreed triggers. On March 11, the United Kingdom announced a commitment to provide a total of £150 million (SDR 136 million), half of which was disbursed on April 8, 2020, and the other half could be disbursed, contingent on need, in September 2020. Japan provided US\$100 million in grant support that will be immediately available for debt service relief. The People’s Republic of China and the Netherlands have pledged additional grants, and other IMF members have indicated that they are considering further contributions. On the basis of these disbursements and pledges, staff recommends immediate approval of the first tranche of debt service relief for all qualifying member countries in the period covering the six months from April 14 through October 13, 2020.

³ This is in addition to the previously identified underfunding of the CCRT of SDR 200-275 million (see [Review of the Financing of the Fund’s Concessional Assistance and Debt Relief to Low-Income Countries](#)).

REQUESTS FOR ASSISTANCE UNDER THE CCRT

4. Twenty-five countries are requesting CCRT grant assistance under the CC Window at this juncture; a further four countries are expected to request assistance in the coming weeks.

In addition to establishing that the COVID-19 pandemic is a QPHD, qualification of a CCRT-eligible member for CCRT relief requires that the Executive Board determine that: (i) the country is experiencing an exceptional balance of payments need arising from the spread of the QPHD and the country's response to it, based on available information; and (ii) the macroeconomic policy framework put in place by the authorities to address the balance of payments needs created by the global pandemic, as outlined in a letter of intent, is appropriate.

5. Staff considers that these conditions are met for the CCRT-eligible members that have requested assistance from the CCRT.

The authorities for each of these countries have submitted a letter of intent containing a request for assistance from the CCRT and outlining the policy responses to the crisis that are being undertaken. For each country, staff has provided its assessment of the exceptional balance of payments need arising from the QPHD and of the appropriateness of the authorities' proposed macroeconomic policy response. The letter from the authorities and the staff assessment for each country are contained in 25 separate attachments to this paper.

6. Pending available resources in the CCRT, the Executive Board will decide on a possible new tranche for all previously qualified countries toward the end of the initial six-month period of debt service relief.

Subject to availability of resources in the CCRT, it is expected that future tranches will be approved by the Executive Board in six-monthly intervals, up to a cap of two years, taking into account the likely need of other potentially qualifying members. These future Executive Board decisions would be based on an umbrella Board paper that informs the Board on the availability of CCRT resources and provides brief updates for each country (1–2 pages for each case) on the topics (health sector response, macroeconomic policies) covered in the original staff appraisal. A CCRT-eligible country that has qualified for CCRT relief under the CC window would not need to be requalified by the Executive Board, and would not need to re-apply, for future tranches of debt service relief.

TECHNICAL MODIFICATIONS TO THE CCRT DECISION

7. To facilitate operational implementation of the provision of assistance for debt relief under the CC window, staff proposes technical amendments to the CCRT instrument, clarifying the timing of the transfer of interest and charges to the CCRT umbrella subaccounts.⁴

Because the amount of interest and charges on eligible debt covered by CCRT grants is not known until the date at which they are due, it is proposed that grants to cover such interest and charges be transferred to the CCRT umbrella subaccounts upon their due date and effective

⁴ The changes being proposed stem from the fact the two of eligible countries (Ethiopia and Comoros) have small amounts of debt service payments, including charges, falling due to the GRA.

payment on the same day, rather than immediately as is done for repayments and repurchases. A corresponding change is made to the definition of eligible debt.

Table 1. CCRT Eligible Countries, as of end-March 2020

Country	GNI	Quota
	(USD per Capita, 2018)	(SDR million)
Afghanistan, Islamic Republic of	550	324
Benin	870	124
Burkina Faso	660	120
Burundi	280	154
Central African Republic	480	111
Chad	670	140
Comoros ¹	1,320	18
Congo, Democratic Republic of	490	1,066
Djibouti ¹	2,180	32
Eritrea	...	16
Ethiopia	790	301
Gambia, The	700	62
Guinea	830	214
Guinea-Bissau	750	28
Haiti	800	164
Liberia	600	258
Madagascar	440	244
Malawi	360	139
Mali	830	187
Mozambique	440	227
Nepal	960	157
Niger	380	132
Rwanda	780	160
São Tomé and Príncipe ¹	1,890	15
Sierra Leone	500	207
Solomon Islands ¹	2,000	21
Somalia ²	...	163
South Sudan	...	246
Tajikistan, Republic of	1,010	174
Tanzania	1,020	398
Timor-Leste ¹	1,820	26
Togo	650	147
Uganda	620	361
Yemen, Republic of	960	487
Total	...	6,623

¹ Small states are eligible if GNI per capita is twice the prevailing IDA operational threshold.

² While Somalia is CCRT-eligible, its upcoming debt service obligations to the Fund will be covered by HIPC relief.

Table 2. Eligible Debt Service for Relief from the CCRT
(In SDR)

Country	6 months		24 months
	(April 14-Oct 13, 2020)	(April 14, 2020 -April 13, 2022)	
Afghanistan	2,400,000		10,050,000
Benin	7,428,000		23,343,000
Burkina Faso	8,737,400		39,544,400
Burundi 1/	5,480,000		17,960,000
Central African Republic	2,955,800		12,981,200
Chad	0		10,121,000
Comoros 2/	969,641		3,088,289
Congo, D. R.	14,847,900		29,695,800
Djibouti 1/	1,692,000		6,030,000
Ethiopia 1/ 2/	8,556,794		13,996,835
Gambia, The	2,099,250		7,930,500
Guinea	16,371,000		69,156,000
Guinea-Bissau	1,079,200		4,444,600
Haiti	4,095,000		15,210,000
Liberia	11,632,800		45,343,600
Madagascar	3,055,000		21,472,800
Malawi	7,202,000		32,842,000
Mali	7,300,000		30,000,000
Mozambique	10,886,667		39,286,668
Nepal	2,852,000		13,547,000
Niger	5,640,000		31,595,000
Rwanda	8,010,000		50,062,500
São Tomé and Príncipe	111,000		697,712
Sierra Leone	13,364,500		58,249,000
Solomon Islands	59,428		341,711
Tajikistan	7,830,000		19,570,500
Tanzania 1/	10,277,889		18,566,777
Togo	3,740,000		6,930,000
Yemen	14,441,500		47,329,000
Total	183,114,769		679,385,892

1/ The request from these four countries is expected in coming weeks.

2/ Eligible debt service includes estimates for the GRA charges.

Annex 1.A. Islamic Republic of Afghanistan: Staff Appraisal— CCRT Request

Afghanistan faces an exceptional balance of payments need from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. The pandemic is having a severe impact on Afghanistan's economy. A large influx of Afghan migrants from neighboring countries, weak capacity in the context of fragility, and the domestic conflict make the country vulnerable to the pandemic. Intermittent closures of the border with Pakistan, the second largest export market, have led to a significant drop in agricultural exports and disrupted imports, causing prices of essential goods to spike. Inflows of remittances are expected to halve due to the return of Afghan workers from host countries, many of which are oil exporters whose economic prospects have weakened due to the pandemic and the sharp drop in oil prices. To slow the spread of the virus, the government introduced drastic social distancing measures, including placing Kabul and other large cities under lockdown, which have inhibited domestic activity. As a result, output is expected to contract by 3 percent this year, compared to 3.5 percent growth projected earlier, and the fiscal position is expected to worsen as domestic revenue plummets while the budget takes on large pandemic-related expenditure, including 0.55 percent of GDP for health. The shock has also opened a large balance of payment need, estimated at about \$800 million (about 4.3 percent of GDP).

Macroeconomic policies. With containment measures in place and most urgent health needs being addressed, the authorities are mobilizing their efforts and financial resources, including from donors, to mitigate the economic fallout of the pandemic. To ensure funding for the health sector as well as social relief to the affected households, the authorities are postponing non-priority spending, including some non-health capital projects, and planning to allow the fiscal deficit to rise to 4 percent of GDP. Once the pandemic passes, they are committed to bring the deficit to within 1 percent of GDP over the next two years. The central bank will continue to focus on price stability and will limit foreign exchange interventions to addressing disorderly market conditions. It also stands ready to support the resiliency of the financial sector, ensure adequate liquidity in banks, and, when justified, exercise forbearance as lenders are encouraged to forbear or reschedule loan repayments by otherwise solvent borrowers.

IMF program status. The sixth and final review under the ECF arrangement was concluded in December 2019. Afghanistan requested emergency financing under the RCF in March 2020.

Staff appraisal. Staff supports the authorities' request for debt relief under the CCRT. With GNI per capita of \$550, Afghanistan meets the CCRT income threshold of \$1,175. Staff assesses that it is facing an exceptional BOP need stemming from the impact of COVID-19, and the authorities are committed to pursuing appropriate macroeconomic policies to address its economic fallout.

Upcoming debt service. Afghanistan has debt service of SDR 2.4 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24

months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 10.1 million.

Table 1. Islamic Republic of Afghanistan: Selected Economic Indicators, 2017–25

(Quota: SDR 323.8 million)
 (Population: approx. 34.7 million; 2016)
 (Per capita GDP: approx. US\$554; 2018)
 (Poverty rate: 54.5 percent; 2016–2017)
 (Main exports: dried and fresh fruits and vegetables, medical seeds, 2018)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Est.				Proj.		
(Annual percentage change, unless otherwise indicated)									
Output and prices 1/									
Real GDP	2.9	2.7	3.0	-3.0	4.5	4.5	4.0	4.0	4.0
Nominal GDP (in billions of Afghanis)	1,374	1,444	1,523	1,548	1,690	1,863	2,054	2,276	2,481
Nominal GDP (in billions of U.S. dollars)	20.2	19.9	19.6	18.9	19.8	21.8	24.1	26.5	28.5
Consumer prices (period average)	5.0	0.6	2.3	4.7	4.5	5.0	5.0	5.0	5.0
Food	6.9	-1.1	3.8	...	...	...	...	...	...
Non-food	3.2	2.3	0.9	...	...	...	...	...	...
Consumer prices (end of period)	3.0	0.8	2.8	4.5	5.0	5.0	5.0	5.0	5.0
(In percent of GDP)									
Investment and savings									
Gross domestic investment	17.6	16.7	17.7	16.6	17.4	18.9	19.5	19.9	20.2
Of which: Private	5.7	5.4	6.5	6.0	7.1	8.1	8.3	8.6	8.8
Gross national savings	24.7	29.7	26.3	21.5	23.2	23.0	22.7	22.4	22.3
Of which: Private	13.5	16.9	16.1	14.9	14.9	13.3	12.1	11.6	11.4
Public finances (central government)									
Domestic revenues and grants	25.3	28.1	26.1	24.0	25.1	26.2	27.1	26.6	26.4
Domestic revenues	12.2	13.1	13.6	9.4	11.8	13.8	15.4	15.6	15.9
On-budget grants (excl. donors' direct spending outside the budget)	13.1	15.0	12.5	14.6	13.3	12.5	11.7	11.0	10.5
Expenditures	25.9	26.6	27.1	28.0	27.1	27.2	27.6	27.1	26.9
Operating 2/	18.4	17.9	17.9	20.3	18.6	18.5	18.3	17.4	16.8
Development	7.5	8.7	9.1	7.7	8.5	8.7	9.3	9.7	10.1
Operating balance (excluding grants) 3/	-6.2	-4.7	-4.3	-10.9	-6.8	-4.8	-2.9	-1.8	-0.9
Overall balance (including grants)	-0.6	1.5	-1.0	-4.0	-2.0	-1.0	-0.5	-0.5	-0.5
Public debt 4/ 5/	7.5	6.8	6.8	9.0	8.9	8.9	8.5	8.1	7.8
Monetary sector									
(Annual percentage change, end of period, unless otherwise indicated)									
Reserve money	10.2	-2.7	10.6	7.8	9.3	9.3	8.3	7.1	9.0
Currency in circulation	2.2	-0.2	13.6	6.5	10.0	8.5	8.0	8.0	8.0
Broad money	5.9	2.6	5.7	4.1	5.3	5.7	7.3	7.3	7.3
Interest rate, 28-day capital note (in percent)	3.0	3.0	...	...	...	...	...	...	...
External sector 1/									
(In percent of GDP, unless otherwise indicated)									
Exports of goods (in millions of U.S. dollars)	784	875	853	641	831	940	1039	1156	1273
Exports of goods (annual percentage change)	27.6	11.6	-2.6	-24.8	29.5	13.1	10.6	11.2	10.1
Imports of goods (in millions of U.S. dollars)	6,737	6,596	6,381	6,408	6,506	6,691	6,869	7,072	7,253
Imports of goods (annual percentage change)	7.6	-2.1	-3.3	0.4	1.5	2.8	2.7	3	3
Merchandise trade balance	-29.5	-28.7	-28.3	-30.6	-28.6	-26.4	-24.2	-22.4	-21.0
Current account balance									
Excluding official transfers	-29.9	-27.1	-28.9	-33.4	-30.2	-28.1	-25.9	-24.0	-22.5
Including official transfers	7.1	13.0	8.6	4.9	5.8	4.1	3.3	2.5	2.1
Foreign direct investment	0.2	0.4	0.5	0.0	0.5	0.5	0.5	0.5	0.5
Total external debt 4/	6.4	6.3	6.8	8.3	8.1	8.1	7.7	7.4	7.2
Gross international reserves (in millions of U.S. dollars)	8,139	8,273	8,573	8,179	8,074	7,976	7,876	7,776	7,682
Import coverage of reserves 6/	12.2	12.8	13.2	12.4	11.8	11.3	10.8	10.4	10.1
Exchange rate (average, Afghanistan per U.S. dollar)	68.1	72.4	77.9	...	...	...	...	...	...
Real exchange rate (average, percentage change) 7/	6.4	6.3	6.8	...	...	...	...	...	...

Sources: Afghan authorities, United Nations Office on Drugs and Crime, WITS database, and IMF staff estimates and projections.

1/ Excluding the narcotics economy.

2/ Comprising mainly current spending.

3/ Defined as domestic revenues minus operating expenditures.

4/ Public sector only. Incorporates committed but not yet delivered debt relief. Debt relief recorded fully at time of commitment.

5/ Public debt includes promissory note issued by MoF to settle DAB's Kabul Bank exposure.

6/ In months of next year's import of goods and services

7/ CPI-based, vis-a-vis the U.S. dollar. Positive - real appreciation of the Afghani.

Table 2. Islamic Republic of Afghanistan: Balance of Payments, 2017–25 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Est.			Proj.			
Current account	1,431	2,590	1,681	923	1,142	897	785	659	603
Excluding official grants	-6,038	-5,413	-5,644	-6,299	-6,003	-6,121	-6,233	-6,358	-6,411
Trade balance of goods	-5,953	-5,721	-5,528	-5,767	-5,675	-5,751	-5,830	-5,916	-5,980
Exports of goods and services	1,156	1,974	1,442	1,039	1,353	1,465	1,577	1,705	1,835
Goods	784	875	853	641	831	940	1,039	1,156	1,273
Services	372	1,099	589	398	523	526	537	550	562
Imports of goods and services	7,960	7,985	7,766	7,786	7,934	8,187	8,435	8,716	8,939
Goods	6,737	6,596	6,381	6,408	6,506	6,691	6,869	7,072	7,253
Services	1,222	1,389	1,385	1,377	1,427	1,497	1,566	1,644	1,686
Income, net	254	212	269	240	244	249	253	259	256
<i>Of which:</i> Interest on official loans	5	5	8	9	12	16	20	23	27
Current transfers, net	7,980	8,389	7,736	7,429	7,478	7,371	7,391	7,410	7,451
<i>Of which:</i> Official 2/	7,468	8,003	7,324	7,223	7,145	7,018	7,018	7,017	7,014
Capital account	0	0	0	0	0	0	0	0	0
Financial account, net	165	-389	-1,385	-1,745	-1,246	-993	-880	-752	-688
Foreign direct investment	41	79	94	3	98	106	115	125	135
Portfolio investment	29	-141	-146	-201	-124	-114	-104	-94	-84
Official loans 3/	-5	-20	105	184	143	134	102	100	94
Disbursement	20	2	132	212	171	162	144	146	142
Amortization	25	22	27	28	28	28	42	46	48
Other investment	101	-307	-1,437	-1,730	-1,363	-1,119	-993	-883	-832
Errors and omissions	-806	-2,063	0	0	0	0	0	0	0
Overall balance	790	138	296	-821	-105	-96	-95	-93	-85
Financing	-790	-138	-296	546	105	96	95	93	85
Central bank's gross reserves ('-' = accumulation)	-782	-134	-300	394	105	99	99	100	94
Use of Fund resources, net	-8	-4	4	-8	-7	-5	-4	-7	-9
Disbursements	13	13	14	0	0	0	0	0	0
Repayments	21	16	10	8	7	5	4	7	9
Exceptional Financing	0	0	0	160	7	2	0	0	0
Grant for debt relief under CCRT 4/	0	0	0	5	7	2	0	0	0
Exceptional Financing from other IFIs and donors	0	0	0	155	0	0	0	0	0
Unidentified Financing	0	0	0	275	0	0	0	0	0
Memorandum items:									
Gross international reserves, central bank	8,139	8,273	8,573	8,179	8,074	7,976	7,876	7,776	7,682
Import coverage of reserves 5/	12.2	12.8	13.2	12.4	11.8	11.3	10.8	10.4	10.1
External debt stock, official 6/	1,258	1,213	1,321	1,497	1,632	1,761	1,857	1,951	2,036
in percent of GDP	6.4	6.3	6.8	8.3	8.1	8.1	7.7	7.4	7.1
Current account, in percent of GDP	7.1	13.0	8.6	4.9	5.8	4.1	3.3	2.5	2.1
Trade balance, in percent of GDP	-29.5	-28.7	-28.3	-30.6	-28.6	-26.4	-24.2	-22.4	-21.0
Export of goods and services, in percent of GDP	5.7	9.9	7.4	5.5	6.8	6.7	6.5	6.4	6.4
Import of goods and services, in percent of GDP	39.4	40.0	39.7	41.3	40.0	37.5	35.0	32.9	31.4
Official grants, in percent of GDP	37.0	40.1	37.4	38.3	36.0	32.2	29.2	26.5	24.6

Sources: Afghan authorities and Fund staff estimates and projections.

1/ BoP data exclude the narcotics economy.

2/ As the breakdown between capital grants and current grants is difficult to identify, all grants are included in current transfers.

3/ Excluding IMF.

4/ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

5/ In months of next year's import of goods and services.

6/ Incorporates committed but not yet delivered debt relief. Debt relief recorded fully at time of commitment.

Table 3. Islamic Republic of Afghanistan: Debt Service to the IMF, 2020–22As of February 29, 2020
(in SDR)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	11/23/2011	5/21/2020	1,200,000	1,200,000	0.4	0.4
PRGT Repayment (ECF)	7/10/2012	7/9/2020	1,200,000	1,200,000	0.4	0.7
PRGT Repayment (ECF)	11/23/2011	11/23/2020	1,200,000	1,200,000	0.4	1.1
PRGT Repayment (ECF)	7/10/2012	1/7/2021	1,200,000	1,200,000	0.4	1.5
PRGT Repayment (ECF)	11/23/2011	5/20/2021	1,200,000	1,200,000	0.4	1.9
PRGT Repayment (ECF)	7/10/2012	7/8/2021	1,200,000	1,200,000	0.4	2.2
PRGT Repayment (ECF)	11/23/2011	11/23/2021	1,200,000	1,200,000	0.4	2.6
PRGT Repayment (ECF)	7/10/2012	1/10/2022	1,200,000	1,200,000	0.4	3.0
PRGT Repayment (ECF)	8/4/2016	2/3/2022	450,000	450,000	0.1	3.1
Total			10,050,000	10,050,000	3.1	

Memo:
Quota (in SDR) 323,800,000

Annex 1.B. Letter of Intent—CCRT Request

Islamic Republic of Afghanistan

Kabul, Afghanistan
April 8, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The COVID-19 pandemic is having severe effects on the health prospects of the general public, economic activity, and social well-being across the globe.

Afghanistan has not been an exception. It is experiencing an economic contraction, a widening fiscal deficit, and an exceptional balance of payments need arising from the pandemic and containment measures implemented domestically and globally. More specifically, we are experiencing severe shocks in the area of public health and economic activity as detailed below:

- The medical impact to date includes 367 infections, 7 deaths, and 18 recoveries. Although growing, our testing capacity to identify infections is not sufficient to cope with more than 7,000 Afghans returning from neighboring countries daily. More generally, our administrative and healthcare capacity, especially in rural areas, as well as resources are limited. We conservatively estimate that some \$100 million would be needed to meet the most immediate medical needs. We have taken strong measures to slow the spread of the virus and are mobilizing resources to cushion its impact on the economy.
- Assuming that the outbreak abates by end-July we anticipate that: i) real output will contract by 3 percent in 2020 compared with a pre-crisis projection of 3.5 percent growth; ii) the overall budget deficit will widen to close to 4 percent of GDP on account of rising health spending, social outlays for the affected population, and a large revenue loss; and iii) a balance of payments need of about \$800 million (about 4.3 percent of GDP) will emerge due to the crisis. These projections are of course subject to a high degree of uncertainty given the evolving nature of the pandemic. Should the outbreak persist well into the third quarter, Afghanistan will suffer a deeper output loss and face a larger deficit.

Our response to date has had several dimensions:

- We have already allocated Af 1.9 billion for emergency health spending, which is funding key measures underway including i) testing of suspected cases; ii) setting up special wards to boost hospitalization and care capacity; and iii) procuring the most urgent medical supplies. With

further increases planned in coming months, our outlays for the health sector will grow by some 57 percent (or 0.55 percent of GDP) over the course of 2020. We realize that our strong containment measures, including placing Kabul and other large cities under lockdown, put at risk the livelihoods of thousands of families. We therefore plan to roll out a social protection package to provide temporary and targeted relief to Afghans who have lost their income. We are also assessing if there are fiscal resources to support badly affected sectors to avoid permanently scarring our fragile economy and its prospects.

- To create fiscal space for these and other related outlays to support livelihoods and economic activity, we have started to curtail nonessential spending, including by suspending some non-health capital projects. However, because additional spending demands are expected to be much larger, we project the overall fiscal deficit to widen to near 4 percent of GDP. We count on donor support to help us meet part of this fiscal financing need and hope to mobilize domestic sources to cover the remaining financing. Once the pandemic passes, we expect the fiscal deficit to decline as tax revenues recover and pandemic-related spending phases out. In addition, we plan to implement revenue and expenditure measures that will bring the fiscal deficit down to within 1 percent of GDP by 2022.
- Given the need to support economic activity, the Central Bank sees monetary tightening as being premature at this juncture, but it stands ready to use monetary policy measures and auctions of foreign exchange and capital notes to support price stability. It will allow the exchange rate to adjust to developments in the balance of payments while limiting foreign currency interventions only to prevent disorderly market conditions. The Central Bank is ready to provide liquidity to banks through its facilities in a predictable and transparent manner. To prevent a large number of credit defaults by viable borrowers, the Central Bank will encourage lenders to reschedule debt service as needed and is prepared to exercise forbearance on capital. Finally, we will ensure that the level of our international reserves remains commensurate to elevated risks facing Afghanistan, including deeper-than expected aid cuts over the medium term.

Against this backdrop, and given the large balance of payments need created by the impact of the pandemic, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) or as much as is available from these resources. Afghanistan has debt service of SDR 2,400,000 falling due from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 10,050,000. This debt service relief will help contain the exceptional balance of payments need resulting from the pandemic and free up resources to address public health needs and sustain economic activity.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are seeking financial support from the IMF and have submitted a request for emergency financing

under the Rapid Credit Facility. We are confident that strong IMF support for Afghanistan will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all Board documents related to this request.

Sincerely yours,

/s/

Abdul Hadi Arghandiwal
Minister of Finance

/s/

Wahidullah Noshier
Governor of Da Afghanistan Bank

Annex 2.A. Benin: Staff Appraisal—CCRT Request

Benin faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. The COVID-19 pandemic is expected to have a severe impact on the Beninese economy. Various containment and prevention measures introduced to stem the spread of the virus, coupled with global spillovers (lower remittances, trade, and FDI) are expected to significantly impact both domestic and external demand, resulting in lower economic growth. Real GDP growth for 2020 is estimated within the range from 2.0 to 4.5 percent, down from a pre-COVID-19 forecast of 6.7 percent.⁵ On the fiscal side, the COVID-19 will lead to a revenue shortfall and higher health-related expenditure. Additionally, some non-priority domestically-financed capital expenditures may be postponed. Preliminary estimates point to an overall fiscal deficit (commitment basis, including grants) of at least 3.5 percent of GDP in 2020—compared to 1.8 percent of GDP pre-COVID-19. The contribution of the COVID-19 to the higher fiscal deficit is estimated at 1.0 percent of GDP, out of which 0.4 percent of GDP corresponds to the expected revenue shortfall and 0.7 percent of GDP to additional health-related spending. In addition, despite the positive terms-of-trade shock, the BoP overall balance is expected to deteriorate sharply in 2020, because of the contraction of export markets and lower capital inflows. The resulting balance-of-payments (BoP) need due to the COVID-19 shock is estimated at, at least, 1.0 percent of GDP.⁶

Macroeconomic policies. The authorities are taking significant measures to suppress the nascent virus outbreak. For a two-week period starting on March 31, 2020, the authorities have decided to establish a cordon sanitaire around ten cities most exposed to the pandemic in order to isolate the infected population and contain the spread of COVID-19. In addition, since March 19, 2020, the authorities have also (i) significantly limited the transit of people across land borders; (ii) restricted the issuance of entry visas to the country; (iii) introduced a systematic and compulsory quarantine of all people coming to Benin by air; and (iv) suspended all public gatherings including conferences, funerals, festivals, political rallies, sporting events, and religious activities. On top of the fiscal measures noted above, the authorities are also contemplating a larger expenditure package of CFA 60 billion (0.7 percent of GDP), described in the attached Letter of Intent. They are currently reaching out to donors and international institutions to finance this package. For the purposes of acquiring the necessary medical equipment, the authorities have already mobilized US\$ 16 million (0.1 percent of GDP) from the World Bank, which is also exploring options to either accelerate the timeline of the existing Development Policy Operation's (DPO) for Benin, or replace it with Supplemental Financing.

At the regional level, the central bank (BCEAO) for the West African Economic and Monetary Union has taken preemptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. These steps include raising the liquidity made available

⁵ Tables 1 and 2 show estimates for the most optimistic growth scenario.

⁶ Combined with the effect of the border closure with Nigeria, the *total* BoP needs are estimated at, at least, 1.7 percent of GDP, as shown in Table 2.

to banks, ensuring that refinancing rates to remain close to the floor of the monetary policy corridor of 2.5 percent, expanding collateral to access central bank refinancing, and setting-up a framework with the banking system to support firms with repayment difficulties.

IMF program status. Benin's three-year arrangement under the Extended Credit Facility for SDR111.42 million (about US\$158.1 million or 90 percent of the country's quota at the time of approval of the arrangement) was approved on April 7, 2017. The forthcoming sixth review, to be conducted in April, will mark the end of the ECF arrangement. Performance has been very satisfactory throughout the 2017-20 program. Preliminary information suggests that all end-December 2019 quarterly performance criteria and structural benchmarks under review have been met. At the time of the sixth and final review, the authorities will request an augmentation of access equivalent to 50% of quota to meet the country's fiscal financing needs and related BoP needs, arising from the joint shocks of the COVID-19 and the prolonged border closure with Nigeria. The authorities are also aware of the possibility of requesting an RCF disbursement in the event Benin faces additional BOP needs later on, and will consider this option after the program expires.

Staff appraisal. Staff supports Benin's request for debt relief under the CCRT. Benin meets the income threshold with GNI per capita of US\$870, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Benin has debt service of SDR 7.4 million (CFA 6 billion) falling due in the initial period of debt service relief from April 14, 2020 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 23.3 million (CFA 18.8 billion).

Table 1. Benin: Selected Economic and Financial Indicators, 2018–2025

	2018	2019		2020		2021	2022	2023	2024	2025
	Est.	EBS/ 19/398	Est.	EBS/ 19/398	Proj.	Projections				
National income and prices										
	(Annual percentage change)									
Real GDP	6.7	6.4	6.4	6.7	4.5	6.0	6.7	6.7	6.7	6.7
Nominal GDP	7.4	5.6	5.5	8.0	5.0	6.3	8.7	9.1	8.7	8.7
GDP deflator	0.7	-0.8	-0.9	1.2	0.4	0.3	1.8	2.1	1.9	1.8
Consumer price inflation (average)	0.8	-0.6	-0.9	1.0	-0.8	0.6	2.0	2.0	2.0	2.0
Consumer price inflation (end of period)	-0.1	1.8	0.3	1.9	-0.8	0.6	2.0	2.0	2.0	2.0
External sector										
Terms of trade (minus = deterioration)	0.5	0.8	-0.1	0.0	3.9	-0.9	-0.9	0.2	-0.6	-0.7
Real effective exchange rate (minus = deterioration)	1.9	...	-1.9	...	...	...	...	...	...	...
Money and credit										
Credit to the government	-39.7	1.6	-287.2	7.6	-10.1	...	...	...	...	...
Credit to the economy	8.5	9.0	6.8	10.1	6.1	...	...	...	...	...
Broad money (M2)	4.8	5.6	7.4	8.0	5.0	...	...	...	...	...
Central government finance										
	(Percent of GDP, unless otherwise indicated)									
Total revenue	13.0	13.3	13.0	13.5	12.8	13.5	13.5	13.5	13.5	13.5
<i>of which: Tax revenue</i>	10.2	11.2	10.7	11.4	10.7	11.4	11.4	11.4	11.4	11.4
Grants	0.6	1.1	1.2	1.0	1.1	1.0	1.0	1.0	1.0	1.0
Total expenditure and net lending	16.5	16.7	14.7	16.3	17.4	17.3	17.2	17.2	17.0	17.0
Overall balance (commitment basis, including grants)	-2.9	-2.3	-0.5	-1.8	-3.5	-2.9	-2.8	-2.7	-2.5	-2.6
Overall balance (commitment basis, excluding grants)	-3.5	-3.4	-1.7	-2.8	-4.6	-3.8	-3.7	-3.7	-3.5	-3.5
Overall balance (cash basis, including grants)	-3.0	-2.2	-0.6	-2.0	-3.7	-3.0	-2.9	-2.8	-2.6	-2.7
External sector										
Balance of goods and services ¹	-5.8	-7.5	-5.9	-6.8	-6.1	-4.0	-4.4	-4.7	-4.8	-4.9
Exports of goods and services	12.1	14.0	15.6	14.7	18.1	26.8	26.4	26.0	25.8	25.6
Imports of goods and services	-17.6	-19.9	-19.6	-20.0	-25.8	-30.8	-30.8	-30.7	-30.6	-30.5
Current account balance, including official transfers	-4.6	-4.9	-5.1	-4.7	-5.3	-3.7	-4.0	-4.2	-4.1	-4.1
Overall balance of payments ²	2.4	4.2	2.0	3.1	-0.9	1.3	1.0	0.6	-1.2	-1.1
Public debt (end period)										
Total public debt	41.0	41.1	41.6	40.1	42.6	42.0	40.5	39.0	37.6	36.6
External public debt	19.3	24.3	24.2	23.3	25.7	25.1	24.1	23.1	21.4	19.8
Domestic public debt	21.7	16.9	17.4	16.7	16.8	16.9	16.5	15.8	16.2	16.8
Memorandum items										
Nominal GDP (CFA franc billions)	7,922	8,368	8,354	9,036	8,770	9,322	10,129	11,046	12,006	13,049
Nominal GDP (US\$ billions)	14.3	14.3	14.3	15.4	14.9	...	...	...	...	...
Nominal GDP per capita (US\$)	1,241.8	1,213.0	1,206.9	1,271.0	1,226.7	...	...	...	...	...
US\$ exchange rate (average)	555.2	584.1	585.9	585.4	588.5	...	...	...	...	...
International price of cotton (Cotlook "A" Index, U.S. cents a lb.)	91.4	76.8	77.9	73.3	69.9	70.6	70.4	70.4	70.4	70.4
International price of oil (U.S. dollars a barrel)	68.3	60.5	61.4	55.5	39.1	40.3	44.1	46.9	48.8	50.1

Sources: Beninese authorities; and IMF staff estimates and projections.

¹ Includes re-exports and imports for re-export, except for EBS/19/398 for which re-export activities are recorded in current transfers.² In 2024 and 2025, the decline in the overall balance of payments reflects the first repayment of the 2019 eurobond.

Table 2. Benin: Balance of Payments, 2018–25
(CFA billion)

	2018	2019		2020		2021	2022	2023	2024	2025
		EBS/ 19/398	Est.	EBS/ 19/398	Proj.			Projections		
Current account balance	-367.6	-410.5	-422.5	-424.2	-466.8	-342.8	-402.0	-458.6	-492.5	-536.1
Current account balance (excl. grants)	-383.6	-435.8	-453.3	-449.5	-490.6	-357.0	-417.4	-475.4	-510.8	-556.0
Trade balance ¹	-315.8	-489.3	-339.9	-477.2	-372.5	-203.6	-261.8	-314.4	-355.5	-396.8
Exports, f.o.b.	1850.4	1175.3	1912.4	1329.3	1851.2	2165.1	2314.8	2484.3	2672.6	2874.6
Cotton and textiles	300.2	424.4	391.5	578.4	406.2	446.2	487.4	534.8	587.1	632.8
Re-exports	928.6	...	869.3	...	793.4	991.7	1037.3	1087.9	1149.0	1224.0
Other	621.6	750.9	651.6	750.9	651.6	727.1	790.0	861.6	936.5	1017.8
Imports, f.o.b.	-2166.2	-1664.6	-2252.3	-1806.5	-2223.7	-2368.7	-2576.6	-2798.7	-3028.1	-3271.4
Food	-873.8	...	-900.8	...	-917.1	-976.1	-1045.2	-1116.1	-1190.5	-1269.8
Energy	-335.6	...	-338.6	...	-226.3	-244.7	-284.6	-321.5	-356.5	-389.4
Other	-354.0	...	-415.8	...	-535.5	-466.7	-534.4	-613.9	-692.0	-771.5
Imports for re-exports	-602.8	...	-597.0	...	-544.9	-681.1	-712.4	-747.2	-789.1	-840.7
Services (net)	-147.4	-142.2	-155.5	-140.9	-163.2	-173.5	-188.5	-205.6	-223.5	-242.9
Income (net)	-30.6	-59.5	-39.0	-68.1	-50.7	-91.9	-95.8	-100.6	-94.4	-99.3
Current transfers (net) ²	126.3	280.5	111.9	262.0	119.6	126.3	144.2	162.0	180.8	202.8
Private transfers	67.5	55.3	81.1	73.8	95.8	112.1	128.7	145.1	162.6	182.9
Public transfers	58.8	225.3	30.8	188.2	23.8	14.2	15.4	16.8	18.3	19.9
Capital account balance	109.1	67.5	147.4	74.0	155.2	159.8	169.2	179.8	190.9	202.6
Financial account balance	444.7	696.2	443.3	631.5	235.9	305.6	330.6	339.6	153.7	189.0
Medium- and long-term public capital	285.5	149.4	26.9	139.8	103.2	97.0	106.2	118.7	-86.2	-71.4
Disbursements	314.3	187.7	68.6	211.0	174.4	179.4	194.9	212.6	229.9	249.9
Project loans	135.3	167.6	35.2	176.8	140.2	144.2	156.7	170.9	185.8	201.9
Budgetary assistance loans	179.0	20.1	33.3	34.2	34.2	35.2	38.2	41.7	44.1	47.9
Amortization due ³	-28.8	-38.2	-41.7	-71.2	-71.2	-82.4	-88.8	-93.9	-316.0	-321.3
Foreign direct investment	102.4	116.4	108.0	140.5	85.0	134.6	145.1	142.7	155.1	168.6
Portfolio investment	-54.0	250.9	381.9	162.6	44.8	71.0	76.5	75.2	81.8	88.9
Other medium- and long-term private capital	110.8	179.5	-73.4	188.7	2.9	2.9	2.9	2.9	2.9	2.9
Errors and omissions	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance³	190.5	353.2	168.2	281.3	-75.6	122.6	97.8	60.8	-148.0	-144.4
Change in net foreign assets, BCEAO ("-" = increase)	-190.5	-353.2	-168.2	-281.3	75.6	-122.6	-97.8	-60.8	148.0	144.4
Change in gross foreign assets, BCEAO ("-" = increase)	-204.6	-365.1	-182.7	-282.6	-70.8	-122.6	-92.2	-52.2	159.1	161.2
Use of IMF resources, net ("-" = increase)	-14.1	-11.9	-14.5	-1.4	-1.5	9.4	7.3	8.6	11.1	16.7
Financing needs ("-" = increase)				0.0	-144.9	-9.4	-1.7	0.0	0.0	0.0
Proposed ECF-supported arrangement augmentation				0.0	-50.0	0.0	0.0	0.0	0.0	0.0
Additional donors' financing				0.0	-87.2					
Exceptional financing: Six-month debt relief ⁴				0.0	-6.0					
Exceptional financing: Expected debt relief ⁵				0.0	-1.7	-9.4	-1.7	0.0	0.0	0.0
				(Percent of GDP, unless otherwise indicated)						
Current account balance	-4.6	-4.9	-5.1	-4.7	-5.3	-3.7	-4.0	-4.2	-4.1	-4.1
Trade balance ¹	-4.0	-5.8	-4.1	-5.3	-4.2	-2.2	-2.6	-2.8	-3.0	-3.0
Exports, f.o.b.	23.4	14.0	22.9	14.7	21.1	23.2	22.9	22.5	22.3	22.0
Imports, f.o.b.	-27.3	-19.9	-27.0	-20.0	-25.4	-25.4	-25.4	-25.3	-25.2	-25.1
Capital account balance	1.4	0.8	1.8	0.8	1.8	1.7	1.7	1.6	1.6	1.6
Financial account balance	5.6	8.3	5.3	7.0	2.7	3.3	3.3	3.1	1.3	1.4
Overall balance³	2.4	4.2	2.0	3.1	-0.9	1.3	1.0	0.6	-1.2	-1.1
Memorandum items:										
International price of cotton (Cotlook "A" Index, U.S. cents a lb.)	91.4	76.8	77.9	73.3	69.9	70.6	70.4	70.4	70.4	70.4
International price of oil (U.S. dollars a barrel)	68.3	60.5	61.4	55.5	39.1	40.3	44.1	46.9	48.8	50.1
Nominal GDP (CFA billion)	7,922	8,368	8,354	9,036	8,770	9,322	10,129	11,046	12,006	13,049

Sources: Beninese authorities; IMF staff estimates and projections.

¹ Includes re-exports and imports for re-export, except for EBS/19/398.

² Re-export activities are captured in current transfers for EBS/19/398.

³ In 2024 and 2025, the decline in the financial account and overall balance of payments reflects the first repayment of the 2019 eurobond.

⁴ Corresponding to scheduled repayment to the IMF from April 14th, 2020 to October 13th, 2020.

⁵ Corresponding to scheduled repayment to the IMF from October 14th, 2020 to April 13th, 2022. The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 3. Benin: Debt service due to the IMF over the 24 months from April 14, 2020
As of February 29, 2020 (in SDR)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	19-Nov-12	19-May-20	1,061,000	1,061,000	0.9	0.9
PRGT Repayment (ECF)	3-Jun-14	3-Jun-20	1,061,000	1,061,000	0.9	1.7
PRGT Repayment (ECF)	28-Jun-10	26-Jun-20	1,062,000	1,062,000	0.9	2.6
PRGT Repayment (ECF)	3-Mar-11	3-Sep-20	1,061,000	1,061,000	0.9	3.4
PRGT Repayment (ECF)	6-Sep-13	4-Sep-20	1,061,000	1,061,000	0.9	4.3
PRGT Repayment (ECF)	15-Sep-11	15-Sep-20	1,061,000	1,061,000	0.9	5.2
PRGT Repayment (ECF)	28-Mar-12	28-Sep-20	1,061,000	1,061,000	0.9	6.0
PRGT Repayment (ECF)	19-Nov-12	19-Nov-20	1,061,000	1,061,000	0.9	6.9
PRGT Repayment (ECF)	3-Jun-14	3-Dec-20	1,061,000	1,061,000	0.9	7.7
PRGT Repayment (ECF)	3-Mar-11	3-Mar-21	1,061,000	1,061,000	0.9	8.6
PRGT Repayment (ECF)	6-Sep-13	5-Mar-21	1,061,000	1,061,000	0.9	9.4
PRGT Repayment (ECF)	15-Sep-11	15-Mar-21	1,061,000	1,061,000	0.9	10.3
PRGT Repayment (ECF)	28-Mar-12	26-Mar-21	1,061,000	1,061,000	0.9	11.2
PRGT Repayment (ECF)	19-Nov-12	19-May-21	1,061,000	1,061,000	0.9	12.0
PRGT Repayment (ECF)	3-Jun-14	3-Jun-21	1,061,000	1,061,000	0.9	12.9
PRGT Repayment (ECF)	6-Sep-13	6-Sep-21	1,061,000	1,061,000	0.9	13.7
PRGT Repayment (ECF)	15-Sep-11	15-Sep-21	1,061,000	1,061,000	0.9	14.6
PRGT Repayment (ECF)	28-Mar-12	28-Sep-21	1,061,000	1,061,000	0.9	15.5
PRGT Repayment (ECF)	19-Nov-12	19-Nov-21	1,061,000	1,061,000	0.9	16.3
PRGT Repayment (ECF)	3-Jun-14	3-Dec-21	1,061,000	1,061,000	0.9	17.2
PRGT Repayment (ECF)	6-Sep-13	4-Mar-22	1,061,000	1,061,000	0.9	18.0
PRGT Repayment (ECF)	28-Mar-12	28-Mar-22	1,061,000	1,061,000	0.9	18.9
Total			23,343,000	23,343,000		

Annex 2.B. Letter of Intent—CCRT Request

Benin

Cotonou, Benin
April 2, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We, in Benin, are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- As of April 2, 13 cases have been reported in Benin, compared to 3 cases a week before. The 13 identified cases have been in contact with more than 300 people, who have been placed under quarantine or are being actively searched for.
- We currently anticipate that: i) real output growth in 2020 will decline to 4.5 percent or less, compared with pre-crisis projections of 6.7 percent; ii) the impact on the fiscal deficit of rising health and related outlays and a fall-off in tax revenues will be, at least, 1.0 percent of GDP (out of which 0.7 percent of GDP for higher expenditure and 0.4 percent of GDP from lower revenues); and iii) the emerging balance of payments need resulting from the COVID-19 crisis is projected to be, at least, US\$158 million (equivalent to 1.0 percent of GDP).

Our response to the crisis has several dimensions:

- We plan to increase public health expenditure by CFA 60 billion (0.7 percent of GDP) over the course of 2020. This envelope will allow to (i) purchase medical equipment for risk prevention and mitigation, including ventilators, protective masks, and drugs; (ii) build temporary retention areas for quarantined people; and (iii) purchase material to deal with the implications of a possibly larger virus outbreak, including special medical ambulances and electric incinerators.
- We are also seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure and non-health related purchases of goods and services), but we still expect an

increase in the primary budget deficit on the order of 1.0 percent of GDP due to the COVID-19. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF and will soon submit a request for augmentation under the ECF arrangement on the order of SDR 62 million (50 percent of quota). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Romuald WADAGNI

Minister of Economy and Finance

Annex 3.A. Burkina Faso: Staff Appraisal—CCRT Request

Summary. *Burkina Faso faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.*

The macroeconomic impact of the COVID-19 pandemic is projected to be large. Real growth is projected to decline to 2 percent in 2020, about 4 percentage points lower than previously projected, with major impact being felt in the agriculture, tourism, transport and mining sectors. The current account deficit is projected to widen relative to previous projections, as production and export of gold and cotton as well as remittances decline due to disruptions in the global supply chain and transport networks. Public finances are under substantial pressures rising from health and related outlays (1 percent of GDP), a fall-off in domestic revenues (2.1 percent of GDP) and other mitigating measures (0.7 percent of GDP), further compounding the existing policy challenges of addressing the effects of the security crisis. Consequently, resulting balance-of-payments (BoP) needs are estimated at 1.9 percent of GDP. These macroeconomic projections are highly uncertain at this stage.

Macroeconomic policies. The authorities have taken urgent measures to contain the spread of virus, including social distancing and border closures, as well as measures to limit the harmful economic effects of COVID-19 on businesses, workers and the most vulnerable segments of the population. The government adopted measures to support health workers, frontline agents and impacted public sector's employees, as part of the overall national emergency response plan. Tax relief to the sectors most affected by the pandemic shock is envisaged, including through lower rates for turnover-based taxes, delayed tax payments, waiving late payment penalties and accelerated depreciations for investment. These responses and many others will lead to a widening of the fiscal deficit to 5.0 percent of GDP, compared to previous projection of 2.9 percent of GDP (at the time of the 3rd ECF review completed in December 2019). The regional central bank (BCEAO) for the West-African Economic and Monetary Union has taken preemptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. On March 21, 2020, the BCEAO had also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; and (ii) the setting-up a framework with the banking system to support firms with repayment difficulties.

IMF program status. Burkina Faso is implementing a 3-year ECF arrangement approved in March 2018, in the amount of SDR 108.36 million (90 percent of quota). Preliminary information suggests that implementation of the program was satisfactory; all quantitative performance criteria (QPCs) and all-but-one indicative targets for end-December 2019 were met. The mission for the fourth review has been postponed due to the high degree of uncertainty regarding the duration and scale of the

COVID-19 pandemic, and the difficulties of conducting a full review mission in current circumstances. Burkina Faso has requested support under the Rapid Credit Facility (RCF).

Staff appraisal. Staff supports Burkina Faso's request for debt relief under the CCRT. Burkina Faso meets the income threshold with GNI per capita of US\$660, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Burkina Faso has debt service of SDR 8.7 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 39.5 million.

Table 1. Burkina Faso: Selected Economic Indicators, 2018-25

	2018	2019			2020			2021	2022	2023	2024	2025
	Est.	3rd Rev.	3rd Rev. / rebased GDP	Prel.	3rd Rev.	3rd Rev. / rebased GDP	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
<i>(Annual percentage change, unless otherwise indicated)</i>												
GDP and prices												
GDP at constant prices	6.8	6.0	6.0	5.7	6.0	6.0	2.0	5.8	5.6	5.6	5.6	5.6
GDP deflator	2.4	1.8	1.8	-3.0	2.0	2.0	2.7	1.8	2.1	2.4	2.4	2.4
Consumer prices (annual average)	2.0	-3.4	-3.4	-3.2	2.0	2.0	3.2	2.1	2.5	2.8	2.8	2.8
Consumer prices (end of period)	0.3	-3.5	-3.5	-2.6	2.0	2.0	3.2	2.1	2.5	2.8	2.8	2.8
Money and credit												
Net domestic assets (banking system) 1/	8.6	11.2	11.2	7.7	13.6	13.6	11.5	13.8	...	...	...	...
Credit to the government (banking system) 1/	-0.2	4.8	4.8	2.6	5.1	5.1	10.6	6.4	...	...	...	...
Credit to private sector	6.7	11.9	11.9	11.1	12.5	12.5	3.5	11.3	...	...	...	...
Broad money (M3)	10.4	12.7	12.7	8.8	15.4	15.4	12.6	15.7	...	...	...	...
Private sector credit/GDP	26.6	31.7	31.7	28.9	32.9	32.9	28.5	29.5	...	...	...	...
External sector												
Exports (f.o.b.; valued in CFA francs)	10.1	1.9	1.9	2.1	11.6	11.6	-1.9	5.2	5.2	4.7	4.9	4.0
Imports (f.o.b.; valued in CFA francs)	7.7	6.6	6.6	5.0	5.5	5.5	-4.5	5.8	7.3	7.1	7.2	7.0
Current account (percent of GDP)	-4.1	-5.2	-5.2	-4.4	-4.0	-4.0	-4.3	-4.5	-4.6	-4.8	-5.0	-5.3
Real effective exchange rate	2.5	...	...	...	...	...	...	...	...	...	...	...
<i>(Percent of GDP, unless otherwise indicated)</i>												
Central government finances												
Current revenue	17.0	21.1	19.3	19.5	20.6	19.5	17.4	18.5	18.8	19.0	19.3	19.5
Of which: tax revenue	15.1	17.5	16.1	16.0	18.0	17.1	15.2	16.5	16.8	17.1	17.4	17.7
Total expenditure and net lending	23.6	27.3	25.1	23.7	27.3	25.8	24.5	24.4	24.2	24.4	24.6	24.8
Of which: current expenditure	15.4	19.2	17.7	17.9	18.3	17.3	19.0	18.2	17.6	17.1	17.0	17.0
Overall fiscal balance, incl. grants (commitments)	-4.2	-3.0	-2.8	-2.7	-3.0	-2.9	-5.0	-3.5	-3.0	-3.0	-3.0	-3.0
Total public debt	37.7	43.5	39.9	40.0	43.1	40.8	43.0	43.3	43.1	42.8	42.6	42.4
Of which: external debt	21.5	24.6	22.6	22.6	23.6	22.3	23.0	21.9	22.0	22.1	22.4	22.6
Memorandum items:												
Nominal GDP (CFAF billion)	8,998	8,471	9,226	9,226	9,156	9,666	9,666	10,409	11,224	12,133	13,116	14,185
Nominal GDP per capita (US\$)	821	714	775	775	748	785	785	830	874	920	969	1,020

Sources: Burkinabè authorities; and IMF staff estimates and projections.

1/ Percent of beginning-of-period broad money.

Table 2. Burkina Faso: Balance of Payments, 2017-25

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Act.	Est.	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	<i>(CFAF billions, unless otherwise indicated)</i>								
Current account	-412	-369	-402	-412	-465	-513	-587	-656	-754
Trade balance	105	161	106	160	156	121	73	21	-56
Exports of goods	1,996	2,196	2,242	2,201	2,316	2,437	2,553	2,679	2,787
Of which: cotton	253	250	184	151	162	170	178	187	196
Of which: gold	1,387	1,492	1,660	1,680	1,777	1,879	1,973	2,073	2,155
Imports of goods	-1,890	-2,035	-2,136	-2,040	-2,160	-2,316	-2,480	-2,658	-2,843
Of which: oil	-356	-420	-423	-276	-298	-343	-384	-421	-456
Services, net	-518	-525	-542	-581	-637	-666	-696	-726	-758
Primary income, net	-230	-267	-246	-266	-272	-272	-285	-288	-295
Secondary income, net	232	262	280	274	289	305	322	338	355
Of which: Official transfers, net	100	123	131	119	125	131	139	146	155
Capital account	173	176	100	181	221	229	238	248	258
Project grants	120	122	46	127	167	175	184	194	204
Financial account	369	511	407	83	288	355	425	502	619
Direct investment	-4	111	112	88	95	75	96	93	90
Portfolio investment	70	327	202	57	113	104	105	107	105
Other investment	304	73	93	-62	79	175	224	301	425
Commercial banks	-79	21	48	10	-6	-6	-6	-6	-6
General government	77	76	97	77	88	209	234	262	293
Project loans	124	103	91	124	125	141	160	180	204
Program loans	0	28	65	15	27	131	142	153	166
Amortization of public loans (excl. IMF)	-50	-55	-59	-62	-64	-63	-67	-71	-76
Other private	305	-24	-51	-150	-3	-28	-5	45	138
Errors and omissions	-4	-4	11	0	0	0	0	0	0
Overall balance	125	314	117	-148	44	71	76	93	123
Net change in foreign assets of the central bank	-125	-314	-117	-30	-94	-105	-103	-119	-147
of which: IMF net financing	11	5	-24	17	16	14	10	11	16
ECF Disbursements (past)	4	14	44	0	0	0	0	0	0
Repayments (excluding charges)	-14	-19	-19	-17	-16	-14	-10	-11	-16
Financing gap	0	0	0	-179	-50	-34	-26	-26	-24
Prospective ECF disbursements	...	...	...	29	...	...	...	...	...
World Bank additional financing	...	...	...	12	...	...	...	...	...
AfDB additional financing	...	...	...	6	...	...	...	...	...
Grant - Prospective IMF debt relief (CCRT)	...	...	...	17	16	1	...	...	...
Residual financing gap	0	0	0	-114	-34	-33	-26	-26	-24
	<i>(Percent of GDP, unless otherwise indicated)</i>								
Memorandum items:									
Exports of goods	24.3	24.4	24.3	22.8	22.2	21.7	21.0	20.4	19.6
Imports of goods	-23.0	-22.6	-23.2	-21.1	-20.7	-20.6	-20.4	-20.3	-20.0
Trade balance (goods)	1.3	1.8	1.1	1.7	1.5	1.1	0.6	0.2	-0.4
Trade balance (services)	-6.3	-5.8	-5.9	-6.0	-6.1	-5.9	-5.7	-5.5	-5.3
Trade balance (goods and services)	-5.0	-4.0	-4.7	-4.4	-4.6	-4.9	-5.1	-5.4	-5.7
Current account (- = deficit)	-5.0	-4.1	-4.4	-4.3	-4.5	-4.6	-4.8	-5.0	-5.3
GDP at current prices (CFAF billions)	8,228	8,998	9,226	9,666	10,409	11,224	12,133	13,116	14,185
BCEAO Reserves									
In billion USD	13	15	18	...	...	...	...	...	...
In months of next year's WAEMU imports	4.0	4.4	5.5	...	...	...	...	...	...
In percent of broad money	29.4	31.1	34.1	...	...	...	...	...	...

Sources: Burkina Faso authorities and BCEAO; and IMF staff estimates and projections.

**Table 3. Burkina Faso: Debt Service to the IMF, April 1, 2020 – April 10, 2022
as of April 1, 2020**

Description	Original Disbursement Date	Due Date	Total Amount (in SDRs)	Total Amount (in percent of quota)	Cumulative Amount (in percent of quota)
PRGT Repayment (ECF)	December 15, 2010	June 15, 2020	645,000	0.54	0.54
PRGT Repayment (ECF)	June 18, 2012	June 18, 2020	3,053,000	2.54	3.07
PRGT Repayment (ECF)	December 20, 2012	June 19, 2020	1,849,000	1.54	4.61
PRGT Repayment (ECF)	December 23, 2013	June 23, 2020	322,500	0.27	4.88
PRGT Repayment (ECF)	June 28, 2010	June 26, 2020	745,400	0.62	5.49
PRGT Repayment (ECF)	December 30, 2011	June 30, 2020	645,000	0.54	6.03
PRGT Repayment (ECF)	January 8, 2014	July 8, 2020	255,000	0.21	6.24
PRGT Repayment (ECF)	July 10, 2013	July 10, 2020	322,500	0.27	6.51
PRGT Repayment (ECF)	July 11, 2014	July 10, 2020	255,000	0.21	6.72
PRGT Repayment (ECF)	July 26, 2011	July 24, 2020	645,000	0.54	7.26
PRGT Repayment (ECF)	June 15, 2015	December 15, 2020	2,303,000	1.91	9.17
PRGT Repayment (ECF)	December 15, 2010	December 15, 2020	645,000	0.54	9.71
PRGT Repayment (ECF)	June 18, 2012	December 18, 2020	3,053,000	2.54	12.24
PRGT Repayment (ECF)	December 20, 2012	December 18, 2020	1,849,000	1.54	13.78
PRGT Repayment (ECF)	December 23, 2013	December 23, 2020	322,500	0.27	14.04
PRGT Repayment (ECF)	December 30, 2011	December 30, 2020	645,000	0.54	14.58
Total for the year 2020			17,554,900	14.58	14.58
PRGT Repayment (ECF)	January 8, 2014	January 8, 2021	255,000	0.21	14.79
PRGT Repayment (ECF)	July 10, 2013	January 8, 2021	322,500	0.27	15.06
PRGT Repayment (ECF)	July 11, 2014	January 11, 2021	255,000	0.21	15.27
PRGT Repayment (ECF)	July 26, 2011	January 26, 2021	645,000	0.54	15.81
PRGT Repayment (ECF)	June 15, 2015	June 15, 2021	2,303,000	1.91	17.72
PRGT Repayment (ECF)	December 20, 2012	June 18, 2021	1,849,000	1.54	19.26
PRGT Repayment (ECF)	June 18, 2012	June 18, 2021	3,053,000	2.54	21.79
PRGT Repayment (ECF)	December 23, 2013	June 23, 2021	322,500	0.27	22.06
PRGT Repayment (ECF)	December 30, 2011	June 30, 2021	645,000	0.54	22.60
PRGT Repayment (ECF)	January 8, 2014	July 8, 2021	255,000	0.21	22.81
PRGT Repayment (ECF)	July 10, 2013	July 9, 2021	322,500	0.27	23.08
PRGT Repayment (ECF)	July 11, 2014	July 9, 2021	255,000	0.21	23.29
PRGT Repayment (ECF)	July 26, 2011	July 26, 2021	645,000	0.54	23.82
PRGT Repayment (ECF)	June 15, 2015	December 15, 2021	2,303,000	1.91	25.74
PRGT Repayment (ECF)	June 18, 2012	December 17, 2021	3,053,000	2.54	28.27
PRGT Repayment (ECF)	December 20, 2012	December 20, 2021	1,849,000	1.54	29.81
PRGT Repayment (ECF)	June 20, 2016	December 20, 2021	1,857,000	1.54	31.35
PRGT Repayment (ECF)	December 23, 2013	December 23, 2021	322,500	0.27	31.62
PRGT Repayment (ECF)	December 30, 2011	December 31, 2021	645,000	0.54	32.15
Total for the year 2021			21,157,000	17.57	32.15
PRGT Repayment (ECF)	July 10, 2013	January 10, 2022	322,500	0.27	32.42
PRGT Repayment (ECF)	January 8, 2014	January 10, 2022	255,000	0.21	32.63
PRGT Repayment (ECF)	July 11, 2014	January 11, 2022	255,000	0.21	32.84
Total debt service due April 14, 2020 - April 14, 2022			39,544,400	32.84	32.84

Note: Tranches beyond the first are subject to the availability of CCRT resources.

Annex 3.B. Letter of Intent—CCRT Request

Burkina Faso

Ouagadougou, Burkina Faso
April 8, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Burkina Faso, are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- Burkina Faso registered its first COVID-19 case on March 9, and since then, the number of confirmed cases has risen rapidly to reach 384 cases of COVID-19 infections as of April 7 (the highest in West Africa and second to South Africa in the SSA region) and 19 fatalities.
- We currently anticipate that: i) real output growth in 2020 will decline to 2 percent, compared with pre-crisis projections of 6.0 percent; ii) the impact on the budget of rising health and related outlays, a fall-off in tax revenues and other mitigating measures will be on the order of 3.0 percent of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of CFAF 179 billion (US\$310 million or about 1.9 percent of GDP).

Our response to the crisis has several dimensions:

- We are taking urgent measures to contain the spread of virus, including a nationwide curfew, the closure of schools, universities, terrestrial borders and the main markets in major urban centers, the cancelation of major public events, the suspension of commercial flights, the prohibition of interurban public transport, and the quarantine of the affected cities.
- We plan to increase government outlays for the health sector by about 1.0 percent of GDP over the course of 2020, with key measures already underway including (i) closely tracking the spreading of the virus, (ii) quarantining the confirmed cases, and (iii) treating those infected as well as providing support to the families of the deceased. We also plan to increase expenditure on social protection for vulnerable workers who have lost income and on support for badly-

affected sectors, to mitigate the economic impact of the virus. Support to existing social safety nets programs, especially targeting the Internal Displaced Persons (IDPs) of near 800,000, who have been uprooted from their home by the insecurity, will be further enhanced to contain the spread of virus to their camps and avoid a further deterioration of their living conditions.

- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure), but still expect a widening of the fiscal deficit to 5.0 percent of GDP, compared to previous projection of 2.9 percent of GDP (at the time of the 3rd ECF review completed in December 2019). We are mobilizing additional donor support to help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. The debt service falling due during that period amounts to SDR 39.5 million. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to preserve the macroeconomic stability and development gains achieved so far during the current ECF-supported program and will continue to do so in the post-pandemic recovery period. We have submitted a request for additional support from the IMF under the Rapid Credit Facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Lassané KABORE

Officier de l'Ordre de l'Etalon

Minister of Finances and Economic Development

Annex 4.A. Central African Republic: Staff Appraisal—CCRT Request

The Central African Republic (C.A.R.) faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. While only 8 cases have been reported so far, the COVID-19 pandemic is expected to have a severe economic and social impact on C.A.R., a fragile state with limited existing capacity to contain it. The authorities have adopted social distancing measures as well as a response plan to strengthen the capacity of the country to cope with its impact. These measures include the closing of borders, schools, and most public establishments, a ban on meetings of more than 15 people, and restrictions on the movement of people from Bangui. The response plan, costing about 2 percent of GDP, was prepared in collaboration with the WHO, and aims at strengthening the national health system's capacity to contain the pandemic and provide care to the affected people. At 1 percent in 2020, growth is expected to be significantly lower than previously envisaged (5 percent), reflecting lower external and domestic demand and likely constraints on supply as containment measures are implemented. The overall fiscal impact of the pandemic, reflecting the additional outlays and a substantial shortfall in domestic revenue is estimated at about 3¾ percent of GDP. The additional external financing needs for 2020—stemming from lower commodity (wood, diamonds) exports, remittances and financial flows (including FDI) and higher imports of healthcare products, which would be only partly offset by lower other imports—are projected at about 3½ percent of GDP.

Macroeconomic policies. So as to be able to contain the pandemic without having to unduly reduce other high-priority social, infrastructure, and security outlays, the authorities intend to accommodate most of the fiscal impact of the pandemic, while offsetting part of it (for about ½ percent of GDP) by savings on non-priority spending. The CEMAC regional institutions are supporting the authorities' efforts to mitigate the economic impact of the pandemic, including through monetary easing measures and the possibility for banks to use their capital conservation buffers.

IMF program status. A new ECF arrangement, in an amount of 75 percent of quota (SDR 83.55 million) was approved on December 20, 2019. The authorities have also requested support under the RCF, for an amount of 25 percent of quota (SDR 27.85 million), and from other donors, including the World Bank and the European Union, to assist with urgent balance of payments needs.

Staff appraisal. Staff supports C.A.R.'s request for debt relief under the CCRT. The country meets the income threshold with GNI per capita of US\$480, well below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. C.A.R. has debt service of SDR 2.96 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 12.98 million.

Table 1. Central African Republic: Selected Economic and Financial Indicators, 2018–25

	2018	2019		2020		2021	2022	2023	2024	2025
	Est.	ECF request	Est.	ECF request	Proj.			Proj.		
(Annual percentage change; unless otherwise indicated)										
National income and prices										
GDP at constant prices	3.8	4.5	3.0	5.0	1.0	4.0	5.0	5.0	5.0	5.0
GDP per capita at constant prices	2.3	2.8	1.3	3.2	-0.7	2.0	3.0	3.0	3.0	3.0
GDP at current prices	5.2	7.4	5.5	7.6	3.4	6.6	7.7	7.6	7.6	7.6
GDP deflator	1.3	2.8	2.4	2.5	2.3	2.5	2.5	2.5	2.5	2.5
CPI (annual average)	1.6	3.2	2.7	2.5	1.2	2.5	2.5	2.5	2.5	2.5
CPI (end-of-period)	4.6	-0.3	-2.8	2.5	3.5	2.5	2.5	2.5	2.5	2.5
Money and credit										
Broad money	14.0	3.2	1.9	14.9	12.3	0.8	6.2	6.8	7.4	8.5
Credit to the economy	11.5	3.0	-1.6	5.0	-2.0	7.0	8.0	8.0	8.0	8.0
External sector										
Export volume of goods	10.3	-6.5	-6.7	14.9	-9.9	11.5	15.2	10.8	10.2	9.0
Import volume of goods	-0.7	10.4	10.4	7.8	-1.3	4.5	3.9	4.3	5.3	5.5
Terms of trade	-12.4	12.7	13.9	3.5	-0.1	5.9	3.8	2.1	-0.3	-1.1
(Percent of GDP; unless otherwise indicated)										
Gross national savings										
	8.4	10.5	9.7	10.6	10.5	10.6	11.0	11.1	11.7	12.4
<i>Of which: current official transfers</i>	3.0	6.0	6.0	3.7	5.2	3.7	2.8	2.1	1.9	1.8
Gross domestic savings										
	-1.4	-1.9	-3.7	0.3	-1.1	-0.1	1.2	2.3	3.3	4.1
Government	-1.2	-1.6	-2.5	-1.3	-4.3	-0.6	-0.6	-0.5	-0.3	-0.1
Private sector	-0.2	-0.3	-1.2	1.6	3.2	0.5	1.8	2.8	3.6	4.3
Consumption										
	101.4	101.9	103.7	99.7	101.1	100.1	98.8	97.7	96.7	95.9
Government	7.7	7.3	8.0	7.5	8.9	7.5	7.7	7.7	7.7	7.7
Private sector	93.7	94.6	95.6	92.3	92.2	92.5	91.1	90.0	89.0	88.2
Gross investment										
	16.4	16.2	14.7	16.9	16.2	15.9	16.2	16.8	17.5	18.1
Government	7.4	7.1	5.6	7.9	8.7	7.6	7.3	7.3	7.4	7.6
Private sector	9.0	9.0	9.0	9.0	7.5	8.3	8.9	9.5	10.0	10.5
External current account balance										
<i>with grants</i>	-8.0	-5.6	-4.9	-6.3	-5.7	-5.2	-5.2	-5.7	-5.8	-5.7
<i>without grants</i>	-12.3	-12.9	-12.2	-11.6	-12.5	-10.7	-10.0	-9.7	-9.7	-9.4
Overall balance of payments										
Total revenue (including grants)	-1.7	1.0	-0.7	1.3	-0.5	0.2	0.8	1.8	2.2	2.7
	16.6	19.4	18.3	18.6	19.6	18.9	18.3	17.5	17.4	17.3
<i>of which: domestic revenue</i>	8.9	8.7	8.7	9.7	8.5	10.3	10.6	10.7	10.9	11.1
Total expenditure ¹	17.6	17.6	16.9	19.0	21.7	18.6	18.6	18.6	18.7	18.9
<i>of which: capital spending</i>	7.4	7.1	5.6	7.9	8.7	7.6	7.3	7.3	7.4	7.6
Overall balance										
Excluding grants	-8.7	-8.9	-8.2	-9.3	-13.1	-8.3	-8.0	-7.9	-7.9	-7.8
Including grants	-1.0	1.8	1.4	-0.4	-2.1	0.4	-0.4	-1.1	-1.4	-1.6
Domestic primary balance ²	-1.7	-3.0	-3.5	-2.7	-5.8	-2.5	-2.5	-2.5	-2.5	-2.5
Public sector debt										
	50.0	47.1	47.8	42.6	47.1	44.5	41.5	39.3	37.5	36.1
<i>Of which: domestic debt³</i>	13.9	10.2	10.4	7.8	8.3	7.4	6.3	5.5	4.6	4.4
<i>Of which: external debt</i>	36.1	36.9	37.5	34.8	38.9	37.1	35.2	33.9	32.9	31.7
Memorandum items:										
GDP per capita (US dollars)	489	500	480	534	486	513	545	576	608	642
Nominal GDP (CFAF billions)	1,266	1,360	1,335	1,464	1,380	1,471	1,584	1,705	1,834	1,974

Sources: C.A.R. authorities and IMF staff estimates and projections.

¹ Expenditure is on a cash basis.² Excludes grants, interest payments, and externally-financed capital expenditures.³ Comprises government debt to BEAC, commercial banks, and government arrears.

Table 2. Central African Republic: Balance of Payments, 2018–25
(Billions of CFAF)

	2018	2019		2020		2021	2022	2023	2024	2025
	Est.	ECF request	Est.	ECF request	Proj.			Proj.		
Current account	-100.8	-76.5	-65.7	-92.5	-78.2	-76.9	-82.8	-97.7	-106.6	-112.1
Balance on goods	-188.5	-207.1	-206.0	-206.8	-206.4	-199.9	-193.6	-192.9	-199.2	-208.8
Exports, f.o.b.	91.1	93.6	94.1	108.1	82.6	95.3	114.4	130.2	144.6	157.5
of which: Diamonds	5.0	4.4	2.8	6.2	4.4	5.9	8.0	10.1	12.3	15.2
of which: Wood products	56.8	55.9	58.0	65.2	41.1	50.3	63.6	74.0	82.6	88.7
Imports, f.o.b.	-279.6	-300.6	-300.1	-314.9	-288.9	-295.1	-308.0	-323.1	-343.8	-366.3
of which: Petroleum products	-87.5	-91.6	-91.3	-90.4	-61.3	-63.2	-70.9	-78.1	-84.4	-89.9
Services (net)	-36.6	-38.7	-38.7	-36.8	-32.6	-34.4	-44.0	-54.3	-61.4	-67.2
Credit	110.7	116.1	116.1	121.9	115.7	121.2	122.9	125.0	131.3	140.4
Debit	-147.3	-154.8	-154.8	-158.7	-148.2	-155.6	-166.8	-179.4	-192.7	-207.6
Income (net)	-1.6	-1.9	-1.9	-2.2	-1.9	-1.8	-1.5	-1.4	-1.3	-0.7
Credit	12.6	13.1	12.9	13.8	13.1	13.6	14.3	15.0	15.7	16.8
Debit	-14.1	-15.1	-14.9	-15.9	-15.0	-15.4	-15.8	-16.4	-17.1	-17.5
Transfers (net)	125.9	171.2	180.9	153.3	162.6	159.2	156.2	150.9	155.4	164.7
Private	70.6	71.7	83.1	76.2	67.7	78.4	80.5	82.7	84.9	91.1
Official	55.3	99.5	97.8	77.1	94.9	80.8	75.7	68.2	70.6	73.5
of which: Program	37.5	81.9	80.2	54.1	71.9	53.9	45.0	35.0	34.7	34.7
Capital account	60.6	63.3	48.5	75.9	80.3	73.6	76.0	80.1	84.4	88.8
Project grants	60.6	63.3	48.5	75.9	80.3	73.6	76.0	80.1	84.4	88.8
Other transfers (debt forgiveness)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	37.6	26.5	23.8	35.3	-8.7	6.8	18.7	48.9	63.0	75.8
Direct investment	10.0	15.0	15.0	20.0	6.0	15.0	22.5	25.0	27.5	30.0
Portfolio investment	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Investment	27.4	11.5	8.8	15.3	-14.7	-8.2	-3.8	23.9	35.5	45.8
Public sector (net)	18.7	6.5	3.8	10.3	10.3	1.8	1.2	28.9	40.5	50.8
Project disbursement	24.4	12.2	9.5	15.7	15.7	7.5	7.5	7.5	10.0	11.8
Program disbursement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	35.0	45.0
Scheduled amortization	-5.7	-5.7	-5.7	-5.4	-5.4	-5.7	-6.3	-3.6	-4.5	-6.1
Monetary authorities (SDR allocation)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term flows	8.7	5.0	5.0	5.0	-25.0	-10.0	-5.0	-5.0	-5.0	-5.0
Errors and omissions	-19.4	0.0	-15.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-22.0	13.3	-9.3	18.7	-6.6	3.5	11.9	31.3	40.8	52.5
Identified financing	22.0	-13.3	15.0	-18.6	6.6	-3.5	-11.9	-31.3	-40.8	-52.5
Net IMF credit	27.8	26.3	11.1	14.7	46.6	15.1	10.4	-14.3	-21.0	-24.6
IMF purchase	-35.9	-27.9	-18.5	-19.1	-51.6	-19.3	-19.3	0.0	0.0	0.0
IMF repurchase	8.1	1.6	7.4	4.4	4.9	4.2	8.9	14.3	21.0	24.6
Other reserves (increase = -)	-5.8	-39.6	3.9	-33.4	-43.7	-22.8	-25.1	-17.0	-19.7	-27.9
Exceptional financing	0.0	0.0	0.0	0.0	3.7	4.2	2.7	0.0	0.0	0.0
Debt rescheduling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other exceptional financing (proposed CCRT) ¹	0.0	0.0	0.0	0.0	3.7	4.2	2.7	0.0	0.0	0.0
Debt payment arrears (reduction=-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing need	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Memorandum items:</i>										
Terms of trade (percent change)	-12.4	12.7	13.9	3.5	-0.1	5.9	3.8	2.1	-0.3	-1.1
Unit price of exports	-3.5	9.8	10.7	0.6	-2.6	3.5	4.2	2.8	0.8	-0.1
Unit price of imports	10.2	-2.6	-2.8	-2.9	-2.5	-2.3	0.4	0.6	1.0	1.0
Current account (percent of GDP)	-8.0	-5.6	-4.9	-6.3	-5.7	-5.2	-5.2	-5.7	-5.8	-5.7
Capital account (percent of GDP)	4.8	4.7	3.6	5.2	5.8	5.0	4.8	4.7	4.6	4.5
Nominal GDP (CFAF billions)	1,266	1,360	1,335	1,464	1,380	1,471	1,584	1,705	1,834	1,974

Sources: C.A.R. authorities and IMF staff estimates and projections.

¹ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 3. Central African Republic: Debt Service Due to the IMF Over the 24 Months from April 14th,2020

Loan Type	Disbursement date	Due date	Amount (million of SDR)	% of quota	Cumulative % of quota
RCF	5/22/2014	5/22/2020	0.84	0.75	0.75
ECF	7/3/2012	7/2/2020	0.70	0.63	1.38
ECF	9/2/2010	9/2/2020	0.87	0.78	2.15
RCF	3/26/2015	9/25/2020	0.56	0.50	2.65
RCF	5/22/2014	11/20/2020	0.84	0.75	3.40
ECF	7/3/2012	12/30/2020	0.70	0.63	4.03
RCF	9/24/2015	3/24/2021	0.84	0.75	4.78
ECF	3/26/2015	3/26/2021	0.56	0.50	5.28
RCF	5/22/2014	5/21/2021	0.84	0.75	6.03
ECF	7/3/2012	7/2/2021	0.70	0.63	6.65
RCF	9/24/2015	9/24/2021	0.84	0.75	7.40
RCF	3/26/2015	9/24/2021	0.56	0.50	7.90
RCF	5/22/2014	11/22/2021	0.84	0.75	8.65
ECF	7/3/2012	1/3/2022	0.70	0.63	9.28
ECF	7/28/2016	1/28/2022	1.25	1.12	10.40
RCF	9/24/2015	3/24/2022	0.84	0.75	11.15
RCF	3/26/2015	3/25/2022	0.56	0.50	11.65
Total			12.98	11.65	

Source: IMF staff projections.

Annex 4.B. Letter of Intent—CCRT Request

Central African Republic

Bangui, Central African Republic
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Madam Managing Director:

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in the Central African Republic are experiencing an exceptional balance of payments need arising from the pandemic. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- While only 8 cases have been reported so far, the pandemic, if not contained rapidly, could spread quickly in the country over the coming weeks with social and economic consequences that our country is ill equipped to face.
- We currently anticipate that: i) real output growth in 2020 will decline to 1 percent, compared with pre-crisis projections of 5 percent; ii) the fiscal impact of rising health and related outlays and a fall-off in tax revenues will be on the order of 3¾ percent of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$80 million (3½ percent of GDP). These impacts could be significantly larger if the crisis were to last longer than the few months currently projected.

Our response to the crisis has several dimensions:

- We plan to increase health sector outlays by some 77 percent (2 percent of GDP) over the course of 2020 as part of a comprehensive response plan, prepared in collaboration with the World Health Organization, which notably aims at: (i) providing medical care of confirmed cases; (ii) improving monitoring system for the country's main points of entry and; (iii) strengthening the capacity of medical staff and facilities. We have also enacted social distancing measures, including the closing of borders and of most public and private education institutions, a ban on meetings of more than 15 people, and restrictions on the movement of people from Bangui.
- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by reducing outlays not seen as essential

to tackling the immediate crisis, but still expect an increase in the overall fiscal balance (excluding grants) in the order of 3¼ percent of GDP. We hope that additional donor support will help us meet this fiscal financing need.

- The CEMAC regional institutions will support our efforts to mitigate the impact of the pandemic. The BEAC's monetary policy committee adopted on March 27, 2020 a package of monetary easing measures, including a 25bps reduction in the policy rate, a significant increase in liquidity provision, and the widening of the range of private financial instruments that qualify as collateral for monetary policy operations. COBAC, the regional banking supervisor announced a number of measures to preserve financial stability, including requesting banks to use their conservation buffers of 2.5 percent to absorb pandemic-related losses as needed.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are counting on additional support from the IMF to access the emergency financing facilities and have submitted a request for support on the order of SDR 27.85 million (25 percent of quota) under the Rapid Credit Facility. We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all Board documents related to this request for debt relief from the CCRT.

Very truly yours,

/s/

Henri-Marie Dondra
Minister of Finance and Budget

/s/

Firmin Ngrébada
Prime Minister

Annex 5.A. Chad: Staff Appraisal—CCRT Request

Chad faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Chad. Real GDP is now expected to decline by 0.1 percent y/y, compared with a pre-crisis projected increase of 3.9 percent y/y. The large drop in international oil prices will result in a fiscal and balance of payments financing-gap of 4 percent of non-oil GDP. Oil revenues are projected to decline by about 3 percentage points of non-oil GDP compared to projections at the time of the 5th review under the ECF. In the absence of external financing, government spending plans will be curtailed, which will negatively impact growth and poverty reduction. Disturbances in international trade combined to the closure of neighboring borders has already led to shortages in imported goods and started to push up prices for basic necessities. Restrictions on gatherings and public transportation have also increased the hardship on people and companies.

Macroeconomic policies. In addition to increasing health-related spending by about 0.3 percent of non-oil GDP, the authorities are also in the process of implementing some measures to deal with the economic fallout of the pandemic. For small and medium-sized enterprises, the authorities will, among other things, reduce the business license fees and the presumptive tax. Tax breaks such as carryforward losses and delays in tax payments will also be examined on a case-by-case basis. Additionally, a debt of about CFAF 110 billion owed to suppliers will be reimbursed. Measures will also be taken to alleviate the hardship on households, including temporary suspension of payments of electricity and water bills, and the establishment of a Youth Entrepreneurship Fund. The CEMAC regional central bank has also provided a package of measures including policy rate reductions, liquidity injections, and loosening of collateral criteria.

IMF-supported program status. Chad has an existing ECF arrangement, which was approved on June 30, 2017, with an access level of 160 percent of quota. To allow more time for completion of the final ECF review, the authorities will be requesting an extension of the arrangement under the ECF, due to expire on June 29, 2020, to September 30, 2020 with a rephasing of access. Chad has requested an RCF disbursement equivalent to 60 percent of quota.

Staff appraisal. Staff supports Chad's request for debt relief under the CCRT. Chad meets the income threshold with GNI per capita of US\$670, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Outstanding debt service and amount of grants for debt relief. Chad has no eligible debt for the period from April 14 to October 13, 2020. Its eligible debt falling due in the 12 months from April 14, 2020 amounts to SDR 2 million, and to SDR 10.1 million in the 24 months starting April 14, 2020. Staff supports the authorities' request for debt service relief for amounts falling due to the Fund up to April 13, 2022, amounting to SDR 10.1 million.

Table 1. Chad: Selected Economic and Financial Indicators, 2017–24

	2017	2018	2019		2020		2021		2022		2023		2024
	Prel.	Prel.	5th Rev.	Est.	5th Rev.	Proj.	5th Rev.	Proj.	5th Rev.	Proj.	5th Rev.	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)													
Real economy													
GDP at constant prices	-2.4	2.3	3.0	3.0	3.9	-0.1	5.8	6.1	5.4	4.9	4.0	4.0	3.8
Oil GDP	-11.2	12.7	7.6	7.6	7.5	2.4	13.4	19.2	10.6	10.6	4.4	4.4	2.8
Non-oil GDP	-0.5	0.3	2.0	2.0	3.0	-0.7	4.0	3.0	4.0	3.4	3.9	3.8	4.1
GDP deflator	-0.8	2.3	1.9	1.5	2.8	-5.2	3.0	2.4	2.9	3.6	1.7	3.0	3.0
Consumer price index (annual average)	-0.9	4.0	1.0	-1.0	3.0	2.2	3.0	2.9	3.0	3.0	3.0	3.0	3.0
Oil prices													
Brent (US\$/barrel) ¹	54.4	71.1	64.4	64.0	60.5	36.9	58.0	39.5	57.3	42.7	57.4	45.1	47.1
Chadian price (US\$/barrel) ²	49.4	65.1	61.4	61.0	57.5	34.9	54.0	37.5	53.3	39.7	53.4	42.1	44.1
Oil production for exportation (millions of barrels)	36.0	42.2	47.0	47.0	51.1	48.3	58.9	58.9	65.9	65.9	69.1	69.1	71.3
Exchange rate CFA franc per US\$ (period average)	580.9	555.2	...	...	...	...	...	...	...	...	...	...	...
Money and credit													
Net foreign assets	0.5	11.3	11.9	7.2	11.2	1.5	11.1	1.3	5.2	1.9	9.8	5.6	6.3
Net domestic assets	-4.8	-14.6	-0.9	19.1	1.2	-1.6	-1.8	4.7	2.3	3.6	-3.7	1.3	0.9
<i>Of which: net claims on central government</i>	-4.5	-6.9	6.8	10.6	-1.1	1.7	-3.4	-0.3	0.8	-3.0	-4.7	-5.9	-5.6
<i>Of which: credit to private sector</i>	11.5	0.6	0.3	1.0	2.3	-1.7	1.6	5.1	1.5	6.6	1.1	7.2	6.5
Broad money	-2.9	-2.0	11.0	24.4	12.4	1.4	9.3	6.0	7.5	5.5	6.1	6.9	7.2
Velocity (non-oil GDP/broad money) ³	5.4	5.7	5.1	4.7	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
External sector (valued in US dollar)													
Exports of goods and services, f.o.b.	14.5	37.6	3.7	3.1	3.0	-30.2	8.2	23.0	10.0	15.2	6.0	9.5	8.2
Imports of goods and services, f.o.b.	5.4	10.3	6.3	4.5	4.1	-2.1	7.2	7.8	10.1	6.7	4.1	7.9	5.9
Export volume	-12.2	11.1	9.9	9.6	8.5	11.4	12.5	19.4	10.2	9.4	4.4	4.0	3.2
Import volume	5.2	8.3	4.9	3.5	3.8	-0.2	6.8	8.3	9.5	6.2	3.3	7.1	4.2
Overall balance of payments (percent of GDP)	-1.4	2.7	1.0	0.2	1.1	-4.1	1.1	-5.2	-0.3	-4.3	0.3	-3.6	-3.2
Current account balance, including official transfers (percent of GDP)	-7.1	-1.4	-6.2	-4.9	-6.2	-13.2	-6.6	-10.4	-7.1	-7.8	-6.3	-7.9	-7.3
Terms of trade	30.3	21.5	-6.9	-6.8	-5.4	-36.2	-4.2	3.4	-0.7	4.7	0.7	4.5	3.2
External debt (percent of GDP) ⁴	25.1	25.1	25.1	24.4	23.2	27.0	20.5	24.2	18.2	21.5	16.3	19.1	17.1
NPV of external debt (percent of exports of goods and services)	94.1	64.2	61.2	60.6	59.1	90.3	53.5	72.0	46.8	60.2	42.0	52.1	45.4
(Percent of non-oil GDP, unless otherwise indicated)													
Government finance													
Revenue and grants	17.1	18.3	18.9	17.3	22.5	19.5	22.5	17.9	22.5	19.3	23.3	20.7	19.6
<i>Of which: oil revenue</i>	4.1	6.7	7.0	6.4	9.7	6.4	9.7	5.2	9.6	6.3	9.9	7.4	5.8
<i>Of which: non-oil revenue</i>	8.7	8.1	8.8	9.4	9.4	8.8	9.8	9.2	10.0	9.5	10.4	9.8	10.4
Expenditure	18.0	16.5	18.9	18.0	19.5	21.0	20.0	21.3	19.4	20.5	18.9	20.0	19.8
Current	13.7	12.0	12.7	12.5	13.1	14.4	13.3	14.4	12.7	13.6	12.1	13.0	12.6
Capital	4.4	4.5	6.3	5.6	6.4	6.6	6.7	7.0	6.7	6.9	6.8	7.0	7.1
Non-oil primary balance (commitment basis, excl. grants) ⁵	-3.8	-4.2	-4.9	-4.8	-4.9	-6.8	-5.0	-6.6	-4.3	-5.5	-3.3	-4.6	-3.9
Overall fiscal balance (incl. grants, commitments basis)	-0.9	1.9	-0.1	-0.8	3.0	-1.5	2.5	-3.4	3.0	-1.2	4.3	0.7	-0.1
CEMAC reference fiscal balance (in percent of GDP) ⁶	0.5	-0.8	-2.1	-2.1	-1.1	-2.6	-0.3	-2.6	0.9	-1.9	2.0	-1.6	-4.6
Total debt (in percent of GDP) ⁴	49.8	48.4	44.4	44.2	39.7	47.7	35.1	47.1	30.9	45.5	27.6	44.5	43.6
<i>Of which: domestic debt</i>	24.7	23.2	19.3	19.7	16.6	20.7	14.5	23.0	12.8	24.0	11.3	25.3	26.5
Memorandum items:													
Nominal GDP (billions of CFA francs)	5,855	6,127	6,443	6,406	6,880	6,062	7,502	6,584	8,131	7,154	8,602	7,659	8,192
<i>Of which: non-oil GDP</i>	4,830	4,961	5,166	5,130	5,466	5,206	5,850	5,517	6,249	5,869	6,675	6,276	6,728
Nominal GDP (billions of US\$)	10.1	11.0	11.0	10.9	11.8	10.3	12.9	11.3	14.1	12.3	15.0	13.2	14.2

Sources: Chadian authorities; and IMF staff estimates and projections.

¹WEO projections for Brent crude oil price.

²Chadian oil price is Brent price minus quality discount.

³Changes as a percent of broad money stock at the beginning of period.

⁴Central government, including government-guaranteed debt.

⁵Total revenue excluding grants and oil revenue, minus total expenditure excluding net interest payments and foreign-financed investment.

⁶The CEMAC reference fiscal balance is calculated as the overall fiscal balance minus the savings from oil revenue, which is the sum of 20 percent of oil revenue of the current year and 80 percent of the oil revenue in excess of the average oil revenues in the previous three years.

Table 2. Chad: Balance of Payments, 2017–21

	2017	2018	2019		2020		2021	
	Prel.	Prel.	5th Rev.	Est.	5th Rev.	Proj.	5th Rev.	Proj.
Current account, excl. budget grants	-472	-205	-448	-319	-428	-800	-492	-682
Trade balance	150	658	551	676	533	25	620	246
Exports, f.o.b.	1,405	1,891	2,101	2,057	2,168	1,384	2,327	1,714
<i>Of which</i> : oil	1,048	1,523	1,686	1,681	1,720	992	1,844	1,285
Imports, f.o.b.	-1,256	-1,232	-1,550	-1,381	-1,635	-1,359	-1,707	-1,468
Services (net)	-1,037	-1,190	-1,286	-1,294	-1,327	-1,259	-1,439	-1,330
Income (net)	-78	-98	-182	-170	-193	-171	-227	-179
Transfers (net)	493	424	469	469	559	606	554	581
Official (net)	149	108	112	111	163	200	141	157
Private (net)	344	317	358	358	396	406	412	424
Financial and capital account	231	225	455	312	506	553	577	338
Capital transfers	100	49	109	69	117	117	131	131
Foreign direct investment	211	184	397	277	453	278	495	305
Other medium and long term investment	-71	-30	-46	-35	-67	107	-64	-59
Public sector (excl. budget support loans)	-58	-16	-30	-14	-58	-34	-66	-59
Private sector	-13	-14	-16	-21	-9	141	2	0
Short-term capital	-9	22	-5	1	3	51	14	-39
Errors and omissions	13	-43	0	0	0	0	0	0
Overall balance	-228	-23	7	-7	78	-247	85	-344
Financing	-64	-210	-167	-115	-124	-28	-110	2
Change in official reserves (decrease +)	-64	-210	-167	-115	-124	-28	-110	2
Exceptional Financing	119	32	28	28	26	26	26	26
Debt relief (HIPC)	30	27	28	28	26	26	26	26
Exceptional Financing	0	0	0	0	0	0	0	0
Other Exceptional Receipt	73	9	0	0	0	0	0	0
External arrears accumulation	17	-3	0	0	0	0	0	0
Financing gap	-172	-201	-132	-93	-20	-249	1	-316
<i>Financing gap (percent of GDP)</i>	-2.9	-3.3	-2.7	-1.5	-0.3	-4.7	0.0	-4.8
Expected financing (excl. IMF; incl. expected budget loans and grants)	145	146	59	20	0	0	0	0
IMF financing, <i>of which</i>	-27	-55	-73	-74	-20	-249	1	-316
IMF ECF	27	55	74	74	21	21	...	...
IMF RCF (prospective)	...	...	...	...	...	57	...	...
Residual gap	0	0	1	0	1	-170		
<i>Memorandum items:</i>								
Current account (incl. expected budget grants; percent of GDP)	-7.1	-1.4	-6.2	-4.9	-6.2	-13.2	-6.6	-10.4
Overall Balance of Payment (incl. expected budget support; percent of GDP)	-1.4	2.0	1.0	0.2	1.1	-4.1	1.1	-5.2
Exports (percent of GDP)	24.0	30.9	32.6	32.1	31.5	22.8	31.0	26.0
<i>Of which</i> : oil	17.9	24.9	26.2	26.2	25.0	16.4	24.6	19.5
Imports (percent of GDP)	-21.4	-20.1	-24.1	-21.6	-23.8	-22.4	-22.7	-22.3
FDI (percent of GDP)	3.6	3.0	6.2	4.3	6.6	4.6	6.6	4.6
Gross imputed reserves (billions of USD)	-0.2	0.2	0.4	0.4	0.7	0.4	0.9	0.4

Sources: Chadian authorities; and IMF staff estimates and projections.

Table 3. Chad: Debt Service Due to the Fund, April 2020–April 2022

Loan Type	Disbursement Date	Due Date	SDR (millions)	Percent of Quota	cumulative amount (percent of quota)
ECF	May 7, 2015	November 2020	2.0	1.4	1.4
ECF	May 7, 2015	May 2021	2.0	1.4	2.9
ECF	December 22, 2015	June 2021	2.1	1.4	4.3
ECF	May 7, 2015	November 2021	2.0	1.4	5.7
ECF	December 22, 2015	December 2021	2.1	1.4	7.1

Annex 5.B. Letter of Intent—CCRT Request

Chad

N'Djamena,
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Chad are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- Ten cases have been declared so far but more cases have been reported in neighboring countries.
- *We currently anticipate that: i) real output will contract by 0.1 percent in 2020, compared with pre-crisis projections of 3.9 percent of positive growth; ii) the impact on the budget of rising health and related outlays and a fall-off in oil revenues will be about 3 percent of non-oil GDP; and iii) the emerging balance of payments need resulting from the crisis will be about 4 percent of non-oil GDP.*

Our response to the crisis has several dimensions:

- We plan to increase health sector outlays by 0.3 percent of non-oil GDP over the course of 2020, with key measures already underway including: (i) training of medical and technical staff, (ii) purchase of necessary medical equipment, (iii) construction of seven health centers in remote areas and three mobile hospitals, and (iv) securely managing entry points. We also plan to increase expenditure on social protection for workers who have lost income and on support for badly-affected sectors, to mitigate the economic impact of the virus.
- A set of pressure alleviating measures will be announced by the government. For small and medium-sized businesses, these include a reduction of the business license and of the presumptive tax, which would help enterprises and merchants and public transport. Tax breaks such as allowing loss carry-over and late payment of taxes can be examined on a case by case basis, which could help some sectors, namely air transport, tourism and hospitality. Also, the ad

hoc tax audits and all general accounting verifications may be suspended from April. The payment of CFAF 110 billion of debts owed to suppliers to the state will be made as soon as possible thanks to the mobilization of savings by Chadian banks, in the context of the domestic debt clearance plan.

- Measures have also been taken in favor of populations. They concern the assumption by the State of all water consumption billed by the Société Tchadienne des Eaux or by management committees (or at standpipes) to households for a period of six months; the assumption by the State of the invoices of the National company of Electricity for the domestic uses of the 1st social tranche capped at 150 KWh per month; the payment of all death benefits due to deceased civil and military agents, indemnities and ancillary wages owed to retirees and payment of medical expenses for civilian agents and defense and security forces in accordance with the domestic debt clearance plan adopted by the Council of Ministers; speed up the establishment of the Youth Entrepreneurship Fund in agreement with Chadian banks for an amount of CFAF 30 billion, with a third of which reserved for young women.
- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, but still expect an increase in the primary non-oil budget deficit on the order of 1.5 percent of non-oil GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 (SDR 10.2 million, or 7.1 percent of quota) or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with the IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the emergency financing facilities and will submit a request for support on the order of SDR 84.12 million (60 percent of quota). We are confident that strong IMF support for our country will help catalyze wider support from other development partners. Finally, we remain committed to the current ECF agreement which ends on June 29, 2020, with a final remaining drawing of SDR 28.04 million (20% of the quota).

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Tahir Hamid Nguilin

Minister of Finance and Budget

Annex 6.A. Union of the Comoros: Staff Appraisal—CCRT Request

The Union of the Comoros faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 is having a severe economic impact on Comoros. The pandemic is affecting Comoros through spillovers from the changes in the global environment and the impact of a likely domestic outbreak. The spillovers from the global environment are already being felt as remittances receipts have fallen and visitor arrivals stopped. Further, liquidity pressures have developed in the banking sector, in part because of heightened demand for cash holdings reflecting ongoing social distancing. Economic growth is revised down by 5.6 percentage points to -1.2 percent in 2020. The pandemic creates an external financing need of 5.2 percent of GDP and a fiscal financing need of 4.7 percent of GDP in 2020 and 2021. Impacts are determined by comparison with baseline projections in the 2019 Article IV consultation.

Macroeconomic policies. Beyond implementing their pandemic preparedness plan and strengthening the health care system's ability to respond to the pandemic, the authorities are planning to delay deadlines for tax filings and temporarily lower customs duties for certain imports, and they are considering providing support to the most vulnerable if possible. Grants provided under the CCRT will be used to help finance additional health spending of 2 percent of GDP. The overall fiscal deficit including grants is expected to reach 3.8 percent of GDP in 2020 (compared to a pre-pandemic projected deficit of 2.2 percent of GDP). To contain the impact of the pandemic on the fiscal and external position, it is expected that the authorities may scale back investment spending slightly. Further spending reprioritization would be necessary should resources fall short. The authorities will gear monetary policy to maintaining the exchange rate peg to the euro, while doing everything possible to ensure sufficient liquidity in the banking system.

IMF program status. Comoros currently has no Fund-supported program. This said, in July 2019, Comoros received support under the RCF and RFI of SDR 8.9 million (50 percent of quota) following Cyclone Kenneth, and the authorities are presently seeking further financial assistance under the RCF and RFI of the same amount, in line with an upward revision of access limits.

Staff appraisal. Staff supports Comoros' request for debt relief under the CCRT. Comoros meets the income threshold with GNI per capita of US\$1,320 in 2018, below the threshold of US\$2,350 for small states, and staff assesses that it faces exceptional BoP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Comoros has eligible debt of SDR 0.9 million for the period from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 3.1 million.

Table 1. Comoros: Selected Economic and Financial Indicators, 2016-25

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Est. ¹	Article IV	Proj. ¹			Proj. ¹		
(Annual percentage change, unless otherwise indicated)										
National income and prices										
Real GDP	3.5	4.2	3.6	1.9	4.4	-1.2	3.1	3.6	3.7	3.8
GDP deflator	1.6	0.1	1.0	4.2	1.2	2.5	2.0	1.9	1.9	1.9
Consumer price index (annual average)	0.8	0.1	1.7	3.3	1.4	3.0	2.1	2.0	2.0	2.0
Money and credit										
Net foreign assets	-13.1	12.6	4.2	-5.6	1.6	-14.4	3.4	6.8	11.4	12.6
Domestic credit	33.5	-0.4	4.9	6.9	0.5	2.9	1.0	2.6	1.5	1.4
Credit to the private sector	7.2	6.2	1.2	2.0	2.0	-1.7	3.5	4.9	6.1	6.4
Broad money	10.3	1.8	8.5	5.1	4.6	0.3	4.4	5.6	5.7	5.8
Velocity (GDP/end-year broad money)	3.6	3.7	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6
External sector										
Exports, f.o.b.	82.0	26.2	5.5	2.1	-0.9	0.0	5.3	5.4	6.2	6.6
Imports, f.o.b.	-0.4	12.1	11.1	7.2	12.7	-0.2	2.2	9.7	6.9	5.9
Export volume	31.5	-1.0	2.9	4.8	-0.1	-0.1	5.8	6.0	6.4	6.4
Import volume	11.6	12.4	11.1	0.2	10.3	-0.3	6.2	6.4	6.4	6.4
Terms of trade	22.2	11.8	-0.3	-4.0	-2.8	2.4	1.8	-2.6	-0.3	1.1
(In percent of GDP, unless otherwise indicated)										
Investment and savings										
Gross fixed capital formation	13.1	14.2	15.8	16.1	16.0	15.8	15.8	15.7	15.6	15.9
Gross national savings	8.8	12.1	13.2	13.1	13.2	11.5	11.1	11.6	12.5	12.9
Government Budget										
Total revenue and grants	14.2	17.2	13.9	16.1	17.5	19.4	18.4	16.7	16.8	16.6
Total revenue	8.8	10.2	11.3	8.7	9.1	7.2	9.3	9.4	9.6	10.1
Tax Revenue	7.9	9.4	8.3	7.0	7.8	6.0	7.8	8.0	8.1	8.3
Non-tax Revenue	0.9	0.8	3.0	1.7	1.3	1.3	1.4	1.5	1.5	1.5
Total grants	5.4	7.1	2.5	7.5	8.5	12.2	9.1	7.3	7.2	6.8
Total expenditure and net lending	18.7	16.9	14.9	18.4	19.7	23.2	21.2	19.3	19.2	18.9
Current expenditure	11.1	10.3	11.3	10.6	11.1	13.5	12.3	11.9	11.9	12.0
Capital expenditure	6.3	6.3	3.6	7.8	8.7	9.7	8.8	7.4	7.3	6.9
Domestic primary balance ²	-3.1	-1.1	-1.2	-2.5	-2.7	-7.0	-3.5	-2.8	-2.7	-2.3
Overall balance (cash basis)	-4.9	0.2	-0.4	-2.2	-2.2	-3.8	-2.7	-2.6	-2.4	-2.2
Excluding grants	-10.3	-6.9	-2.9	-9.7	-10.7	-16.0	-11.9	-9.9	-9.6	-8.6
Net Financing	4.2	-0.1	0.7	2.2	2.2	3.8	2.7	2.6	2.4	2.2
Foreign (Including IMF)	1.2	-0.2	0.2	2.1	2.3	3.9	2.7	2.6	2.4	2.2
Domestic	3.0	0.0	0.5	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
Financing gap/errors and omissions	0.7	-0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External sector										
Exports of goods and services	10.7	11.9	12.9	12.4	12.4	11.2	11.9	12.6	13.2	13.2
Imports of goods and services	26.5	28.4	30.0	30.1	31.8	29.3	29.0	30.1	30.6	30.6
Current account balance	-4.3	-2.1	-2.8	-3.8	-5.5	-5.7	-4.5	-4.5	-3.6	-3.3
Excl. official and private transfers	-15.2	-16.0	-16.6	-17.3	-19.0	-17.8	-16.8	-17.3	-17.1	-16.9
Private remittances, net ³	9.4	10.3	12.3	12.1	12.1	9.0	10.7	11.4	12.1	12.6
External debt	16.4	17.0	19.6	23.8	27.0	29.7	32.3	33.0	33.6	33.9
Official grants and loans	6.8	7.1	3.1	10.5	11.6	17.0	12.4	10.4	10.3	9.8
Gross international reserves (end of period)										
In millions of U.S. dollars	160.0	209.3	198.4	196.4	197.7	182.2	185.3	191.8	199.8	209.4
In months of imports of goods & services	7.2	8.2	6.7	6.6	5.9	6.2	6.0	5.7	5.5	5.4
Exchange rate CF/US\$ (period average)	444.6	435.6	416.4	439.4	439.2	441.4				
Memorandum items:										
Public sector debt (in Percent of GDP) ⁴	16.5	17.1	19.6	23.9	27.1	30.1	32.8	33.5	34.0	34.5
GDP (nominal, in billions of CF)	450.2	469.2	491.0	521.1	550.4	527.9	555.3	586.2	619.4	655.0
GDP per capita (nominal, in US Dollars)	1,256	1,301	1,386	1,357	1,397	1,333	1,380	1,426	1,472	1,521

Sources: Comorian authorities; and IMF staff estimates and projections.

¹ From 2017, includes budgeted-for revenues and expenses related to fuel subsidies of SOEs.

² Domestic revenues minus current primary expenditures and domestically financed capital expenditures.

³ From 2015, net private official transfers include estimates made by the Central Bank of Comoros of debit items other than wire transfers.

⁴ Coverage of debt: The central government, the central bank and government-guaranteed debt. Definition of external debt is Residency-based.

Table 2. Comoros: Balance of Payments, 2016-2025
(In Percent of GDP, unless otherwise indicated)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Prel.	Est.			Proj.			
Current account	-4.3	-2.1	-2.8	-3.8	-5.7	-4.5	-4.5	-3.6	-3.3	-2.6
Goods and services	-15.8	-16.4	-17.1	-17.7	-18.2	-17.0	-17.5	-17.4	-17.4	-17.1
Trade balance	-15.1	-15.9	-17.1	-17.4	-17.1	-16.5	-17.3	-17.6	-17.6	-17.4
Exports	3.0	3.7	3.7	3.6	3.5	3.5	3.5	3.5	3.6	3.6
<i>Of which:</i> vanilla	0.4	0.8	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5
Cloves	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.2	2.3
Ylang-ylang	0.1	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Imports (f.o.b.)	-18.2	-19.6	-20.8	-21.0	-20.7	-20.1	-20.9	-21.1	-21.1	-21.0
<i>of which oil</i>	-3.6	-4.5	-5.0	-4.6	-2.9	-2.9	-3.2	-3.3	-3.4	-3.5
Services (net)	-0.6	-0.6	0.0	-0.3	-1.0	-0.5	-0.2	0.2	0.2	0.3
Receipts	7.6	8.2	9.2	8.8	7.6	8.4	9.0	9.6	9.7	9.7
Payments	-8.3	-8.8	-9.2	-9.1	-8.7	-8.9	-9.2	-9.5	-9.5	-9.4
Income (net)	0.5	0.5	0.5	0.4	0.3	0.2	0.2	0.3	0.2	0.2
<i>Of which:</i> Interest on rescheduled obligations	-0.1	-0.1	-0.1	-0.1	-0.2	-0.3	-0.4	-0.4	-0.4	-0.4
Current transfers (net)	10.9	13.8	13.8	13.5	12.2	12.3	12.8	13.5	13.8	14.3
Government	1.5	3.5	1.5	1.4	3.2	1.6	1.4	1.4	1.2	1.2
IMF Catastrophe Containment and Relief Trust (CCRT) ¹	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Private ¹	9.4	10.3	12.3	12.1	9.0	10.7	11.4	12.1	12.6	13.1
Capital and financial account	5.5	2.3	2.5	4.1	4.7	4.7	5.0	4.2	3.9	3.2
Capital account	1.9	4.5	1.1	3.2	3.2	4.0	2.8	2.7	2.6	2.5
Capital transfers	1.9	4.5	1.1	3.2	3.2	4.0	2.8	2.7	2.6	2.5
Transfer of fixed assets	3.2	4.5	1.1	3.2	3.2	4.0	2.8	2.7	2.6	2.5
Financial account	3.6	-2.1	1.4	0.8	1.5	0.6	2.1	1.5	1.3	0.7
Direct investment	0.4	0.4	0.6	0.3	0.0	0.1	0.7	0.7	1.0	1.0
Net portfolio and other investment	3.2	-2.5	0.9	0.5	1.4	0.5	1.5	0.8	0.3	-0.3
Government	0.8	-0.3	0.2	2.2	4.2	2.7	2.6	2.4	2.2	2.1
Drawings	1.4	0.0	0.6	3.1	4.8	3.3	3.1	3.1	3.0	2.9
Amortization	-0.5	-0.3	-0.3	-0.8	-0.5	-0.5	-0.5	-0.7	-0.8	-0.9
Private sector (net)	2.4	-2.2	0.6	-1.7	-2.8	-2.2	-1.1	-1.6	-1.9	-2.4
Banks, net	-1.1	1.1	-0.7	0.2	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Other	3.5	-3.4	1.3	-1.9	-2.8	-2.1	-1.0	-1.6	-1.8	-2.3
Errors and omissions	-4.9	2.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-3.8	2.5	-0.2	0.3	-1.0	0.1	0.4	0.5	0.6	0.6
Financing	3.8	-2.5	0.2	-0.3	1.0	-0.1	-0.4	-0.5	-0.6	-0.6
NFA of central bank (increase -)	3.6	-2.6	0.3	-0.2	1.3	-0.1	-0.4	-0.5	-0.6	-0.6
Foreign assets	3.6	-2.6	0.3	-0.2	1.3	-0.1	-0.4	-0.5	-0.6	-0.6
Foreign liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Of which:</i> Net IMF Credit ²	-0.2	-0.2	-0.3	0.7	0.8	-0.2	-0.3	-0.7	-0.9	-0.4
Net change in arrears	0.2	0.1	-0.1	-0.1	-0.4	0.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Memorandum items:</i>										
Current Account, excl. transfers (percentage of GDP)	-15.2	-16.0	-16.6	-17.3	-17.8	-16.8	-17.3	-17.1	-17.1	-16.9
Exports of goods and services (percentage of GDP)	10.7	11.9	12.9	12.4	11.2	11.9	12.6	13.2	13.2	13.3
Imports of goods and services (percentage of GDP)	26.5	28.4	30.0	30.1	29.3	29.0	30.1	30.6	30.6	30.4
Gross international reserves (millions of U.S. dollars)	160.0	209.3	198.4	196.4	182.2	185.3	191.8	199.8	209.4	219.1
In months of imports of goods and services	7.2	8.2	6.7	6.6	6.2	6.0	5.7	5.5	5.4	5.4
Nominal GDP (CF millions)	450,159	469,217	490,958	521,084	527,919	555,346	586,190	619,419	655,008	693,038
Nominal GDP (millions of U.S. dollars)	1,013	1,077	1,179	1,186	1,196	1,271	1,348	1,428	1,513	1,604

Sources: Comorian authorities; and IMF staff estimates and projections.

¹ Assumes IMF CCRT up-front grants to immediately pay off upcoming debt service due to the IMF in the 24 months from April 14, 2020. The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

² From 2015, net private official transfers include estimates made by the Central Bank of Comoros of debit items other than wire transfers.

³ Assumes 50 percent of the quota as one-time disbursement in April 2020, of which 33.3 percent is provided by the RCF and 66.7 percent by the RFI.

**Table 3. Comoros: Projected Payments to the IMF, April 14, 2020 – April 13, 2022
as of February 29, 2020 (in SDRs)¹**

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
GRA Charges		1-May-20	25,261	25,261	0.1	0.1
PRGT Repayment (ECF)	17-Jun-13	17-Jun-20	155,750	155,750	0.9	1.0
PRGT Repayment (ECF)	23-Dec-13	23-Jun-20	155,750	155,750	0.9	1.9
PRGT Repayment (ECF)	25-Jun-12	25-Jun-20	155,750	155,750	0.9	2.8
PRGT Repayment (ECF)	27-Dec-12	26-Jun-20	155,750	155,750	0.9	3.6
PRGT Repayment (ECF)	2-Jul-10	2-Jul-20	155,750	155,750	0.9	4.5
PRGT Repayment (ECF)	1-Feb-11	30-Jul-20	155,750	155,750	0.9	5.4
GRA Charges		1-Aug-20	25,821	25,821	0.1	5.5
GRA Charges		1-Nov-20	25,821	25,821	0.1	5.7
PRGT Repayment (ECF)	17-Jun-13	17-Dec-20	155,750	155,750	0.9	6.6
PRGT Repayment (ECF)	27-Dec-12	23-Dec-20	155,750	155,750	0.9	7.4
PRGT Repayment (ECF)	23-Dec-13	23-Dec-20	155,750	155,750	0.9	8.3
PRGT Repayment (ECF)	25-Jun-12	23-Dec-20	155,750	155,750	0.9	9.2
GRA Charges		1-Feb-21	25,845	25,845	0.1	9.3
PRGT Repayment (ECF)	1-Feb-11	1-Feb-21	155,750	155,750	0.9	10.2
GRA Charges		1-May-21	25,047	25,047	0.1	10.3
PRGT Repayment (ECF)	17-Jun-13	17-Jun-21	155,750	155,750	0.9	11.2
PRGT Repayment (ECF)	23-Dec-13	23-Jun-21	155,750	155,750	0.9	12.1
PRGT Repayment (ECF)	25-Jun-12	25-Jun-21	155,750	155,750	0.9	13.0
PRGT Repayment (ECF)	27-Dec-12	25-Jun-21	155,750	155,750	0.9	13.8
GRA Charges		1-Aug-21	25,892	25,892	0.1	14.0
GRA Charges		1-Nov-21	25,892	25,892	0.1	14.1
PRGT Repayment (ECF)	17-Jun-13	17-Dec-21	155,750	155,750	0.9	15.0
PRGT Repayment (ECF)	23-Dec-13	23-Dec-21	155,750	155,750	0.9	15.9
PRGT Repayment (ECF)	25-Jun-12	24-Dec-21	155,750	155,750	0.9	16.8
PRGT Repayment (ECF)	27-Dec-12	27-Dec-21	155,750	155,750	0.9	17.6
GRA Charges		1-Feb-22	25,892	25,892	0.1	17.8

Source: IMF Staff

¹ Assumes IMF CCRT up-front grants to immediately pay off upcoming debt service due to the IMF in the 24 months from April 14, 2020. The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Annex 6.B. Letter of Intent—CCRT Request

Union of the Comoros

Moroni, Union of The Comoros
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in the Union of the Comoros are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- We have so far not experienced any COVID-19 cases, perhaps thanks in part due to our containment measures including the quarantining of certain travelers and the closing of our airport. However, it is likely that the pandemic will eventually spread to Comoros. A sizeable share of the population could be infected, a situation that our health care system is not prepared for.
- The pandemic is affecting our economy through two channels: (i) spillovers from the changes in the global environment and (ii) the impact of a likely domestic outbreak. Spillovers manifest for example as lower remittance inflows, lower visitor arrivals, and changes in imports and exports prices and volumes, which together result in weaker growth, fiscal balances, and external accounts. The likely domestic outbreak of the pandemic is expected to depress the economy further, as social distancing takes hold and as infected people may not be able to work.
- We currently anticipate that real output growth in 2020 will decline by 5.6 percentage points compared with pre-crisis projections, to a negative 1.2 percent; the impact over 2020-21 on the budget of rising health and related outlays and a fall-off in tax revenues will be on the order of 4.7 percent of GDP; and the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$62 million (5.2 percent of GDP and 32 percent of our end-2019 official external reserves). Impacts are determined by comparison with baseline projections in the 2019 Article IV consultation.

Our response to the crisis has several dimensions:

- We have implemented measures on travel restrictions, quarantines, and social distancing. We also plan to implement our pandemic preparedness plan, and we plan to increase health sector outlays by 2 percent of GDP over the course of 2020.
- We will direct fiscal policy at dealing with the negative effects of the COVID-19 shock. In addition to expanding healthcare spending, we are planning to delay deadlines for tax filings and temporarily lower customs duties for certain imports. We are also considering providing support to the most vulnerable, if resources are available. To limit impacts on the fiscal accounts, we may lower investment spending slightly. Further spending reprioritization would be necessary should resources fall short.
- We will gear monetary policy to maintaining the exchange rate peg to the euro, while doing everything possible to ensure sufficient liquidity in the banking system.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF to face the emerging large budgetary and external financing gaps, and we will soon submit to the IMF a request for support under the Rapid Credit Facility (RCF) and the Rapid Financing Instrument (RFI) of SDR 8.9 million equivalent to 50 percent of our quota. We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Hon. Said Ali Said Chayhane
Minister of Finance and Budget

/s/

Hon. Younoussa Imani
Central Bank Governor

Annex 7.A. Democratic Republic of Congo: Staff Appraisal— CCRT Request

Summary. The Democratic Republic of the Congo (DRC) faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on the DRC. Strict containment and mitigation measures have been deployed, especially in the capital, Kinshasa, including the closure of schools, bars and restaurants, and prohibition of public gatherings. The global outbreak has disrupted trade, and the crucial export mining sector is taking a strong hit amid weaker commodity prices. In 2020, real GDP is projected to contract to -2.2 percent, compared to a growth rate of 3.2 percent in the pre-virus baseline. The fiscal cost of the pandemic would amount to 1.1 percent of GDP in 2020, including revenue losses of 0.9 percent, public health expenditures of 0.2 percent, and a shortfall in the issuance of treasury bills of 0.1 percent. The BOP financing gap is estimated at about US\$ 637 million or 1.3 percent of GDP. These projections and outlook are nonetheless highly uncertain and assume a temporary impact from the pandemic.

Macroeconomic policies. The authorities have committed to limit non-priority spending and to reallocate spending to priority sectors such as the health care system, which would be unable to cope with a worsening of the pandemic. RCF financing and from other development partners like the World Bank should fill out the existing fiscal gap of 1.1 percent of GDP. The central bank (BCC) has reduced the policy rate by 150 basis points to 7.5 percent and has eliminated the reserve requirements for sight deposits in local currency. The BCC has also established a new emergency liquidity facility for banks, postponed the mandatory adoption of new capital requirements, and allowed banks to exceptionally restructure outstanding loans of affected borrowers. The authorities have also agreed to limit foreign exchange market interventions given the very low level of foreign reserves

IMF program status. On December 16, 2019 the Board approved a Rapid Credit Facility (RCF) of SDR 266.5 million, or 25 percent of quota, coupled with a Managing Director's approval of a Staff-Monitored Program (SMP) through end-May 2020. The authorities have requested a disbursement under the exogenous shock window of the RCF equivalent to 25 percent of quota (SDR 266.5 million). Performance under the SMP was satisfactory as of end-2019, though based on available information to date the end-March targets are likely to be missed.

Staff appraisal. Staff supports the DRC's request for debt relief under the CCRT. The DRC meets the income threshold with GNI per capita of US\$490, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. DRC has debt service of SDR 14.9 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months

from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 29.7 million.

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2017-22

	2017	2018	2019	2020	2021	2022
	Act.	Prel.	Projections			
(Annual percentage change, unless otherwise indicated)						
GDP and prices						
Real GDP	3.7	5.8	4.4	-2.2	3.5	4.5
Extractive GDP	7.8	16.9	1.0	-5.3	3.5	4.3
Non-Extractive GDP	2.4	1.9	5.7	-1.1	3.6	4.5
GDP deflator	43.1	29.8	3.0	9.3	10.4	6.8
Consumer prices, period average	35.8	29.3	4.8	11.0	10.5	7.0
Consumer prices, end of period	54.7	7.2	5.5	12.0	9.0	6.5
External sector						
Exports, f.o.b. (U.S. dollars)	-2.8	38.3	-19.5	-17.8	5.5	16.0
Imports, f.o.b. (U.S. dollars)	-6.7	32.0	-15.6	-12.0	2.0	11.6
Exports volume	9.7	22.2	-2.5	-7.2	3.6	18.8
Import volume	-12.1	29.8	-15.1	-5.3	2.0	10.0
Terms of trade	16.8	6.9	-10.1	-7.3	0.1	0.0
(Annual change in percent of beginning-of-period broad money)						
Money and credit						
Net foreign assets	29.2	9.6	14.1	3.8	11.8	7.3
Net domestic assets	13.6	20.8	15.3	0.4	5.5	4.3
Domestic credit	3.5	18.5	16.7	3.6	7.0	5.3
<i>Of which:</i> net credit to government	0.1	1.4	5.4	1.7	1.9	1.6
credit to the private sector	0.6	20.3	6.7	1.9	5.1	3.8
Broad money	42.8	30.1	28.9	4.3	17.3	11.6
(Percent of GDP, unless otherwise indicated)						
Central government finance						
Revenue and grants	11.7	11.1	10.9	11.2	13.4	14.1
Revenue	9.8	10.0	10.1	9.8	10.1	10.9
Grants	2.0	1.1	0.8	1.4	3.3	3.2
Expenditures	10.4	11.1	12.9	12.3	13.7	14.2
Overall fiscal balance (commitment basis)	1.4	0.0	-2.1	-1.2	-0.3	-0.1
Non-natural resource overall fiscal balance	-0.9	-3.2	-4.1	-3.0	-3.9	-4.1
Investment and saving						
Gross national saving	8.9	8.1	8.4	6.1	9.3	10.9
Government	0.8	-1.0	-4.1	-2.2	-2.7	-2.1
Non-government	8.1	9.1	12.5	8.3	12.0	13.0
Investment	12.1	11.7	12.6	11.3	12.9	14.0
Government	2.3	1.7	2.2	2.4	3.0	3.4
Non-government	9.7	10.0	10.4	8.9	9.9	10.6
Balance of payments						
Exports of goods and services	31.0	34.1	26.1	22.3	22.6	24.7
Imports of goods and services	-34.7	-37.7	-29.9	-27.3	-26.8	-28.3
Current account balance, incl. transfers	-3.3	-3.6	-4.2	-5.4	-4.1	-3.7
Current account balance, excl. transfers	-5.2	-5.3	-4.5	-6.5	-6.9	-6.3
Overall balance	0.4	0.4	-1.1	0.0	0.0	0.0
Gross official reserves (millions of U.S. dollars)	601	633	934	765	1,050	1,518
Gross official reserves (weeks of imports)	1.9	2.3	4.3	3.6	4.3	5.9
(Percent of GDP, unless otherwise indicated)						
External public debt						
Total stock, including IMF	16.9	13.7	14.4	13.9	13.5	12.1
Scheduled debt service (millions of U.S. dollars)	212	224	637	707	752	745
Percent of exports of goods and services	1.8	1.4	4.9	6.6	6.7	5.7
Percent of government revenue	5.8	4.8	12.7	15.1	14.9	13.0
Exchange rate (CDF per U.S. dollars)						
Period average	1,480	1,624	...	...	...	...
End-of-period	1,592	1,636	...	...	...	...
Memorandum items:						
Nominal GDP (billions of CDF)	55,676	76,496	82,238	87,900	100,466	112,142
Nominal GDP (millions of U.S. dollars)	37,615	47,099	49,841	47,993	50,095	52,952

Sources: Congolese authorities; and IMF staff estimates and projections.

Table 2. Democratic Republic of the Congo: Balance of Payments, 2017–22
(Millions of U.S. Dollars, unless otherwise indicated)

	2017	2018	2019	2020	2021	2022
	Act.	Prel.	Projections			
(Annual percentage change, unless otherwise indicated)						
GDP and prices						
Real GDP	3.7	5.8	4.4	-2.2	3.5	4.5
Extractive GDP	7.8	16.9	1.0	-5.3	3.5	4.3
Non-Extractive GDP	2.4	1.9	5.7	-1.1	3.6	4.5
GDP deflator	43.1	29.8	3.0	9.3	10.4	6.8
Consumer prices, period average	35.8	29.3	4.8	11.0	10.5	7.0
Consumer prices, end of period	54.7	7.2	5.5	12.0	9.0	6.5
External sector						
Exports, f.o.b. (U.S. dollars)	-2.8	38.3	-19.5	-17.8	5.5	16.0
Imports, f.o.b. (U.S. dollars)	-6.7	32.0	-15.6	-12.0	2.0	11.6
Exports volume	9.7	22.2	-2.5	-7.2	3.6	18.8
Import volume	-12.1	29.8	-15.1	-5.3	2.0	10.0
Terms of trade	16.8	6.9	-10.1	-7.3	0.1	0.0
(Annual change in percent of beginning-of-period broad money)						
Money and credit						
Net foreign assets	29.2	9.6	14.1	3.8	11.8	7.3
Net domestic assets	13.6	20.8	15.3	0.4	5.5	4.3
Domestic credit	3.5	18.5	16.7	3.6	7.0	5.3
<i>Of which:</i> net credit to government	0.1	1.4	5.4	1.7	1.9	1.6
credit to the private sector	0.6	20.3	6.7	1.9	5.1	3.8
Broad money	42.8	30.1	28.9	4.3	17.3	11.6
(Percent of GDP, unless otherwise indicated)						
Central government finance						
Revenue and grants	11.7	11.1	10.9	11.2	13.4	14.1
Revenue	9.8	10.0	10.1	9.8	10.1	10.9
Grants	2.0	1.1	0.8	1.4	3.3	3.2
Expenditures	10.4	11.1	12.9	12.3	13.7	14.2
Overall fiscal balance (commitment basis)	1.4	0.0	-2.1	-1.2	-0.3	-0.1
Non-natural resource overall fiscal balance	-0.9	-3.2	-4.1	-3.0	-3.9	-4.1
Investment and saving						
Gross national saving	8.9	8.1	8.4	6.1	9.3	10.9
Government	0.8	-1.0	-4.1	-2.2	-2.7	-2.1
Non-government	8.1	9.1	12.5	8.3	12.0	13.0
Investment	12.1	11.7	12.6	11.3	12.9	14.0
Government	2.3	1.7	2.2	2.4	3.0	3.4
Non-government	9.7	10.0	10.4	8.9	9.9	10.6
Balance of payments						
Exports of goods and services	31.0	34.1	26.1	22.3	22.6	24.7
Imports of goods and services	-34.7	-37.7	-29.9	-27.3	-26.8	-28.3
Current account balance, incl. transfers	-3.3	-3.6	-4.2	-5.4	-4.1	-3.7
Current account balance, excl. transfers	-5.2	-5.3	-4.5	-6.5	-6.9	-6.3
Overall balance	0.4	0.4	-1.1	0.0	0.0	0.0
Gross official reserves (millions of U.S. dollars)	601	633	934	765	1,050	1,518
Gross official reserves (weeks of imports)	1.9	2.3	4.3	3.6	4.3	5.9
(Percent of GDP, unless otherwise indicated)						
External public debt						
Total stock, including IMF	16.9	13.7	14.4	13.9	13.5	12.1
Scheduled debt service (millions of U.S. dollars)	212	224	637	707	752	745
Percent of exports of goods and services	1.8	1.4	4.9	6.6	6.7	5.7
Percent of government revenue	5.8	4.8	12.7	15.1	14.9	13.0
Exchange rate (CDF per U.S. dollars)						
Period average	1,480	1,624	...	...	...	...
End-of-period	1,592	1,636	...	...	...	...
Memorandum items:						
Nominal GDP (billions of CDF)	55,676	76,496	82,238	87,900	100,466	112,142
Nominal GDP (millions of U.S. dollars)	37,615	47,099	49,841	47,993	50,095	52,952

Sources: Congolese authorities; and IMF staff estimates and projections.

Table 3. Democratic Republic of the Congo: Projected Debt Service Payments to the IMF Over the 24 Months from April 14,2020
As of February 29, 2020 (in SDR)

Concept	Original Disbursement Date	Due date	Total Amount	Eligible for CCRT Debt Relief	Debt Relief in % of Quota	Cum. Debt Relief in % of Quota
PRGT payment (ECF)	10-May-11	8-May-20	4,949,300	4,949,300	0.5	0.5
PRGT payment (ECF)	10-May-11	15-Jul-20	4,949,300	4,949,300	0.5	0.9
PRGT payment (ECF)	10-May-11	24-Aug-20	4,949,300	4,949,300	0.5	1.4
PRGT payment (ECF)	10-May-11	10-Nov-20	4,949,300	4,949,300	0.5	1.9
PRGT payment (ECF)	10-May-11	24-Feb-21	4,949,300	4,949,300	0.5	2.3
PRGT payment (ECF)	10-May-11	10-May-21	4,949,300	4,949,300	0.5	2.8

Source: IMF.

Annex 7.B. Letter of Intent—CCRT Request

Democratic Republic of Congo

Kinshasa, DRC
April 8, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The COVID-19 pandemic poses a major health and economic risk for the DRC. As of April 6, 161 infected people have been identified with 18 deaths. Community contaminations are increasing rapidly, raising the fear of a rapid spread that could overwhelm our limited healthcare resources. Kinshasa, the epicenter of the pandemic in our country, has 14 million inhabitants with high density and poor sanitary conditions. Should the spread pick up, the number of contaminations and patients could become uncontrollable and peak infection would be uncertain. It is therefore imperative to do everything to thwart the spread of the virus, which is our focus.

The COVID-19 shock is impacting the economy negatively and will generate a large fiscal financing gap and exceptional balance of payments needs. The shock will affect growth through two main channels: a decline in mining production and exports, which would affect related local activities; and the decline in non-mining activity arising from social distancing measures. We currently anticipate that: i) real output growth in 2020 could swing by 5.4 percentage points to a post COVID-19 growth rate of -2.2 percent; revenue would decline significantly and expenditures surge, resulting in a fiscal financing gap of US\$531 million or 1.1 percent of GDP. The emerging balance of payments need resulting from the crisis is projected to be on the order of US\$637 million (1.3 percent of GDP) and international reserves could decline to less than 4 weeks of import coverage.

Our response to the crisis includes health sector measures and macroeconomic policy responses

- Our COVID-19 strategy is to do everything possible to prevent a general epidemic. We have prepared a plan which will increase health sector outlays by some \$138 million (0.3 percent of GDP) over the course of 2020. Key clusters of measures already underway include i) social distancing, isolation of Kinshasa from the rest of the country, and suspension of international flights, ii) increased spending for medical preparedness, and iii) procurement of essential food and provision of free clean water and electricity for the urban poor who will lose their livelihood owing to confinement orders.

- We have curtailed non-essential spending and re-directed resources to outlays related to COVID-19. With revenue performance already weak, these efforts would not be sufficient. We hope that donor support will help meet the majority of the fiscal financing gap.
- To support economic activity, the central bank (BCC) announced temporary measures to provide additional liquidity support beyond existing central bank facilities, easing of loan repayment conditions, and reduction of charges related to the use of electronic transactions. We will continue to allow the exchange rate to adjust in an orderly way to market conditions.

Against this backdrop, and given the large balance of payments need created by the impact of the COVID-19, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during and after the current global pandemic. We are actively seeking additional support from the IMF under the RCF on the order of SDR 266.5 million (25 percent of quota) to address the urgent balance of payments needs from the pandemic. The World Bank has committed to provide financial support for the COVID-19 response plan and to mobilize a DPO on an emergency basis to help cover the fiscal gap. We are confident that strong IMF support for our country will help catalyze support from additional development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Jose Sélé Yalaghuli
Minister of Finance

/s/

Deogratias Mutombo Mwana Nyembo
Governor of the Central Bank of Congo

Annex 8.A. The Gambia: Staff Appraisal—CCRT Request

The Gambia has requested support under the Catastrophe Containment window of the CCRT to address exceptional balance-of-payments needs stemming from the impact of COVID-19.

Economic impact. The Gambian economic is being severely affected by COVID-19. The government has declared a state of emergency, entailing the closure of non-essential public and private activities. The pandemic has halted tourism (the mainstay of the local economy), disrupted trade, and caused a decline in remittances and private capital inflows. The growth outlook for 2020 has been revised from 6.3 to 2.5 percent and the 2020 BOP outlook has weakened by at least US\$40 million (2 percent of GDP). The immediate gross fiscal impact is estimated at about 3.5 percent of GDP, reflecting domestic revenue shortfalls of about 1.0 percent of GDP, 1.5 percent of GDP in emergency spending on health, logistics, security and support to the most needy, with a delay in public investment accounting for the remainder.

Macroeconomic policies. The authorities are taking mitigating revenue measures, reallocating budgetary resources from non-essential spending, and locking in savings on energy subsidies, travel, and vehicular expenses. The combined effect of these measures is to reduce the immediate financing needs to about 1.7 percent of GDP. Supportive steps are also being taken using monetary and financial sector policies. The CBG reduced its policy rate by 50 basis points in February 2020 to 12 percent and increased the standing deposit facility rate by the same margin to 3 percent. The CBG has also stepped up monitoring of banks' liquidity and financial health and is determined to rely on the flexibility of the exchange rate as a shock absorber.

IMF program status. The Gambia's request for a 39-month ECF arrangement in the amount of SDR 35.0 million (56.3 percent of quota) was approved on March 23, 2020. All end-March indicative program targets were likely met. In view of urgent BOP needs, the authorities have also requested disbursement under the RCF in the amount of SDR 15.55 million (25 percent of quota). To accommodate the worsened BOP outlook, the authorities requested to alter the end-June and end-December performance criteria for net usable international reserves of the CBG by US\$27 million and for net domestic assets of the CBG by the same amount in dalasi.

Staff appraisal. Staff supports The Gambia's request for debt relief under the CCRT. The Gambia meets the income threshold with GNI per capita of US\$700, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster. Staff also recommends that the funds freed by this debt relief be available to supplement the budget.

Upcoming debt service. The Gambia's debt service to the IMF falling due in the initial period of debt service relief from April 14, 2020 to October 13, 2020 amounts to SDR 2.10 million. The debt service to the IMF falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 7.93 million.

Table 1. The Gambia: Selected Economic Indicators, 2018–22

	2018	2019	2020		2021		2022
	Act	Prel.	EBS/20/13	Proj.	EBS/20/13	Proj.	Proj.
(Percent change; unless otherwise indicated)							
National account and prices							
GDP at constant prices	6.5	6.0	6.3	2.5	5.8	6.5	6.9
GDP deflator	5.2	6.4	6.3	6.2	5.5	5.9	4.4
Consumer prices (average)	6.5	7.1	6.7	6.7	6.0	6.0	5.5
Consumer prices (end of period)	6.4	7.7	6.2	6.2	5.8	5.8	5.2
External sector							
Exports, f.o.b (US\$ values)	-0.9	24.6	6.0	-11.3	7.9	29.1	8.2
Imports, f.o.b (US\$ values)	11.9	14.4	13.6	-0.1	8.3	20.5	6.7
Terms of trade (deterioration = -)	-1.7	-4.1	-3.3	-3.4	-2.9	-3.2	-0.1
Real effective exchange rate (depreciation = -)	-1.5	4.5	...	...	...	...	...
(Contributions to broad money growth; percent)							
Money and credit							
Broad money	20.0	27.1	15.5	12.8	11.5	12.5	...
Net foreign assets	14.0	18.9	9.2	5.4	9.2	8.7	...
Net domestic assets	6.0	8.2	6.3	7.4	2.3	3.9	...
<i>Of which:</i>							
Credit to central government (net)	7.1	3.9	1.2	3.7	0.0	0.0	...
Credit to the private sector (net)	5.0	6.0	3.4	1.5	2.3	3.9	...
Velocity (GDP/broad money)	2.3	2.1	2.0	2.0	2.0	2.0	...
(Percent of GDP; unless otherwise indicated)							
Central government finances							
Domestic revenue (taxes and other revenues)	12.1	14.4	13.7	13.1	14.0	13.8	14.1
Grants	3.3	7.8	9.3	9.3	8.5	8.2	7.6
Total expenditures and net acquisition of financial assets	21.7	24.4	24.4	24.8	24.2	23.9	23.2
<i>Of which:</i> Interest (percent of government revenue)	26.1	22.3	19.9	22.4	18.1	18.7	15.7
Net lending (+)/borrowing (-)	-6.2	-2.6	-1.7	-2.6	-1.8	-1.8	-1.4
Net incurrence of liabilities	5.6	3.2	2.0	2.6	1.8	1.6	1.4
Foreign	2.6	2.7	2.0	1.6	1.8	1.6	1.4
Domestic	3.0	0.5	0.0	1.1	0.0	0.0	0.0
Primary balance	-3.0	0.6	1.0	0.3	0.8	0.8	0.8
Public debt							
Domestic public debt	86.6	82.5	76.8	80.3	71.7	74.1	68.9
External public debt	39.2	36.6	32.9	34.1	29.5	30.3	27.1
External public debt (millions of US\$)	47.4	45.9	43.9	46.2	42.3	43.8	41.8
External public debt (millions of US\$)	756.6	796.3	836.0	847.4	876.7	883.4	920.3
External current account balance							
Excluding budget support	-10.7	-8.5	-11.9	-13.6	-12.4	-12.6	-11.7
Including budget support	-9.7	-5.4	-8.7	-9.8	-9.9	-10.0	-9.4
Gross official reserves (millions of US\$)	157.0	225.0	268.0	258.0	313.4	303.4	339.4
(months of next year's imports of goods and services)	2.7	3.8	3.7	3.7	4.1	4.1	4.3
Savings and investment							
Gross investment	17.9	20.8	20.5	17.1	20.0	18.5	18.2
<i>Of which:</i> Central government	7.6	9.8	10.3	9.1	10.2	9.7	9.3
Gross savings	8.1	15.4	11.8	7.3	10.1	8.4	8.8
Memorandum items:							
Nominal GDP (billions of dalasi)	78.6	88.7	100.2	96.5	111.9	108.8	121.5
GDP per capita (US\$)	712.5	750.9	795.8	766.7	840.0	817.1	867.4
Use of Fund resources (millions of SDRs)							
Disbursements	0	0	10.0	25.6	10.0	10.0	10.0
<i>Of which:</i> 2020 RCF	...	...	...	15.6	...	...	...
Repayments	-5.5	-4.3	-3.6	-3.6	-4.0	-4.0	-2.8
CCRT debt relief ¹	0	0	...	3.2	...	4.0	0.8

Sources: The Gambian authorities; and IMF staff estimates and projections.

¹The grant for debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 2. The Gambia: Balance of Payments, 2018–22
(Millions of U.S. dollars)

	2018	2019	2020		2021		2022
	Act.	Prel.	EBS/20/13	Proj.	EBS/20/13	Proj.	Proj.
1. Current account							
A. Goods and services	-307.2	-335.3	-399.4	-384.4	-426.0	-409.5	-425.8
Goods (net)	-405.0	-451.8	-524.4	-467.2	-568.8	-552.1	-586.3
Exports, f.o.b.	115.0	143.3	152.6	127.1	164.7	164.0	177.5
Imports, f.o.b.	-520.0	-595.1	-677.0	-594.2	-733.5	-716.0	-763.7
Services (net)	97.8	116.4	125.0	82.8	142.8	142.5	160.5
Services exports	198.6	226.7	251.6	193.3	271.8	270.3	293.2
<i>Of which: Travel income</i>	153.8	181.3	203.4	146.8	219.6	219.7	238.5
Services imports	-100.8	-110.2	-126.5	-110.6	-129.0	-127.8	-132.8
B. Income (net)	-29.1	-30.0	-31.0	-30.7	-32.0	-31.7	-31.9
Income credits	2.3	2.3	2.4	2.4	2.5	2.5	2.5
Income debits	-31.4	-32.4	-33.4	-33.1	-34.5	-34.1	-34.4
C. Current transfers	178.1	270.8	262.5	234.1	251.7	236.6	247.8
Official transfers	15.0	55.8	62.1	72.0	52.4	52.3	49.6
<i>Of which: COVID-19 assistance</i>	...	...	...	10.0	...	...	...
Remittances	150.8	202.7	188.1	149.8	186.7	171.8	185.3
Other transfers	12.3	12.3	12.3	12.3	12.6	12.6	12.9
Current account (excl. official transfers)	-173.3	-150.4	-230.1	-253.1	-258.7	-256.8	-259.5
Current account (incl. official transfers)	-158.3	-94.6	-167.9	-181.1	-206.3	-204.6	-209.9
2. Capital and financial account							
A. Capital account	38.0	73.5	116.0	101.0	126.0	115.0	120.0
B. Financial account	134.6	110.1	86.1	78.4	117.3	121.1	114.8
Foreign direct investment	90.8	93.3	97.8	64.7	103.9	84.0	88.9
Portfolio investment	4.1	4.0	4.0	3.9	4.0	3.9	4.2
Other investment	39.7	12.8	-15.7	9.8	9.4	33.2	21.7
Capital and financial account	172.6	183.6	202.1	179.4	243.3	236.1	234.8
Errors and omissions	6.6	-14.6	0.0	0.0	0.0	0.0	0.0
Overall balance	20.9	74.3	34.2	-1.7	37.0	31.5	24.9
Financing							
Net international reserves (increase -)	-20.9	-74.3	-34.2	-2.7	-37.0	-37.0	-26.0
Change in gross international reserves	-13.0	-68.0	-43.0	-33.0	-45.4	-45.4	-36.0
Use of IMF resources (net)	-7.8	-6.3	8.8	30.3	8.4	8.4	10.0
Disbursements	0.0	0.0	13.8	35.3	13.9	13.9	13.9
<i>Of which: 2020 RCF</i>	...	...	...	21.4	...	...	...
Repayments	-7.8	-6.3	-5.0	-5.0	-5.5	-5.5	-3.9
Exceptional financing (CCRT debt relief) ¹	...	...	...	4.4	...	5.5	1.1
Memorandum items:							
Exports of goods and services	313.6	370.0	404.1	320.4	436.5	434.3	470.7
Imports of goods and services	-620.8	-705.3	-803.5	-704.8	-862.4	-843.8	-896.5
GMD per U.S. dollar, period average	48.4	50.3	...	...	...	...	...
Gross international reserves							
<i>US\$ millions</i>	157.0	225.0	268.0	258.0	313.4	303.4	339.4
<i>Months of current year's imports of goods and services</i>	3.0	3.8	4.0	4.4	4.4	4.3	4.5
<i>Months of next year's imports of goods and services</i>	2.7	3.8	3.7	3.7	4.1	4.1	4.3
Net usable international reserves							
<i>US\$ millions</i>	125.5	188.7	220.3	188.3	259.7	222.7	247.4
<i>Months of current year's imports of goods and services</i>	2.4	3.2	3.3	3.2	3.6	3.2	3.3
<i>Months of next year's imports of goods and services</i>	2.1	3.2	3.1	2.7	3.4	3.0	3.1

Sources: The Gambian authorities; and IMF staff estimates and projections.

¹ The grant for debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 3. The Gambia: Debt service due to the IMF over the 24 months from April 14, 2020
(In SDRs)

Loan type	Due date	Amount in SDRs	Cumulative Amount	Amount in Percent of Quota	Cumulative Amount in Percent of Quota
ECF	5/29/2020	155,500	155,500	0.25	0.25
ECF	6/4/2020	933,000	1,088,500	1.50	1.75
ECF	7/17/2020	233,250	1,321,750	0.38	2.13
RCF	10/13/2020	777,500	2,099,250	1.25	3.38
ECF	11/30/2020	155,500	2,254,750	0.25	3.63
ECF	12/4/2020	933,000	3,187,750	1.50	5.13
ECF	1/18/2021	233,250	3,421,000	0.38	5.50
RCF	4/13/2021	777,500	4,198,500	1.25	6.75
ECF	5/28/2021	155,500	4,354,000	0.25	7.00
ECF	6/4/2021	933,000	5,287,000	1.50	8.50
RCF	10/13/2021	777,500	6,064,500	1.25	9.75
ECF	11/30/2021	155,500	6,220,000	0.25	10.00
ECF	12/3/2021	933,000	7,153,000	1.50	11.50
RCF	4/13/2022	777,500	7,930,500	1.25	12.75

Sources: IMF staff estimates and projections.

Annex 8.B. Letter of Intent—CCRT Request

The Gambia

Banjul, The Gambia

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

1. The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.
2. The Gambia is experiencing an exceptional balance of payments need arising from the COVID-19 pandemic. The pandemic has also created significant spending needs including in the health sector and adversely affected the economic activities.
 - As of April 3, there were 4 confirmed cases of COVID-19 in The Gambia, including one fatality. Two patients recovered after receiving medical treatment. More than 245 people (mostly those who recently arrived from countries with more than 100 confirmed cases) were quarantined. Over 200 of them have already been discharged after being tested negative and having completed the 14 days quarantine without developing the symptoms. Nevertheless, the risk of COVID-19 spreading rapidly is elevated, due to the high density of population (especially in the greater Banjul area) and the fragility of the health system.
 - We currently anticipate that: i) real output growth in 2020 will decline to 2.5 percent, compared with pre-crisis projections of 6.3 percent; ii) the impact on the budget of rising health and related outlays, a fall-off in tax revenues, and delayed (mostly, foreign-financed) public investment would be in the order of 3.5 percent of GDP; and iii) the urgent balance-of-payments need resulting from the crisis is projected to be about US\$40 million (2 percent of GDP and about 18 percent of our end-2019 official external reserves).
3. We have taken several measures to avoid the spread of the COVID-19 and mitigate its economic impacts.
 - We have increased spending on health sector by GMD 0.5 billion (0.5 percent of GDP) as per the Ministry of Health COVID-19 action plan prepared with the development partners; and spending on security and logistics to enforce containment measures and on support to the neediest, which are estimated at about 1 percent of GDP. The above-mentioned outlays are intended to address only the immediate pressures. We are working with development partners to assess and cost further steps needed to arrest the spread of COVID-19 to The Gambia and mitigate its impact.

- We are taking mitigating revenue measures by gradually adjusting domestic fuel prices, reallocating budgetary resources from non-essential spending, and locking in savings on energy subsidies, travel, and vehicle expenses. The combined effect of these measures allows to reduce the immediate financing needs to about 1.7 percent of GDP. Supportive steps are also being taken using monetary and financial sector policies. The CBG reduced its policy rate by 50 basis points in February 2020 to 12 percent and increased the standing deposit facility rate by the same margin to 3 percent. The CBG has also stepped up monitoring banks' liquidity and financial health and is determined to rely on the flexibility of the exchange rate as a shock absorber.

4. Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. We intend to transfer the funds freed by this debt relief to the budget to help cover COVID-19-related fiscal needs. This will prevent deeper reallocation of spending and help protect the social programs we planned to expand in the 2020 budget. The CCRT relief will help contain the exceptional balance-of-payments need resulting from the pandemic.

5. We are working closely with IMF staff in seeking to maintain, under the recently approved ECF, broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We have requested additional support from the IMF by accessing the emergency financing facilities under the Rapid Credit Facility (RCF), in an amount of SDR15.55 million (25 percent of The Gambia's quota), to mitigate the adverse impact of the COVID-19 pandemic on The Gambian economy. We are seeking additional grant support from other partners to supplement the resources available for this purpose and safeguard the hard-won debt sustainability. We expect that strong IMF support for our country will help catalyze wider support from other development partners.

6. In line with our commitment to transparency in government operations, we authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Mambury Njie
Minister of Finance and Economic Affairs

/s/

Bakary Jammeh
Governor, Central Bank of The Gambia

Annex 9.A. Guinea: Staff Appraisal—CCRT Request

Guinea faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 is having a severe economic impact on Guinea. A local outbreak, the slowdown in China (Guinea’s main trading partner) and deteriorating global conditions are hindering Guinea’s growth perspectives, exports and tax revenues. A local outbreak has started to hit commerce, services, and transport activities, owing to closure of borders, social distancing and reduction in labor supply. China’s slowdown is weakening the demand for Guinea’s bauxite and foreign direct investments in the mining sector are expected to be delayed. The recent decline in international oil prices is supporting Guinea’s external position. Since the completion of the fourth review under the ECF arrangement, a further deterioration in global conditions and local outbreak have deteriorated Guinea’s outlook. Economic growth in 2020 is expected to decelerate to 2.9 percent, compared to 5.8 percent expected before the pandemic. Tax revenues are projected to be 0.7 percent of GDP lower-than-anticipated and health-related spending to increase by 0.3 percent of GDP in 2020. Balance of payments financing needs are currently estimated at about US\$100 million in 2020 (0.7 percent of GDP). These macroeconomic projections are subject to large uncertainty.

Macroeconomic policies. The authorities have finalized a National Emergency Preparedness and Response Plan for a COVID-19 outbreak. Key measures focus on reinforcing capacity for COVID-19 detection; increasing the number of quarantine centers; expanding treatment facilities and acquiring medical equipment; and conducting a communication campaign. The implementation cost of the COVID-19 Emergency Plan is estimated at US\$47 million. The World Bank is expected to provide US\$13 million through an ongoing regional health project. Discussions are ongoing with other multilateral and bilateral partners to mobilize additional financing. The authorities are also considering re-allocating non-priority budgeted spending towards health-related expenditures to support the implementation of the Emergency Plan.

IMF-supported program status. A three-year ECF arrangement was approved by the IMF Executive Board on December 11, 2017 for SDR 120.488 million (56.25 percent of quota). The fourth review under the ECF arrangement was approved on April 1, 2020. The fifth review is scheduled in June 2020. The authorities are considering requesting a disbursement under the Rapid Credit Facility.

Staff appraisal. Staff supports Guinea’s request for debt relief under the CCRT. Guinea meets the income threshold with GNI per capita of US\$830, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Guinea has eligible debt service of SDR 16.4 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. Its eligible debt service falling due in the 12 months from April 14, 2020 amounts to SDR 32.7 million; and to SDR 69.2 million in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board). Staff supports the authorities’ request

for debt service relief for amounts falling due to the Fund from April 14, 2020 up to April 13, 2022, amounting to SDR 69.2 million.

Table 1. Guinea: Key Economic and Financial Indicators, 2017–25

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Act.	Act.	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Annual percentage change, unless otherwise indicated									
National accounts and prices									
GDP at constant prices	10.3	6.2	5.6	2.9	7.6	5.5	5.1	5.0	5.0
Mining	55.5	8.7	8.0	-3.0	20.6	8.0	5.9	5.2	5.0
Non-mining	4.1	5.7	5.1	4.2	5.0	5.0	4.9	4.9	4.9
GDP deflator	10.4	10.0	9.3	7.9	8.3	8.0	7.8	7.8	7.8
GDP at market prices	21.9	16.8	15.4	11.1	16.6	14.0	13.3	13.2	13.1
Consumer prices (average)									
Average	8.9	9.8	9.5	8.5	8.0	7.9	7.8	7.8	7.8
End of period	9.5	9.9	9.1	8.1	8.0	7.9	7.8	7.8	7.8
External sector									
Exports, f.o.b. (US\$ terms)	68.7	-4.3	3.1	1.0	20.9	8.8	14.4	8.6	3.7
Imports, f.o.b. (US\$ terms)	-6.6	18.5	-5.5	21.0	1.0	4.4	5.7	4.9	4.7
Average effective exchange rate (depreciation -)									
Nominal index	-1.4	0.2	2.5	...	...	...	...	...	...
Real index	4.9	7.2	9.5	...	...	...	...	...	...
Terms of trade	-6.9	-0.3	-9.7	25.0	1.1	2.5	3.9	5.2	0.1
Money and credit									
Net foreign assets ¹	9.6	8.3	12.1	-2.1	6.9	6.4	4.7	4.2	3.8
Net domestic assets ¹	6.2	1.9	10.8	8.8	-2.9	0.2	0.9	1.2	1.1
Net claims on government ¹	5.0	10.0	6.1	1.6	0.4	0.4	0.5	0.4	0.6
Net claims on government ¹ , excl. recapitalization	5.0	-4.2	3.9	0.7	-0.5	-0.5	-0.4	-0.5	-0.3
Credit to non-government sector ¹	0.9	6.2	9.9	1.2	1.1	2.0	1.7	1.7	1.5
Reserve money	10.3	6.3	16.8	1.3	7.4	10.5	8.1	6.6	5.6
Broad money (M2)	15.8	10.2	23.0	18.1	10.0	6.0	6.6	6.1	5.6
Interest rate (short-term T-bill)	...	...	...	...	...	...	...	...	...
Percent of GDP, unless otherwise indicated									
Central government finances									
Total revenue and grants	15.3	14.5	14.1	14.7	15.7	16.0	16.7	17.3	17.4
Revenue	13.7	13.1	13.7	13.5	14.6	15.1	15.7	16.3	16.4
<i>Of which: Non-mining revenue</i>	11.4	10.6	11.8	12.1	12.5	12.9	13.3	13.8	13.9
Grants	1.5	1.4	0.5	1.2	1.1	0.9	1.0	1.0	1.0
Total expenditure and net lending	17.3	15.6	14.6	18.9	19.8	19.5	19.4	19.5	19.6
Current expenditure	11.5	10.6	10.9	11.9	11.4	11.4	11.3	11.4	11.4
<i>Of which: Interest payments</i>	0.9	0.8	0.5	0.7	0.9	1.0	1.0	1.0	1.0
Capital expenditure and net lending	5.7	4.9	3.6	6.9	8.3	8.0	8.0	8.0	8.1
Overall budget balance									
Including grants	-2.1	-1.1	-0.5	-4.3	-4.1	-3.5	-2.7	-2.2	-2.2
Excluding grants	-3.6	-2.5	-0.9	-5.5	-5.2	-4.4	-3.7	-3.2	-3.2
Basic fiscal balance	-1.1	0.8	0.6	-0.5	0.9	0.9	0.9	0.8	0.7
Current account balance									
Including official transfers	-6.7	-18.7	-13.7	-22.9	-16.1	-13.9	-11.0	-10.2	-10.0
Excluding official transfers	-7.2	-19.1	-13.9	-23.4	-16.6	-14.2	-11.5	-10.6	-10.4
Overall balance of payments	0.7	1.7	2.2	-1.6	0.9	1.2	1.3	1.1	0.7
<i>Memorandum items:</i>									
Exports, goods and services (US\$ millions)	4,125.0	4,001.7	4,214.7	4,141.3	4,993.5	5,426.6	6,198.0	6,723.5	6,969.3
Imports, goods and services (US\$ millions)	4,894.2	5,695.8	5,432.1	6,584.5	6,619.9	6,864.4	7,257.1	7,614.3	8,023.6
Overall balance of payments (US\$ millions)	72.0	210.7	303.4	-231.4	141.8	210.3	227.8	211.0	138.3
Net foreign assets of the central bank (US\$ millions)	322.1	547.0	868.5	796.9	1,047.5	1,250.7	1,426.1	1,585.8	1,733.9
Gross available reserves (months of imports) ²	2.5	3.2	5.1	3.8	3.9	4.0	4.0	4.1	4.1
External public debt, incl. IMF (percent of GDP)	19.3	18.9	19.5	29.7	33.3	34.6	35.0	34.7	34.8
Total public debt, incl. IMF (percent of GDP)	39.5	37.4	34.2	45.8	45.8	45.5	44.5	43.1	42.4
Nominal GDP (GNF billions)	93,942	109,761	126,707	140,717	164,048	186,955	211,877	239,777	271,289

Sources: Guinean authorities; and Fund staff estimates and projections.

¹ In percent of the broad money stock at the beginning of the period.

² In months of the following year's imports excluding imports for large foreign-financed mining projects.

Table 2. Guinea: Balance of Payments, 2017–25
(Millions of U.S. Dollars, unless otherwise indicated)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Act.	Act.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Exports, f.o.b.	4,073	3,898	4,019	4,059	4,907	5,338	6,106	6,629	6,873
Mining products	3,644	3,482	3,556	3,498	4,138	4,354	4,915	5,315	5,461
Other	429	416	463	561	769	984	1,191	1,314	1,412
Imports, f.o.b.	-4,138	-4,903	-4,631	-5,605	-5,660	-5,907	-6,245	-6,552	-6,861
Food products	-425	-449	-498	-522	-609	-654	-700	-749	-801
Other consumption goods	-386	-440	-547	-579	-686	-731	-758	-875	-936
Petroleum products	-548	-792	-820	-521	-781	-910	-1,027	-1,103	-1,184
Intermediate and capital goods	-2,778	-3,222	-2,766	-3,984	-3,584	-3,611	-3,760	-3,826	-3,940
Services trade balance	-704	-689	-605	-898	-873	-869	-920	-968	-1,066
Services exports	52	104	196	82	86	89	92	94	96
Services imports	-756	-793	-801	-980	-960	-957	-1,012	-1,062	-1,162
Income balance	-51	-686	-771	-904	-989	-986	-1,037	-1,184	-1,124
Of which: Interest on public debt	-21	-36	-20	-11	-34	-50	-57	-65	-70
Transfers	125	98	98	35	72	77	97	104	110
Of which:									
Net private transfers	75	48	74	-34	-1	15	16	21	22
Official transfers	49	50	24	68	73	62	81	83	88
Current account									
Including official transfers	-695	-2,282	-1,890	-3,312	-2,543	-2,347	-1,999	-1,971	-2,069
Excluding official transfers	-744	-2,332	-1,914	-3,381	-2,616	-2,409	-2,080	-2,054	-2,157
Capital account	146	140	64	159	175	141	126	133	142
Public transfers	143	118	41	110	102	93	99	106	114
Financial account	1,472	1,913	2,129	2,922	2,510	2,416	2,101	2,049	2,065
Public (medium and long-term)	86	243	235	1,487	1,009	670	567	483	504
Project-related loans	132	250	153	1,531	1,076	759	678	605	632
Program financing	0	60	152	40	40	37	18	12	12
Public (short-term)	0	0	0	0	0	0	0	0	0
Amortization due	-46	-67	-70	-84	-107	-127	-130	-135	-140
Direct and other private investment (net)	1,306	1,574	1,786	1,354	1,417	1,652	1,464	1,500	1,500
Private short-term	80	96	109	81	84	94	70	66	61
Errors and omissions	-851	440	0	0	0	0	0	0	0
Overall balance	72	211	303	-231	142	210	228	211	138
Financing	-72	-211	-303	153	-142	-210	-228	-211	-138
Use of Fund resources (net)	24	49	24	32	-48	-53	-48	-53	-41
Of which:									
Disbursements	24	49	24	71	0	0	0	0	0
Change in gross official reserves (- = increase)	-102	-259	-327	96	-142	-180	-180	-158	-98
Of which: SDR Allocation									
Change in arrears (- = reduction)	0	0	-1	0	0	0	0	0	0
Financing gap	-6	0	0	-103	-48	-23	0	0	0
Debt relief	6	0	0	25	48	23	0	0	0
Of which:									
CCRT grants	0	0	0	23	0	0	0	0	0
Prospective CCRT grants				3	48	23	0	0	0
Residual financing gap	0	0	0	78	0	0	0	0	0
<i>Memorandum items:</i>									
Current account balance (percent of GDP)									
Including official transfers	-6.7	-18.7	-13.7	-22.9	-16.1	-13.9	-11.0	-10.2	-10.0
Excluding official transfers	-7.2	-19.1	-13.9	-23.4	-16.6	-14.2	-11.5	-10.6	-10.4
Overall balance (percent of GDP)	0.7	1.7	2.2	-1.6	0.9	1.2	1.3	1.1	0.7
Exports-GDP ratio (percent)	39.9	32.9	30.5	28.7	31.7	32.1	34.2	34.7	33.6
Imports-GDP ratio (percent)	-47.3	-46.8	-39.4	-45.6	-42.0	-40.6	-40.1	-39.3	-38.7
FDI-GDP ratio (percent)	12.6	12.9	12.9	9.4	9.0	9.8	8.1	7.7	7.2
Gross available reserves (US\$ millions)	686	945	1,272	1,176	1,317	1,497	1,677	1,836	1,933
Gross available reserves (months of imports)	2.5	3.2	5.1	3.8	3.9	4.0	4.0	4.1	4.1
Nominal GDP (US\$ millions)	10,337	12,181	13,797	14,442	15,763	16,921	18,109	19,367	20,715
National currency per US dollar (avg.)	9,088	9,011	9,184	...	...	...	...	...	...

Sources: Guinean authorities; and IMF staff estimates and projections.

Table 3. Guinea: Debt Service due to the IMF, April 14, 2020 - April 13, 2022

Concept	Original disbursement date	Due date	Amount		Cumulative amount	
			SDR	% of quota ¹	SDR	% of quota ¹
PRGT principal repayment (ECF)	May 30, 2013	May 29, 2020	1,836,000	0.9%	1,836,000	0.9%
PRGT principal repayment (ECF)	August 11, 2014	August 11, 2020	1,836,000	0.9%	3,672,000	1.7%
PRGT principal repayment (ECF)	February 18, 2015	August 18, 2020	4,513,500	2.1%	8,185,500	3.8%
PRGT principal repayment (ECF)	February 26, 2014	August 26, 2020	1,836,000	0.9%	10,021,500	4.7%
PRGT principal repayment (ECF)	March 5, 2012	September 4, 2020	1,836,000	0.9%	11,857,500	5.5%
PRGT principal repayment (RCF)	October 2, 2014	October 1, 2020	2,677,500	1.3%	14,535,000	6.8%
PRGT principal repayment (ECF)	October 5, 2012	October 5, 2020	1,836,000	0.9%	16,371,000	7.6%
PRGT principal repayment (ECF)	May 30, 2013	November 30, 2020	1,836,000	0.9%	18,207,000	8.5%
PRGT principal repayment (ECF)	August 11, 2014	February 11, 2021	1,836,000	0.9%	20,043,000	9.4%
PRGT principal repayment (ECF)	February 18, 2015	February 18, 2021	4,513,500	2.1%	24,556,500	11.5%
PRGT principal repayment (ECF)	February 26, 2014	February 26, 2021	1,836,000	0.9%	26,392,500	12.3%
PRGT principal repayment (ECF)	March 5, 2012	March 5, 2021	1,836,000	0.9%	28,228,500	13.2%
PRGT principal repayment (RCF)	October 2, 2014	April 2, 2021	2,677,500	1.3%	30,906,000	14.4%
PRGT principal repayment (ECF)	October 5, 2012	April 5, 2021	1,836,000	0.9%	32,742,000	15.3%
PRGT principal repayment (ECF)	May 30, 2013	May 28, 2021	1,836,000	0.9%	34,578,000	16.1%
PRGT principal repayment (ECF)	August 11, 2014	August 11, 2021	1,836,000	0.9%	36,414,000	17.0%
PRGT principal repayment (ECF)	February 18, 2015	August 18, 2021	4,513,500	2.1%	40,927,500	19.1%
PRGT principal repayment (ECF)	February 26, 2014	August 26, 2021	1,836,000	0.9%	42,763,500	20.0%
PRGT principal repayment (ECF)	March 5, 2012	September 3, 2021	1,836,000	0.9%	44,599,500	20.8%
PRGT principal repayment (ECF)	March 22, 2016	September 22, 2021	1,836,000	0.9%	46,435,500	21.7%
PRGT principal repayment (RCF)	October 2, 2014	October 1, 2021	2,677,500	1.3%	49,113,000	22.9%
PRGT principal repayment (ECF)	October 5, 2012	October 5, 2021	1,836,000	0.9%	50,949,000	23.8%
PRGT principal repayment (ECF)	May 30, 2013	November 30, 2021	1,836,000	0.9%	52,785,000	24.6%
PRGT principal repayment (ECF)	August 11, 2014	February 11, 2022	1,836,000	0.9%	54,621,000	25.5%
PRGT principal repayment (ECF)	February 18, 2015	February 18, 2022	4,513,500	2.1%	59,134,500	27.6%
PRGT principal repayment (ECF)	February 26, 2014	February 25, 2022	1,836,000	0.9%	60,970,500	28.5%
PRGT principal repayment (ECF)	March 5, 2012	March 4, 2022	1,836,000	0.9%	62,806,500	29.3%
PRGT principal repayment (ECF)	March 22, 2016	March 22, 2022	1,836,000	0.9%	64,642,500	30.2%
PRGT principal repayment (RCF)	October 2, 2014	April 1, 2022	2,677,500	1.3%	67,320,000	31.4%
PRGT principal repayment (ECF)	October 5, 2012	April 5, 2022	1,836,000	0.9%	69,156,000	32.3%

Source: IMF Finance Department.

1\ Guinea's IMF quota is SDR 214.2 million.

Annex 9.B. Letter of Intent—CCRT Request

Guinea

Conakry, Guinea
April 5, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

Guinea is experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- The Covid-19 pandemic is starting to have a severe economic impact on our country. A local outbreak, the slowdown in our main trading partners and deteriorating global conditions due to the pandemics are hindering Guinea's growth, exports and tax revenues. So far, more than 100 Covid-19 cases have been confirmed, which will likely worsen. The containment measures we have implemented to reduce the spread of the contagion, notably the closure of borders, the banning of large gatherings and public events, and social distancing, have started to hit commerce, services, and transport activities. Furthermore, the slowdown in China, Guinea's main trading partner, is weakening the demand for Guinea's bauxite and foreign direct investments in the mining sector are expected to be delayed.
- Since the completion of the fourth review under the ECF arrangement, a further deterioration in global conditions and local outbreak have deteriorated Guinea's outlook. We currently anticipate that: i) real output growth in 2020 could decelerate to 2.9 percent, compared with pre-crisis projections of 5.8 percent; ii) the impact on the budget stemming from scaling-up health-related spending and on the lower tax revenues will be about 1 percent of GDP, leading to a basic fiscal deficit of about 0.5 percent of GDP, against an anticipated basic fiscal surplus of 0.6 percent of GDP before the pandemic; and iii) the balance of payments financing need resulting from the pandemic is currently estimated to be US\$103 million (about 0.7 percent of GDP or about 8 percent of end-2019 international reserves).

Our response to the crisis has several dimensions:

- Building on our experience in managing the Ebola crisis, which severely impacted Guinea in 2014-15, we prepared a National Emergency Preparedness and Response Plan to a COVID-19 outbreak in March 2020, with the technical support of the World Health Organization (WHO), the

World Bank, and other development partners. In line with our COVID-19 Emergency Plan, we will scale-up health-related spending by an additional 0.3 percent of GDP in 2020. This will support reinforcing capacity for COVID-19 detection; expanding treatment facilities and acquiring medical equipment; and conducting a communication campaign for prevention. We have started discussions with donors to mobilize needed financing for the implementation of our plan. We are also seeking to re-allocate non-priority budgeted spending towards health-related expenditures.

- Despite larger short-term budgetary financing needs, we will continue limiting central bank's lending to the government in order to contain inflation. We will ensure to provide liquidity as needed to the banking sector. We will also allow the exchange rate to adjust, while avoiding large volatility, to support our balance of payments and preserve our international reserves.

Against this backdrop, and given the balance of payments financing need created by the impact of the COVID-19 pandemic, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from 14 April, 2020 to 13 April, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. If needed, we will seek additional financial support from the IMF. We are confident that strong IMF support for our country will continue to help us catalyze wider support from other development partners. We will continue strong macroeconomic policies in the post-pandemic recovery period.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Please accept, Madam Managing Director, the assurance of our highest consideration.

/s/

Mamadi Camara
Minister of Economy and Finance

/s/

Louency Nabé
Governor of the Central Bank of Guinea

Annex 10.A. Guinea-Bissau: Staff Appraisal—CCRT Request

Guinea-Bissau faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Guinea-Bissau. In 2020, staff expects real output to contract 1.5 percent, compared to a pre-crisis projection of an increase of 4.9 percent, as a result of channels including a decline in the international demand of cashew nuts (that represent 90 percent of exports), as well as the impact on domestic activities of containment measures that include a nationwide lockdown and border closures.

Public finances are under substantial pressures. The planned increase in health expenditures (1.2 percent of GDP) and a decline in domestic revenues (1.1 percent of GDP) are expected to widen the overall fiscal deficit to over 6 percent of GDP in 2020. Before the pandemic, the balance of payments was expected to be in surplus, allowing for a small accumulation of gross official reserves. Currently, a projected current account deficit of 7.4 percent of GDP (compared to 4.5 percent of GDP in the pre-pandemic baseline) and a projected capital and financial account surplus of 6.5 percent of GDP (compared to 6.7 percent in the pre-pandemic baseline), give rise to a balance of payments gap of 3.3 percent of GDP, including needed reserves accumulation to be used in case financing from regional banks does not materialize as projected. The CCRT first tranche of debt service relief will contribute 0.1 percent of GDP to close the balance of payments gap. These macroeconomic projections are highly uncertain at this stage.

Macroeconomic policies. The authorities have developed an action plan to contain the spread of the virus, including shutting down markets and border closures; as well as to strengthen the response capacity of the healthcare system. Some measures are already underway to upgrade the main hospital in Bissau and increase the provision of medicines, equipment and food to hospitals. They are seeking the support of multilateral donors to finance the additional healthcare expenses and are in the process of identifying low priority expenditures that can be reallocated. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. On March 21, 2020, the BCEAO had also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; and (ii) the setting-up a framework with the banking system to support firms with repayment difficulties.

IMF program status. Guinea Bissau's previous Extended Credit Facility (ECF) arrangement expired in July 2019. The authorities have expressed interest in a successor arrangement. Guinea-Bissau has requested support under the RCF. The level of access is under discussion.

Staff appraisal. Staff supports Guinea-Bissau's request for debt relief under the CCRT. Guinea-Bissau meets the income threshold with GNI per capita of US\$750, below the threshold of US\$1,175, and

staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Guinea-Bissau has debt service of SDR 1.079 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 4.445 million.

Table 1. Guinea-Bissau: Selected Economic Indicators, 2016–25

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
				Prel.			Proj.			
(Annual percent change, unless otherwise indicated)										
National accounts and prices										
Real GDP at market prices	5.3	4.8	3.8	4.6	-1.5	3.0	5.0	5.0	5.0	5.0
Real GDP per capita	3.0	2.5	1.6	2.3	-3.6	0.8	2.7	2.8	2.8	2.9
GDP deflator	2.8	10.4	-4.2	-9.3	5.7	2.1	2.1	2.5	2.5	2.0
Consumer price index (annual average)	2.7	-0.2	0.4	0.2	0.8	1.5	2.0	2.0	2.0	2.0
External sector										
Exports, f.o.b. (based on US\$ values)	9.6	22.9	-0.1	-28.4	-21.4	13.6	8.6	6.6	6.7	6.6
Imports, f.o.b. (based on US\$ values)	11.2	26.5	0.7	18.5	-23.6	9.6	5.1	7.8	7.6	6.7
Terms of trade (deterioration = -)	14.0	32.0	-21.4	-31.5	11.7	3.6	1.2	1.7	1.7	0.0
Real effective exchange rate (depreciation = -)	2.0	0.5	2.3	2.4	...	...	...	...	...	...
Exchange rate (CFAF per US\$; average)	592.8	580.9	555.2	585.9	...	...	...	...	...	...
Government finances										
Revenue excluding grants	-0.6	19.1	-3.7	9.2	-4.0	11.0	8.3	8.4	8.6	8.1
Expenditure	3.3	2.1	8.8	12.2	6.4	6.8	1.5	7.4	7.8	7.5
Current expenditure	8.8	-3.5	7.2	20.2	10.3	4.3	-1.4	8.3	8.8	8.4
Capital expenditure	-6.4	13.7	11.5	-1.3	-1.6	12.7	7.5	5.8	5.9	5.8
Money and credit										
Net domestic assets	-1.5	-2.9	2.6	4.3	4.8	3.5	3.8	5.4	5.3	4.6
<i>Of which:</i>										
Credit to government	5.6	-14.1	-3.6	2.0	-0.5	-0.4	-0.5	-0.7	-0.8	-0.6
Credit to the economy	-0.2	15.0	4.4	4.6	-0.2	2.2	4.2	6.2	6.1	5.1
Velocity (GDP/broad money)	2.2	2.4	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.3
(Percent of GDP, unless otherwise indicated)										
Investments and savings										
Gross investment	18.1	18.1	14.6	20.4	19.8	20.7	20.7	20.4	20.1	19.9
Of which: government investment	11.8	12.1	13.6	14.1	13.4	14.3	14.4	14.1	13.9	13.7
Gross domestic savings	11.4	14.3	11.5	4.9	8.6	9.8	10.7	10.4	10.2	10.1
Of which: government savings	2.7	6.1	5.2	4.1	2.5	3.8	4.2	4.1	4.0	3.8
Gross national savings	19.5	18.4	11.1	10.2	12.4	14.2	14.0	13.8	13.6	13.5
Government finances										
Revenue excluding grants	11.4	11.8	11.4	13.1	12.1	12.8	12.9	13.0	13.1	13.2
Domestic primary expenditure	13.4	11.3	12.0	14.8	15.7	15.2	13.7	13.6	13.6	13.7
Domestic primary balance	-1.9	0.5	-0.6	-1.7	-3.6	-2.4	-0.8	-0.6	-0.5	-0.4
Overall balance (commitment basis)										
Including grants	-5.3	-1.3	-4.8	-5.1	-6.2	-6.0	-5.6	-5.5	-5.4	-5.4
Excluding grants	-9.1	-6.3	-8.4	-10.3	-11.9	-11.6	-10.1	-10.0	-9.9	-9.9
External current account										
Excluding official current transfers	1.4	0.3	-3.5	-10.2	-7.4	-6.4	-6.8	-6.6	-6.5	-6.4
Excluding official current transfers	1.2	-0.9	-4.7	-12.4	-9.6	-8.6	-7.9	-7.8	-7.7	-7.5
Stock of public and publicly guaranteed debt										
Of which: external debt	59.2	52.7	61.2	70.6	74.7	77.9	79.3	80.3	81.1	82.4
Of which: external debt	22.7	17.3	21.6	24.1	23.5	23.4	23.2	22.7	22.2	22.0
Memorandum items:										
Nominal GDP at market prices (CFAF billions)	737.8	853.6	848.9	805.2	838.5	882.1	945.3	1017.9	1095.7	1173.5
WAEMU gross official reserves (billions of US\$)	10.5	13.0	14.9	17.5	...	...	...	...	...	...
(percent of broad money)	37.7	38.7	39.7	41.4	...	...	...	...	...	...

Sources: Guinea-Bissau authorities; and IMF staff estimates and projections.

Table 2. Guinea-Bissau: Balance of Payments, 2016–25
(CFAF billions)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
				Prel.	Projections					
Current Account Balance	10.0	2.2	-30.1	-82.0	-62.0	-56.8	-63.9	-67.7	-71.6	-74.9
Goods and services	-33.5	-41.5	-43.7	-137.3	-117.3	-118.1	-118.8	-126.5	-134.4	-141.4
Goods	27.5	28.3	25.7	-61.3	-43.9	-43.1	-40.7	-45.3	-50.0	-53.6
Exports, f.o.b.	164.0	197.5	188.6	142.4	112.4	126.4	136.9	145.6	155.0	165.3
<i>Of which: cashew nuts</i>	159.5	189.0	140.6	135.2	102.7	116.2	125.9	133.7	142.3	151.7
Imports, f.o.b.	-136.5	-169.2	-162.9	-203.8	-156.3	-169.6	-177.6	-190.9	-205.0	-218.9
<i>Of which: food products</i>	-60.2	-72.8	-64.3	-66.8	-65.3	-68.0	-72.7	-77.7	-83.0	-88.9
petroleum products	-28.0	-35.4	-39.4	-48.2	-27.7	-30.0	-33.9	-37.5	-40.9	-43.0
Services	-61.0	-69.8	-69.4	-76.0	-73.4	-75.0	-78.1	-81.2	-84.4	-87.8
Credit	21.2	20.2	26.7	26.2	27.3	28.7	30.8	33.1	35.7	38.2
Debit	-82.2	-90.1	-96.1	-102.2	-100.7	-103.7	-108.9	-114.3	-120.0	-126.0
Incomes	17.6	8.4	-28.4	16.8	16.6	20.6	21.0	22.9	24.6	26.1
Credit	32.7	27.1	30.8	36.0	38.8	40.6	41.4	44.0	46.3	48.5
<i>Of which: EU fishing compensation</i>	4.1	0.0	0.0	7.6	10.2	10.2	10.2	10.2	10.2	10.2
Other license fees	8.1	7.6	4.6	7.6	5.3	5.6	6.6	7.8	9.3	11.0
Debit	-15.0	-18.7	-59.2	-19.2	-22.2	-19.9	-20.4	-21.0	-21.7	-22.4
<i>Of which: government interest</i>	-3.5	-2.2	-2.1	-2.5	-5.4	-2.9	-3.1	-3.3	-3.6	-4.0
Current transfers (net)	25.9	35.4	42.1	38.5	38.7	40.7	33.9	36.0	38.2	40.4
Official	1.4	9.6	10.2	17.9	18.2	18.8	10.7	11.6	12.4	13.2
Private	24.5	25.8	31.9	20.6	20.6	21.9	23.1	24.4	25.8	27.2
<i>Of which: remittances</i>	23.2	24.5	30.2	18.9	18.8	20.1	21.2	22.4	23.6	25.0
Capital account¹	28.9	59.0	21.4	24.2	29.6	30.2	32.4	34.9	37.5	39.8
<i>Of which: official transfers</i>	27.4	33.2	20.1	24.0	29.4	30.0	32.2	34.7	37.3	39.6
Financial account	33.4	36.2	-6.3	-63.8	-25.0	-23.5	-29.7	-34.8	-46.1	-44.7
FDI	-11.2	-8.3	-11.6	-37.3	-8.4	-12.3	-13.2	-14.3	-15.3	-16.4
Other investment	44.5	44.5	5.3	-26.5	-16.7	-11.1	-16.4	-20.6	-30.7	-28.2
Official medium- and long-term disbursements	-20.4	-13.9	-46.3	-19.4	-18.2	-26.1	-28.2	-29.1	-30.0	-31.6
Amortization	3.9	28.2	2.5	4.5	14.0	12.7	12.8	12.8	12.4	13.1
Treasury bills (regional financing)	-10.0	-9.6	-17.9	-18.3	-51.0	-42.3	-40.3	-43.5	-46.9	-48.7
Commercial bank net foreign assets	40.0	0.9	13.3	-28.1	0.4	5.3	-1.6	-2.2	-5.2	-0.7
Other net foreign assets	31.0	38.9	53.9	34.7	38.1	39.3	41.0	41.4	38.9	39.8
Errors and Omissions	-12.9	0.3	-5.6	5.2	4.7	4.2	3.8	3.6	3.4	3.3
Overall balance	-7.4	25.3	-7.9	11.2	-2.6	1.1	1.9	5.6	15.5	12.8
Identified financing	7.4	-25.3	7.9	-11.2	-23.4	-1.0	-1.9	-5.6	-15.5	-12.8
Net IMF credit	3.6	3.7	1.2	-1.2	-1.8	-1.6	-1.9	-3.1	-3.3	-2.8
Purchases	4.2	4.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.6	1.2	1.1	1.2	1.8	1.6	1.9	3.1	3.3	2.8
Grant for debt relief under the IMF CCRT	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
Prospective grant for debt relief under the IMF CCRT	0.0	0.0	0.0	0.0	0.5	0.9	0.1	0.0	0.0	0.0
Other net foreign assets (-increase)	3.7	-29.0	6.7	-10.0	-23.0	-0.3	-0.2	-2.6	-12.1	-10.0
Financing gap	0.0	0.0	0.0	0.0	-26.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:										
Cashew export quantity (thousands of tons)	195	166	149	196	157	172	181	186	192	198
Cashew export prices (US\$ per ton)	1,400	1,950	1,648	1,098	1,114	1,157	1,198	1,239	1,282	1,327
Import volume of goods (annual percentage change)	10.2	7.3	-4.5	18.2	-11.8	8.1	2.8	5.5	5.2	6.4
Oil prices (international, US\$ per barrel)	42.8	52.8	68.3	61.4	35.6	37.9	40.9	43.2	45.0	46.4
Scheduled debt service										
Percent of exports and service credits	1.9	13.9	1.7	2.9	5.6	3.7	3.6	4.1	3.9	3.6
Percent of total government revenue	4.1	30.2	3.8	4.7	7.8	5.0	4.9	5.6	5.2	4.7
Current account balance (percent of GDP)	1.4	0.3	-3.5	-10.2	-7.4	-6.4	-6.8	-6.6	-6.5	-6.4
WAEMU gross official reserves (billions of US\$)	10.5	13.0	14.9	...	...	...	...	...	...	...

Sources: BCEAO; and IMF staff estimates and projections.

¹ The figure for 2017 includes CFAF 23.9 billion in debt relief from Taiwan Province of China.

Table 3. Guinea-Bissau: Debt Service Due to the IMF Over the 24 Months from April 14, 2020

Loan type	Due Date ¹	Amount in SDRs	Amount in Percent of Quota	Cumulative Amount in Percent of Quota
PRGT Repayment (RCF)	5/12/2020	355,000	1.3%	1.3%
PRGT Repayment (ECF)	5/26/2020	241,400	0.9%	2.1%
PRGT Repayment (ECF)	6/12/2020	241,400	0.9%	3.0%
PRGT Repayment (ECF)	6/19/2020	241,400	0.9%	3.8%
PRGT Repayment (RCF)	11/12/2020	355,000	1.3%	5.1%
PRGT Repayment (ECF)	11/25/2020	241,400	0.9%	5.9%
PRGT Repayment (ECF)	12/11/2020	241,400	0.9%	6.8%
PRGT Repayment (ECF)	12/21/2020	241,400	0.9%	7.6%
PRGT Repayment (ECF)	1/21/2021	284,000	1.0%	8.6%
PRGT Repayment (RCF)	5/12/2021	355,000	1.3%	9.9%
PRGT Repayment (ECF)	5/26/2021	241,400	0.9%	10.7%
PRGT Repayment (ECF)	6/11/2021	241,400	0.9%	11.6%
PRGT Repayment (ECF)	7/21/2021	284,000	1.0%	12.6%
PRGT Repayment (RCF)	11/12/2021	355,000	1.3%	13.8%
PRGT Repayment (ECF)	12/10/2021	241,400	0.9%	14.7%
PRGT Repayment (ECF)	1/21/2022	284,000	1.0%	15.7%

Sources: Guinea-Bissau authorities' data and IMF staff estimates and projections.

¹ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Annex 10.B. Letter of Intent—CCRT Request

Guinea-Bissau

Bissau, Guinea-Bissau
April 6, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Guinea-Bissau are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below.

- Guinea Bissau has registered eighteen confirmed cases of Covid-19 to date. We expect a significant and rapid expansion in the coming weeks with a peak in May. Containing the mortality rate will require increasing access and improving the quality of our health services. We have already started to create the conditions for the treatment of affected patients at the main hospital, but the capacity remains limited to 40 beds.
- The pandemic is adding to the structural fragility of the Bissau Guinean economy by eroding our main source of foreign currency earnings, the proceeds from cashew nuts exports (over 90 percent of exports). The state of emergency declared on March 28 will delay the otherwise imminent start of the cashew campaign, which every year only lasts five months. We further expect a significant drop in demand from India, our main export market. More generally, our economy is being affected as the suspension of commercial activities and border closures will heavily weigh on consumption and investment.
- We currently anticipate that: (i) real output in 2020 will contract by 1.5 percent, compared with the pre-crisis growth projection of 4.9 percent; (ii) the impact on the budget of rising health and related outlays and a fall-off in tax revenues will be on the order of 2.3 percent of GDP; and (iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$44 million (3.3 percent of GDP). These projections are very preliminary and subject to a high degree of uncertainty. They will need to be revised as the situation evolves and there is more clarity on the extent of the delay of the cashew campaign and the impact of the pandemic containment measures on the economy.

Our response to the crisis has several dimensions:

- We plan to increase health sector outlays by about 50 percent (1.2 percent of GDP) over the course of 2020, with key measures already underway including emergency measures of about US\$0.5 million to: (i) upgrade the main national hospital and (ii) provide medicine, medical equipment and food to the country's hospitals.
- We expect that emergency grants from multilateral donors, and concessional loans and debt service postponement from the West African Development Bank (BOAD) will help meet part of this fiscal financing need. The remaining financing need will be closed by reducing expenditures not deemed essential to tackling the immediate crisis and by borrowing from domestic sources.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are looking forward to work closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We have expressed interest in additional support from the IMF by accessing the rapid credit facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

João Alage Mamadú FADIA
Minister of Finance, Guinea Bissau

Annex 11.A. Haiti: Staff Appraisal—CCRT Request

Haiti faces exceptional balance of payments needs resulting from the impact of Covid-19 and has requested support under the Catastrophe Containment window of the CCRT. Haiti has also requested a disbursement under the Rapid Credit Facility (RCF) which will be considered separately by the Executive Board in on April 17, 2020.

Economic impact. Covid-19 is having a severe economic impact on Haiti. The main channels include: (i) a drop in remittances estimated at US\$557 million compared to the previous fiscal year—a key channel since remittances exceeded US\$3 billion in FY2019; (ii) a decline in textile exports to the U.S. of about US\$178 million, or 2.0 percent of GDP; and (iii) a drop in foreign direct investment (FDI) of about 0.4 percent of GDP.⁷ On the fiscal front, the country would encounter: (iv) additional direct health and medical, security, and social expenditures to address virus-related impact; and (v) an expected decline in fiscal revenues as a share of GDP by 0.6 percentage points, to a level 3.0 percent of GDP below the FY2016-FY2018 average. Real GDP growth is forecast to contract by 4.0 percent in FY2020 compared to a 1.2 percent drop estimated for FY2019 and a pre-Covid-19 baseline of -0.4 percent. The gross fiscal financing needs are expected to reach 6.4 percent of GDP, including new Covid-19-related spending, up some 3 percent of GDP from the pre-Covid baseline. The associated overall balance of payments financing needs have increased by over US\$300 million compared to the pre-Covid baseline projections.

Immediate policy response. The government on March 20 launched its preparation and response plan, including declaring a state of emergency; instituting a curfew; shutting all borders to persons (not freight); closing schools, factories, and places of worship; and cancelling public gatherings. The government announced measures to support workers and households, including paying some salaries (for teachers, professors, and textile workers), providing cash transfers and food rations to households, and providing subsidies to the transport and sanitation sectors. Together with additional planned spending on healthcare and security, extra spending is estimated at 1.6 percent of GDP. The central bank (BRH) also took steps to cushion the impact on the financial sector, moving to ease liquidity conditions by reducing the refinance and reference rates, lowering reserve requirements on domestic currency deposits, allowing 20 percent of treasury certificates held to count against reserves, and easing loan repayment obligations for three months.

Macroeconomic policies. The authorities are working to put in place a macroeconomic policy framework to address the balance of payments need created by the Covid-19 crisis and that will ensure an appropriate policy stance and reform program going forward. They have committed to implement a reform program with the support of a staff monitored program (SMP) that will include policies to strengthen the fiscal and monetary policy frameworks, improve tax administration and public finance management, tackle governance weaknesses and corruption, and focus in particular on concrete measures to build a coherent social safety net and reform the energy sector.

⁷ The fiscal year ends September 30.

IMF program status. Haiti does not currently have an IMF arrangement and has outstanding debt to the IMF of SDR 54.6 million, or 33 percent of quota (March 2020). The country has requested emergency financing support under the RCF and also requested a staff monitored program (SMP).

Staff appraisal. Staff support Haiti's request for debt relief under the CCRT. Haiti meets the income threshold with GDP per capita of US\$890, below the threshold of US\$1,175 and staff assess that it faces exceptional BOP needs stemming from the impact of Covid-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Haiti has debt service of SDR 4.1 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 15.2 million.

Table 1. Haiti: Selected Economic and Financial Indicators, FY2018–25
(Fiscal year ending September 30)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
		Est.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Nominal GDP (2018): US\$9.7 billion Population (2016): 10.847 million GDP per capita (2018): \$890 Percent of population below poverty line (2012): 58								
(Change over previous year; unless otherwise indicated)								
National income and prices								
GDP at constant prices	1.5	-1.2	-4.0	1.2	1.0	1.1	1.2	1.4
GDP deflator	12.8	17.3	22.2	21.3	18.3	15.3	12.9	10.9
Consumer prices (period average)	12.9	17.3	22.2	21.3	18.3	15.3	12.9	10.9
Consumer prices (end-of-period)	13.3	20.1	23.0	20.0	17.0	14.0	12.0	10.0
External Sector								
Exports (goods, valued in U.S. dollars, f.o.b.)	8.8	11.4	-15.2	1.8	2.6	2.7	3.4	3.0
Imports (goods, valued in U.S. dollars, f.o.b.)	24.0	-6.4	-14.8	1.8	3.9	2.4	2.4	2.4
Remittances (valued in U.S. dollars)	21.1	8.5	-18.3	12.7	7.3	-3.0	-2.8	-0.9
Real effective exchange rate (eop; + appreciation)	2.8	-10.7	...	...	...	...	...	...
Money and credit (valued in gourdes)								
Credit to private sector (in U.S. dollars and gourdes)	12.5	22.6	13.3	22.8	19.5	16.6	14.2	12.4
Base money (currency in circulation and gourde depos)	25.8	21.3	17.3	21.8	19.5	16.6	14.2	11.9
Broad money (excl. foreign currency deposits)	13.7	22.0	16.8	22.1	19.5	16.6	14.2	11.9
(In percent of GDP; unless otherwise indicated)								
Central government								
Overall balance (including grants)	-1.7	-2.4	-5.2	-2.9	-2.8	-2.4	-2.5	-2.6
Domestic revenue	13.0	10.8	10.2	11.4	12.9	13.4	14.0	14.4
Grants	4.3	1.4	2.2	3.8	3.0	3.8	4.6	4.9
Expenditures	19.0	14.5	17.5	18.0	18.7	19.6	21.2	21.8
Current expenditures	12.7	12.4	13.3	12.8	13.6	13.3	13.3	13.1
Capital expenditures	6.2	2.1	4.2	5.2	5.1	6.3	7.9	8.7
Overall balance of the nonfinancial public sector ^{1/}	-2.9	-3.5	-6.4	-4.0	-3.9	-3.5	-3.6	-3.7
Savings and investment								
Gross investment	29.0	30.8	27.4	27.5	28.0	29.0	30.0	30.4
<i>Of which:</i> public investment	6.2	2.1	4.2	5.2	5.1	6.3	7.9	8.7
Gross national savings	25.1	29.4	23.7	26.9	27.6	27.6	28.0	27.8
<i>Of which:</i> central government savings	0.7	0.9	2.0	2.7	3.2	3.3	3.2	3.3
External current account balance (incl. official grants)	-3.9	-1.4	-3.7	-0.6	-0.4	-1.4	-2.0	-2.6
External current account balance (excl. official grants)	-7.9	-3.5	-5.8	-4.4	-3.5	-5.1	-6.6	-7.5
Net fuel exports	-10.1	-12.8	-7.2	-7.5	-7.9	-8.1	-8.3	-8.3
Public debt								
External public debt (medium and long-term, eop)	23.5	27.4	28.0	25.8	23.8	22.9	22.4	22.2
Total public sector debt (end-of-period)	39.9	47.7	51.9	49.9	48.6	47.3	46.8	46.6
External public debt service ^{2/}	6.1	7.3	9.2	9.0	8.8	8.6	8.7	9.3
Memorandum items: (In millions of dollars, unless otherwise indicated)								
Overall balance of payments	-39	-190	-338	13	100	105	82	60
Net international reserves (program definition)	677	644	268	279	368	430	469	488
Gross international reserves	2,086	2,100	1,872	1,885	1,977	2,069	2,140	2,190
In months of imports of the following year	4.8	5.7	4.8	4.7	4.8	4.9	4.9	4.9
Nominal GDP (millions of gourdes)	631,829	732,545	859,287	1,054,976	1,260,768	1,470,033	1,679,466	1,888,510
Nominal GDP (millions of U.S. dollars)	9,658	8,708	8,601	8,875	9,196	9,531	9,879	10,258
Output gap (% of potential)	0.0	-1.4	-5.5	-4.4	-3.5	-2.5	-1.3	0.0

Sources: Ministry of Economy and Finance; Bank of the Republic of Haiti; World Bank; Fund staff estimates and projections.

1/ Includes transfers to the state-owned electricity company (EDH).

2/ In percent of exports of goods and nonfactor services. Includes debt relief.

Table 2. Haiti: Balance of Payments, FY2018–25
(In percent of GDP on a fiscal year basis; unless otherwise indicated)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
		Est.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Current account (including grants)	-3.9	-1.4	-3.7	-0.6	-0.4	-1.4	-2.0	-2.6
Current account (excluding grants)	-7.9	-3.5	-5.8	-4.4	-3.5	-5.1	-6.6	-7.5
Trade balance	-35.3	-34.4	-29.7	-29.3	-29.6	-29.2	-28.7	-28.3
Exports of goods	11.2	13.8	11.8	11.7	11.6	11.5	11.4	11.4
<i>Of which: Assembly industry</i>	10.2	13.0	11.1	11.0	10.9	10.8	10.7	10.6
Imports of goods	-46.4	-48.2	-41.6	-41.0	-41.1	-40.6	-40.2	-39.6
<i>Of which: Fossil fuels</i>	-10.1	-12.8	-7.2	-7.5	-7.9	-8.1	-8.3	-8.3
<i>Of which: Food products</i>	-9.4	-8.4	-8.0	-7.9	-7.7	-7.5	-7.3	-7.1
Services (net)	-5.0	-7.1	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2
Receipts	7.3	4.4	3.0	4.0	4.0	4.0	4.0	4.0
Payments	-12.3	-11.5	-10.2	-11.2	-11.2	-11.2	-11.2	-11.2
Income (net)	0.5	0.6	0.3	0.6	0.6	0.6	0.6	0.6
<i>Of which: Interest payments</i>	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Current transfers (net)	35.9	39.5	33.0	35.3	35.7	34.4	33.3	32.3
Official transfers (net)	4.0	2.1	2.2	3.8	3.0	3.8	4.6	4.9
<i>Of which: budget support ^{1/}</i>	0.5	0.0	0.2	1.0	0.2	0.8	0.7	0.7
Private transfers (net)	29.0	34.9	28.9	31.6	32.7	30.6	28.7	27.4
Other transfers (net)	2.9	2.5	1.9	0.0	0.0	0.0	0.0	0.0
Capital and financial accounts	3.7	-1.3	-0.3	0.7	1.5	2.5	2.8	3.2
Capital transfers	0.3	0.2	0.0	0.0	0.3	0.3	0.3	0.3
Public sector capital flows (net)	-0.5	-1.1	-0.4	-0.7	-0.7	0.2	0.6	1.0
Loan disbursements	0.3	0.0	0.8	0.5	0.4	1.4	1.7	2.0
Amortization	-0.7	-1.1	-1.1	-1.2	-1.1	-1.1	-1.1	-1.0
Foreign direct investment (net)	1.1	0.9	0.5	1.5	1.5	1.5	1.5	1.5
Banks (net) ^{2/}	1.6	-0.9	-0.4	0.0	0.5	0.5	0.5	0.5
Other items (net)	1.1	-0.4	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
<i>Of which: repayment of arrears ^{5/}</i>	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1
Errors and omissions	-0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-0.4	-2.2	-3.9	0.1	1.1	1.1	0.8	0.6
Financing	0.4	2.2	3.9	-0.1	-1.1	-1.1	-0.8	-0.6
Change in net foreign assets (+ is decrease)	0.4	2.2	3.9	-0.1	-1.1	-1.1	-0.8	-0.6
Change in gross reserves (+ is decrease)	-0.3	1.3	2.7	-0.1	-1.0	-1.0	-0.7	-0.5
Liabilities (+ is increase)	0.7	0.9	1.3	0.0	-0.1	-0.1	-0.1	-0.1
Changes in arrears ^{3/}	0.9	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt rescheduling and debt relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:								
Exports of goods, f.o.b (percent change)	8.8	11.4	-15.2	1.8	2.6	2.7	3.4	3.0
Imports of goods, f.o.b (percent change)	24.0	-6.4	-14.8	1.8	3.9	2.4	2.4	2.4
Projected average oil price (U.S. dollars per barrel, AP)	68.3	61.4	35.6	37.9	40.9	43.2	45.0	46.4
Increase in Arrears (in percent of GDP) ^{5/}	-	0.5	-	-	-	-	-	-
Debt service (in percent of exports of goods and servi	6.1	7.3	9.2	9.0	8.8	8.6	8.7	9.3
Nominal exchange rate	65.4	...	...	...	...	...	...	...
Gross international reserves (in millions of U.S. dollars	2,086	2,100	1,872	1,885	1,977	2,069	2,140	2,190.0
(in months of next year's imports of goods and servic	4.8	5.7	4.8	4.7	4.8	4.9	4.9	4.9
Nominal GDP (millions of U.S. dollars)	9,658	8,708	8,601	8,875	9,196	9,531	9,879	10,258

Sources: Bank of the Republic of Haiti; and Fund staff estimates and projections.

1/ Includes previously-programmed multilateral budget support that could be delayed.

2/ Change in net foreign assets of commercial banks.

3/ Includes debt to Venezuela for oil shipments already paid by the GOH in local currency but not yet cleared in U.S. dollars.

4/ Includes gold.

5/ Includes arrears on oil imports.

Table 3. Haiti: Debt Service to the IMF, 2020-22
As of April 3, 2020 (in SDR)

Concept	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	22-May-20	819,000	819,000	0.5	0.5
PRGT Repayment (ECF)	24-Jun-20	163,800	163,800	0.1	0.6
PRGT Repayment (ECF)	31-Jul-20	819,000	819,000	0.5	1.1
PRGT Repayment (ECF)	31-Jul-20	491,400	491,400	0.3	1.4
PRGT Repayment (ECF)	12-Aug-20	163,800	163,800	0.1	1.5
PRGT Repayment (ECF)	21-Sep-20	491,400	491,400	0.3	1.8
PRGT Repayment (ECF)	25-Sep-20	982,800	982,800	0.6	2.4
PRGT Repayment (ECF)	2-Oct-20	163,800	163,800	0.1	2.5
PRGT Repayment (ECF)	25-Nov-20	819,000	819,000	0.5	3.0
PRGT Repayment (ECF)	25-Nov-20	702,000	702,000	0.4	3.4
PRGT Repayment (ECF)	23-Dec-20	163,800	163,800	0.1	3.5
PRGT Repayment (ECF)	29-Jan-21	491,400	491,400	0.3	3.8
PRGT Repayment (ECF)	12-Feb-21	163,800	163,800	0.1	3.9
PRGT Repayment (ECF)	19-Mar-21	491,400	491,400	0.3	4.2
PRGT Repayment (ECF)	26-Mar-21	982,800	982,800	0.6	4.8
PRGT Repayment (ECF)	2-Apr-21	163,800	163,800	0.1	4.9
PRGT Repayment (ECF)	25-May-21	819,000	819,000	0.5	5.4
PRGT Repayment (ECF)	26-May-21	702,000	702,000	0.4	5.9
PRGT Repayment (ECF)	24-Jun-21	163,800	163,800	0.1	6.0
PRGT Repayment (ECF)	30-Jul-21	491,400	491,400	0.3	6.3
PRGT Repayment (ECF)	12-Aug-21	163,800	163,800	0.1	6.4
PRGT Repayment (ECF)	21-Sep-21	491,400	491,400	0.3	6.7
PRGT Repayment (ECF)	27-Sep-21	982,800	982,800	0.6	7.3
PRGT Repayment (ECF)	1-Oct-21	163,800	163,800	0.1	7.4
PRGT Repayment (ECF)	26-Nov-21	702,000	702,000	0.4	7.8
PRGT Repayment (ECF)	24-Dec-21	163,800	163,800	0.1	7.9
PRGT Repayment (ECF)	31-Jan-22	491,400	491,400	0.3	8.2
PRGT Repayment (ECF)	11-Feb-22	163,800	163,800	0.1	8.3
PRGT Repayment (ECF)	21-Mar-22	491,400	491,400	0.3	8.6
PRGT Repayment (ECF)	25-Mar-22	982,800	982,800	0.6	9.2
PRGT Repayment (ECF)	1-Apr-22	163,800	163,800	0.1	9.3

Source: IMF staff calculations.

Annex 11.B. Letter of Intent—CCRT Request

Haiti

Port au Prince, Haiti

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health of the general public and on the level of economic activity across the globe.

We in Haiti are experiencing an exceptional balance of payments need arising from the global pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and economic activity which could also have repercussions for the security situation:

- The first cases of Covid-19 were confirmed in Haiti on March 20th. To date there are 24 confirmed cases, one dead, and about 400 persons in quarantine. Haiti is ranked by the Global Health Security Index as one of the least prepared countries in the world to “prevent, detect, and respond to disease outbreaks”. The health care system is severely underequipped to handle the pandemic, with only 124 intensive care beds available for a population of 10.7 million. Medical personnel were overstretched even before the pandemic, with 2.3 doctors for every 10,000 inhabitants.
- We currently anticipate a strong adverse impact, including: i) a further contraction in real GDP by 4 percent in FY2020 compared with a pre-Covid projection of -0.4 percent; ii) a widening in the fiscal deficit by 3 percent of GDP; and iii) a balance of payments need arising from the Covid crisis of about US\$338 million (3.9 percent of GDP and 16.0 percent of our end-2019 official external reserves).

Our response to the Covid-crisis has several dimensions:

- We plan to increase outlays on the health and security sectors, as well as income support by some 1.7 percent of GDP over the course of FY2020, including: i) providing cash transfers and food rations to households; and ii) paying the salaries of most teachers and professors for one month and paying 50 percent of salaries of workers in the textile sector. We also plan to increase expenditures on healthcare and on support for badly affected sectors over time to mitigate the economic impact of the virus, including by subsidies to the transport and sanitation sectors.

- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate Covid crisis (including non-health capital expenditure). However, despite almost two years of political instability and social unrest that saw a major drop in revenues to only 10.8 percent of GDP, we still expect an increase in the primary deficit on the order of 3.1 percent of GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.
- We moved quickly at the BRH to ease liquidity conditions in the financial system, including reducing the refinance and reference rates, lowering reserve requirements on domestic currency deposits, allowing 20 percent of treasury certificates held to count against reserves, easing loan repayment obligations for three months, and suspending fees on interbank transactions. We are monitoring closely our balance of payments position and will allow the exchange rate to adjust to help narrow the financing gap if warranted, while remaining alert to the dangers of possibly destabilizing expectations.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022, or as much as can be provided from available resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help cover the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to restore macroeconomic stability during the current global pandemic and, as noted above, have requested a disbursement under the RCF to help us cover the financing gap. We will also continue work with IMF staff in the post-pandemic recovery period to restore macroeconomic sustainability and strengthen efforts to advance governance reforms and combat corruption, and plan to undertake discussions for a Fund Staff Monitored Program (SMP) with a view of reaching an agreement with staff in early May 2020. We are confident that strong IMF support for our country with an RCF followed by an SMP will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Michel Patrick Boisvert
Minister of Economy and Finance
Ministère de l'Économie et des Finances

/s/

Jean Baden Dubois
Governor of the Central Bank of Haiti
Banque de la République d'Haïti

Annex 12.A. Liberia: Staff Appraisal—CCRT Request

Liberia faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Liberia. The full extent of the impact is not known but **GDP growth** for 2020 is projected at -2.5 percent, a 3 percentage-point downward revision compared to pre-COVID-19 projection. The terms of trade shock is positive as fuel prices declined much more than those of Liberia’s main export commodities (iron ore, rubber, gold). However, the general lockdown abroad and suspension of aid-related travel are projected to adversely affect the tourism and related service sector. The cumulative **fiscal deficit** over FY20 and FY21 (fiscal year ends in June) is expected to deteriorate by 3 percentage points of GDP, largely due to a revenue shortfall but also to some increase in spending. Moreover, a decline in net remittance inflows and delays in capital inflows are expected to more than offset the positive term-of-trade effects, increasing the **balance of payments need** by 5.5 percentage points of GDP over 2020-22.

Policy responses. On February 28, the government issued a travel advisory requiring a precautionary observation period for those traveling back from COVID-19-affected countries. On March 21, the government issued a declaration designed to enforce severe social distancing, including closure of all schools, night clubs, cinemas, beaches, spas, mosques and churches and banning of all street selling and gatherings. The Legislature also approved emergency spending of US\$3 million on health and social protection, as part of a recast budget for FY2020. In collaboration with donors, the authorities plan to further ramp up health sector outlays and expenditure on social protection for workers who have lost income. They are also exploring measures to safeguard revenue and reduce non-priority spending. On monetary and financial sector policies, the authorities have committed to allow the exchange rate to adjust as needed.

IMF program status. On December 11, 2019, the Executive Board approved a four-year arrangement under the Extended Credit Facility (ECF), in an amount equivalent to SDR 155 million (60 percent of quota) to help the country restore macroeconomic stability, provide a foundation for sustainable growth and address weaknesses in governance. Discussions for the first review started on March 27, 2020, but were postponed given the logistical difficulties of conducting a full ECF review. Preliminary data and discussions suggest that program performance has been weak, but the authorities are fully committed to address the weaknesses. Most of the end-December fiscal targets were met but the monetary program went off track by a large margin due to: an acute shortage of Liberian dollar banknotes at a period of high cash demand resulting in higher foreign exchange intervention than programmed; and U.S. dollar liquidity assistance to financial institutions with overdrawn balances at the CBL. The authorities are addressing these weaknesses while managing the COVID-19 crisis. In this context, the authorities are planning to request support under the Rapid Credit Facility.

Staff appraisal. Staff supports Liberia’s request for debt relief under the CCRT. Liberia meets the income threshold with GNI per capita of US\$600, below the threshold of US\$1,175. Staff assesses

that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Liberia has debt service of SDR11.6328 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR45.3436 million.

Table 1. Liberia: Selected Economic and Financial Indicators, 2018-25

	2018	2019	2020		2021	2022	2023	2024	2025
	Act.	Est.	Pre-COVID	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
(Annual percentage change)									
Real sector									
Real GDP	1.2	-2.5	0.5	-2.5	4.0	4.4	5.0	5.4	5.4
of which, Mining & panning	24.2	13.2	9.8	8.6	6.8	6.0	5.6	6.0	5.6
of which, Non-mining	-1.2	-4.5	-1.0	-3.5	3.5	4.1	4.8	5.2	5.4
Nominal non-mining per capita GDP (U.S. dollars)	660	604	594	553	542	544	558	576	634
Nominal GDP (millions of U.S. dollars)	3264	3084	3026	2928	2954	3152	3330	3536	3787
Inflation									
Consumer prices (annual average)	21.2	24.4	21.3	17.6	13.5	11.0	8.5	7.0	6.0
Consumer prices (end of period)	28.5	20.3	15.0	15.0	12.0	10.0	7.0	7.0	5.0
Population (millions)	4.5	4.6	4.7	4.7	4.8	4.9	5.1	5.2	5.3
(Percent of GDP, fiscal year)									
Central government operations ¹									
Total revenue and grants	25.9	28.4	29.6	28.9	28.5	29.2	28.4	27.7	26.7
Total revenue	12.9	14.4	14.4	13.9	13.7	16.0	16.6	17.1	17.4
Grants	13.0	14.0	15.2	15.0	14.8	13.2	11.8	10.6	9.3
Total expenditure	30.8	34.7	33.8	34.3	34.0	32.3	31.9	30.7	29.8
Current expenditure	21.3	23.6	22.3	22.7	22.5	21.0	20.1	19.7	18.9
Capital expenditure	9.5	11.1	11.5	11.5	11.5	11.3	11.8	11.0	10.8
Overall fiscal balance, including grants	-4.8	-6.3	-4.2	-5.4	-5.6	-3.1	-3.5	-3.1	-3.1
Overall fiscal balance, excluding grants	-17.8	-20.2	-19.4	-20.4	-20.3	-16.3	-15.3	-13.6	-12.3
Financing gap / unidentified financing	0.0	0.0	0.0	-1.1	-2.3	0.0	0.0	0.0	0.0
Public external debt ²	31.3	33.2	41.4	41.6	47.6	49.1	48.8	49.4	49.0
Public domestic debt ³	8.9	19.2	16.2	20.0	20.7	19.0	17.0	15.3	13.4
(Percent, unless otherwise indicated)									
M2/GDP	19.6	20.9	21.5	22.0	22.3	21.8	21.8	21.8	22.3
Credit to private sector (percent of GDP)	16.3	15.3	15.7	16.0	16.5	16.3	16.5	16.7	17.0
Credit to private sector (annual percent change)	4.1	-11.3	0.8	-0.8	4.5	5.4	6.9	7.3	9.0
Velocity (GDP-to-M2)	5.1	5.1	4.7	4.5	4.5	4.6	4.6	4.6	4.5
Money multiplier (M2/M0)	2.7	3.0	3.0	3.0	3.1	3.2	3.4	3.6	3.9
(Percent of GDP, unless otherwise indicated)									
External sector									
Current account balance									
including grants	-22.4	-22.3	-20.8	-20.8	-20.0	-19.4	-20.2	-20.1	-19.0
excluding grants	-37.1	-36.8	-35.6	-35.9	-34.1	-31.9	-31.5	-30.0	-28.4
Trade balance	-22.3	-19.8	-18.2	-16.9	-16.5	-16.1	-15.9	-15.2	-14.5
Exports	12.8	13.8	15.7	15.6	15.7	15.3	15.3	15.4	15.4
Imports	-35.0	-33.5	-33.9	-32.5	-32.2	-31.4	-31.2	-30.6	-29.9
Grants (donor transfers, net)	14.7	14.5	14.9	15.1	14.2	12.5	11.2	9.9	9.4
Financing gap (- deficit / + surplus)	0.0	0.0	0.0	-4.1	-1.0	-0.3	0.0	0.0	0.0
Gross official reserves (millions of U.S. dollars) ⁴	297	292	317	316	349	376	407	393	388
Months of imports of goods and services ⁵	2.3	2.5	2.5	2.5	2.8	2.8	3.0	2.8	2.5
CBL's net international reserves (millions of U.S. dollars)	70	27	52	52	64	73	86	99	113

Sources: Liberian authorities; and IMF staff estimates and projections.

¹ Central government operation is based on a commitment basis and refers to the budgetary central government operations and off-budget projects. Fiscal year refers to July

² Ratios are calculated using external debt (in USD) evaluated at the end of period exchange rate over GDP (in USD) evaluated at the period average exchange rate.

³ Including the central government debts from the Central Bank of Liberia.

⁴ Projections for reserves assume that the remaining financing gap will be filled by donor financing, including possibly from the RCF, and other sources.

⁵ In months of next year's imports excluding imports related to UNMIL operations and FDI projects such as iron-ore concessions.

Table 2. Liberia: Balance of Payments, 2018-25
(Millions of U.S. dollars, unless otherwise indicated)

	2018	2019	2020		2021	2022	2023	2024	2025
	Act.	Est.	Pre-COVID	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Trade balance ¹	-726	-609	-551	-495	-489	-506	-529	-538	-550
Exports, f.o.b.	417	424	475	456	463	482	510	546	583
of which: Iron ore	74	142	143	134	125	122	124	131	137
of which: Gold	201	155	211	198	211	228	245	282	323
Imports, c.i.f.	-1,144	-1,033	-1,025	-951	-952	-988	-1,039	-1,084	-1,133
Services (net)	-316	-298	-288	-278	-292	-284	-297	-296	-311
Income (net)	-294	-353	-371	-368	-361	-356	-368	-356	-347
of which: Compensation of employees	-17	-20	-22	-21	-24	-27	-29	-31	-33
of which: Public interest payments due	-9	-13	-15	-15	-14	-16	-17	-14	-11
Current transfers	606	572	581	532	553	534	519	479	490
Current account balance	-730	-688	-628	-609	-590	-612	-674	-710	-718
Current account balance, excluding grants	-1,210	-1,135	-1,079	-1,051	-1,008	-1,005	-1,048	-1,061	-1,075
Capital and financial account (net)	670	675	633	517	577	618	693	705	713
Capital account	62	63	64	61	56	57	58	59	60
Financial account	607	612	570	455	521	561	635	646	653
Foreign direct investment (net)	286	251	278	228	237	260	301	301	328
Portfolio investment (net)	0	0	0	0	0	0	0	0	0
Other investment (net)	322	361	291	228	284	301	334	346	325
Official financing: medium and long term (net)	58	152	138	121	89	88	95	126	109
Private financing (net) ²	264	208	153	107	195	213	239	220	215
Overall balance	-61	-14	5	-92	-13	6	19	-5	-5
Financing	61	14	-5	-27	-18	-16	-19	5	5
Change in gross official reserves (increase -) ³	64	5	-24	-23	-33	-27	-31	14	5
Net use of IMF credit and loans	-3	9	19	-4	15	11	12	-9	0
Donor financing	0	0	0	0	0	0	0	0	0
Exceptional financing	0	0	0	0	0	0	0	0	0
Financing gap (- deficit / + surplus)	0	0	0	-119	-31	-11	0	0	0
Exceptional financing (CCRT, first tranche)	0	0	0	16	0	0	0	0	0
Exceptional financing (remaining CCRT, prospective)	0	0	0	4	31	11	0	0	0
Provisional RCF	0	0	0	87	0	0	0	0	0
Remaining financing gap	0	0	0	13	0	0	0	0	0
<i>Memorandum items:</i>									
Current account balance (percent of GDP)									
Including grants	-22.4	-22.3	-20.8	-20.8	-20.0	-19.4	-20.2	-20.1	-19.0
Excluding grants	-37.1	-36.8	-35.6	-35.9	-34.1	-31.9	-31.5	-30.0	-28.4
Trade balance (percent of GDP)	-22.3	-19.8	-18.2	-16.9	-16.5	-16.1	-15.9	-15.2	-14.5
Donor transfers (net, percent of GDP)	14.7	14.5	14.9	15.1	14.2	12.5	11.2	9.9	9.4
Foreign direct investment (net, percent of GDP)	8.8	8.1	9.2	7.8	8.0	8.2	9.0	8.5	8.7
Public sector external debt (medium and long term, percent of GDP) ⁴	28.5	32.1	40.1	40.4	44.9	46.6	46.8	47.7	47.8
Gross official reserves ⁵	297	292	317	316	349	376	407	393	388
Gross official reserves (months of imports) ⁶	2.3	2.5	2.5	2.5	2.8	2.8	3.0	2.8	2.5

Sources: Liberian authorities; and IMF staff estimates and projections.

¹ The central bank is currently revising BOP statistics using the custom-based trade data, which would have better data coverage, especially on imports.

² "Private financing" may reflect current transfers that are not captured by the official statistics.

³ Includes SDR holdings.

⁴ Recorded in fiscal years.

⁵ Projections for reserves assume that the remaining financing gap will be filled by donor financing, including possibly from the RCF, and other sources.

⁶ In months of next year's imports.

Table 3. Liberia: Outstanding Debt Service to the IMF (April 14, 2020 to April 13, 2022)
As of April 7, 2020 (In SDR)

Concept	Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
ECF Arrangements	17-May-12	15-May-20	444,000	444,000	0.17	0.17
ECF Arrangements	28-Nov-12	28-May-20	738,200	738,200	0.29	0.46
ECF Arrangements	12-Dec-11	12-Jun-20	444,000	444,000	0.17	0.63
ECF Arrangements	19-Dec-13	19-Jun-20	738,200	738,200	0.29	0.92
ECF Arrangements	22-Dec-10	22-Jun-20	444,000	444,000	0.17	1.09
ECF Arrangements	02-Jul-10	02-Jul-20	444,000	444,000	0.17	1.26
ECF Arrangements	07-Jul-11	07-Jul-20	444,000	444,000	0.17	1.43
ECF Arrangements	11-Jul-13	10-Jul-20	738,200	738,200	0.29	1.72
ECF Arrangements	11-Jul-14	10-Jul-20	738,200	738,200	0.29	2.00
RCF Loans	27-Feb-15	27-Aug-20	3,230,000	3,230,000	1.25	3.25
ECF Arrangements	02-Oct-14	02-Oct-20	3,230,000	3,230,000	1.25	4.50
ECF Arrangements	17-May-12	17-Nov-20	444,000	444,000	0.17	4.67
ECF Arrangements	28-Nov-12	27-Nov-20	738,200	738,200	0.29	4.96
ECF Arrangements	12-Dec-11	11-Dec-20	444,000	444,000	0.17	5.13
ECF Arrangements	19-Dec-13	18-Dec-20	738,200	738,200	0.29	5.42
ECF Arrangements	22-Dec-10	22-Dec-20	444,000	444,000	0.17	5.59
ECF Arrangements	07-Jul-11	07-Jan-21	444,000	444,000	0.17	5.76
ECF Arrangements	11-Jul-13	11-Jan-21	738,200	738,200	0.29	6.05
ECF Arrangements	11-Jul-14	11-Jan-21	738,200	738,200	0.29	6.33
RCF Loans	27-Feb-15	26-Feb-21	3,230,000	3,230,000	1.25	7.58
ECF Arrangements	02-Oct-14	02-Apr-21	3,230,000	3,230,000	1.25	8.83
ECF Arrangements	17-May-12	17-May-21	444,000	444,000	0.17	9.00
ECF Arrangements	28-Nov-12	28-May-21	738,200	738,200	0.29	9.29
ECF Arrangements	12-Dec-11	11-Jun-21	444,000	444,000	0.17	9.46
ECF Arrangements	19-Dec-13	18-Jun-21	738,200	738,200	0.29	9.75
ECF Arrangements	31-Dec-15	30-Jun-21	738,200	738,200	0.29	10.03
ECF Arrangements	07-Jul-11	07-Jul-21	444,000	444,000	0.17	10.20
ECF Arrangements	11-Jul-14	09-Jul-21	738,200	738,200	0.29	10.49
ECF Arrangements	11-Jul-13	09-Jul-21	738,200	738,200	0.29	10.78
RCF Loans	27-Feb-15	27-Aug-21	3,230,000	3,230,000	1.25	12.03
ECF Arrangements	02-Oct-14	01-Oct-21	3,230,000	3,230,000	1.25	13.28
ECF Arrangements	17-May-12	17-Nov-21	444,000	444,000	0.17	13.45
ECF Arrangements	28-Nov-12	26-Nov-21	738,200	738,200	0.29	13.73
ECF Arrangements	12-Dec-11	10-Dec-21	444,000	444,000	0.17	13.91
ECF Arrangements	19-Dec-13	17-Dec-21	738,200	738,200	0.29	14.19
ECF Arrangements	31-Dec-15	31-Dec-21	738,200	738,200	0.29	14.48
ECF Arrangements	11-Jul-13	11-Jan-22	738,200	738,200	0.29	14.76
ECF Arrangements	11-Jul-14	11-Jan-22	738,200	738,200	0.29	15.05
RCF Loans	27-Feb-15	25-Feb-22	3,230,000	3,230,000	1.25	16.30
ECF Arrangements	02-Oct-14	01-Apr-22	3,230,000	3,230,000	1.25	17.55
Total			45,343,600	45,343,600	17.55	17.55

Sources: International Monetary Fund; and author's calculations.

¹ Quota equal to SDR 258.40 million.

Annex 12.B. Letter of Intent—CCRT Request

Liberia

Monrovia, Liberia
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Liberia are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks on economic activity and the gathering threat to public health:

- Liberia currently has 10 confirmed cases of COVID-19 virus, with the first one detected on March 16, 2020. The risk of wider spread within the communities has also risen sharply as three cases could not be traced to the first known case. There have so far been three fatalities.
- We currently anticipate that: i) real output growth in 2020 will decline to -2.5 percent, compared with pre-crisis projections of +0.5 percent; ii) the impact on the budget of rising health and related outlays and a fall-off in tax revenues will be on the order of 3 percent of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$161 million (5.5 percent of GDP and 51 percent of our end-2019 gross official external reserves).

Our response to the crisis has several dimensions: On February 28, we issued our first travel advisory requesting a precautionary observation period for those traveling back from countries with more than 200 reported cases of COVID-19. On March 21, 2020 we issued a declaration designed to enforce severe social distancing, including: closure of all schools, night clubs, cinemas, beaches, spas, mosques and churches; banning of all street selling and gatherings of more than 10 people; limits on admittance to banks and restaurants to five customers kept six feet apart; social distancing for health facilities and pharmacies (which are to remain open); and mandatory washing with soap and clean water at all public and private establishments. In addition, a hotline has been established for use by the population to report those exhibiting COVID-19 symptoms.

- We plan to increase health sector outlays and expenditure on social protection for workers who have lost income in collaborations with donors.

- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure), but still expect an increase in the primary budget deficit on the order of 0.9 and 1.8 percentage points of GDP in FY2020 and FY2021, respectively. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources. In this regard, we are exploring measures to safeguard our domestic revenue base.
- We are monitoring closely our balance of payments position and are committed to allow the exchange rate to adjust to help narrow the financing gap, while remaining alert to the dangers of possibly destabilizing expectations and triggering panic and a run on the Liberian dollar.
- We are also closely monitoring the health of the banking sector, which was already suffering from high non-performing loans and reduced liquidity. We have also issued regulations to ensure access and affordability of electronic payment services for retail customers during the pandemic.
- We will continue to strengthen governance as envisaged under the ECF and, in this context, we will ensure that all crisis-mitigation funds are spent transparently. In this regard, we intend to conduct a post-crisis audit of the expenditure by an independent auditor.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the Rapid Credit Facility and will soon submit a request for support. We are confident that strong IMF support for our country will help catalyze wider support from other development partners. We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

/s/

Hon. Samuel D. Tweah, Minister
Ministry of Finance and Development Planning

Hon. Jolue Tarlue, Executive Governor
Central Bank of Liberia

Annex 13.A. Republic of Madagascar: Staff Appraisal—CCRT Request

Madagascar faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested resources under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 is having a severe economic impact on Madagascar. Due to dramatic declines in tourism and disruptions to manufacturing and extractive industry exports, as well as transport, communications, and services, real GDP growth for 2020 is projected to reach only 1.6 percent, significantly below the pre-COVID-19 estimate of more than 5 percent. The fiscal situation is also deteriorating with projected additional domestic spending of about 0.6 percent of GDP, and a shortfall in tax revenue of at least 1 percent of GDP. As a result, balance of payment needs for 2020 relative to the recent Article IV consultation baseline are projected to reach about SDR194 million, equivalent to 1.8 percent of GDP.

Macroeconomic policies. The authorities have taken appropriate measures to increase health spending, help the most vulnerable, support the private sector, preserve the stability of the financial sector, and maintain the flexible exchange rate regime. Beyond this immediate response, the authorities remain committed to economic policies that will ensure sustained and inclusive growth.

IMF program status. On April 3, 2020 the Executive Board approved the authorities' request for a disbursement under the RCF in the amount of SDR 122.2 million (50 percent of quota), based on the urgent balance of payments needs arising from a sudden exogenous shock, and the authorities' existing and prospective policies to address this external shock, including their commitment to seek additional external budget financing from other development partners. Additional support through debt relief under the CCRT will help free up budgetary resources to address public health needs and support economic activity in key sectors and contain the exceptional balance of payments need resulting from the pandemic. The authorities requested discussions on a successor ECF arrangement, following the completion of the final review under the previous arrangement on January 29, 2020. These will commence as soon as the current crisis has stabilized.

Staff appraisal. Staff supports Madagascar's request for debt relief under the CCRT. With GNI per capita of US\$440 in 2018, Madagascar is below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Madagascar has debt service of SDR 3.055 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 21.473 million.

Table 1. Madagascar: Selected Economic Indicators, 2017-25

	2017	2018	2019	2020		2021	2022	2023	2024	2025
	Actuals	Est.	Prel. Est.	Art IV	Proj.	Projections				
(Percent change; unless otherwise indicated)										
National account and prices										
GDP at constant prices	3.9	4.6	4.8	5.2	1.6	4.8	5.2	5.4	5.4	5.3
GDP deflator	8.6	8.6	5.6	7.2	5.5	6.5	5.6	5.5	5.4	5.4
Consumer prices (end of period)	10.6	6.9	4.0	6.2	6.0	5.9	5.4	5.6	5.6	5.5
Money and credit										
Reserve money	18.6	13.0	-4.4	12.2	19.8	17.5	10.5	10.6	10.6	8.5
Broad money (M3)	17.8	11.2	7.3	16.2	16.9	12.6	10.4	14.8	13.9	10.1
(Growth in percent of beginning of period money stock (M3))										
Net foreign assets	9.2	4.8	-2.6	6.9	-8.8	6.5	8.1	7.4	8.1	7.9
Net domestic assets	8.6	6.4	9.9	9.3	25.7	6.1	2.2	7.4	5.8	2.2
of which: Credit to the private sector	8.4	8.7	10.3	7.3	5.5	8.0	7.9	6.8	5.1	5.7
(Percent of GDP)										
Public finance										
Total revenue (excluding grants)	10.3	10.5	10.8	11.2	10.3	11.2	11.9	12.2	12.5	12.6
of which: Tax revenue	10.0	10.2	10.5	10.9	9.9	10.8	11.6	11.8	12.2	12.3
Grants	2.5	2.5	3.1	2.5	2.6	1.2	1.0	0.5	0.3	0.3
of which: budget grants	0.7	0.9	0.7	0.7	1.0	0.0	0.0	0.0	0.0	0.0
Total expenditures	14.9	14.3	15.3	16.4	16.2	17.1	17.9	18.1	17.5	17.3
Current expenditure	10.2	9.3	9.5	8.9	10.7	9.7	9.7	10.0	9.8	9.9
Capital expenditure	4.7	5.0	5.8	7.6	5.5	7.4	8.3	8.1	7.8	7.5
Domestic financed	1.7	1.8	1.7	3.1	1.8	2.6	3.3	3.5	3.6	3.7
Foreign financed	3.0	3.2	4.1	4.4	3.7	4.7	5.0	4.7	4.2	3.8
Overall balance (commitment basis)	-2.1	-1.3	-1.4	-2.7	-3.4	-4.7	-5.0	-5.4	-4.7	-4.4
Float (variation of accounts payable, + = increase)	0.6	-0.2	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Variation of domestic arrears (+ = increase)	-0.6	-0.5	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Overall balance (cash basis)	-2.0	-2.0	-1.3	-2.7	-3.4	-4.8	-5.1	-5.4	-4.7	-4.4
Domestic primary balance ¹	-0.9	0.1	0.3	0.0	-1.4	-0.5	-0.3	-0.5	-0.5	-0.1
Total financing	2.0	2.0	1.3	2.7	3.4	4.0	4.2	3.9	3.5	3.1
Foreign borrowing (net)	1.2	1.5	1.3	2.2	1.7	3.6	3.8	3.6	3.2	2.8
Domestic financing	0.8	0.5	0.0	0.5	1.7	0.4	0.4	0.4	0.3	0.3
of which: exceptional financing-RCF ²					1.1					
Fiscal financing need ³	0.0	0.0	0.0	0.0	0.0	-0.8	-0.9	-1.4	-1.2	-1.3
Savings and investment										
Investment	18.1	18.8	19.8	22.0	19.1	21.5	23.1	23.2	23.2	23.1
Government	4.7	5.0	5.8	7.6	5.5	7.4	8.3	8.1	7.8	7.5
Nongovernment	13.4	13.9	14.0	14.4	13.6	14.1	14.8	15.1	15.4	15.6
Gross national savings	15.4	20.3	17.3	20.5	16.6	18.8	20.0	20.2	19.8	19.1
External sector										
Exports of goods, f.o.b.	21.3	21.9	18.5	19.0	15.0	15.9	16.2	16.7	17.3	17.7
Imports of goods, c.i.f.	27.4	27.6	26.8	27.0	22.6	23.5	24.5	25.2	26.2	27.4
Current account balance (exc. grants)	-2.9	-1.9	-5.5	-4.0	-5.0	-3.9	-4.0	-3.6	-3.7	-4.3
Current account balance (inc. grants)	-0.4	0.7	-2.5	-1.5	-2.5	-2.7	-3.0	-3.0	-3.4	-4.0
Public debt										
External Public Debt	40.0	39.9	38.4	39.8	40.6	40.6	42.6	45.0	46.8	48.2
External Public Debt	25.7	26.7	27.1	27.6	28.9	29.4	31.8	34.5	36.5	38.1
Domestic Public Debt	14.4	13.2	11.4	12.2	11.7	11.2	10.8	10.5	10.3	10.1
(Units as indicated)										
Gross official reserves (millions of SDRs)	1086	1221	1169	1390	1100	1290	1504	1683	1898	2123
Months of imports of goods and services	4.0	4.3	4.1	4.4	4.1	4.2	4.3	4.4	4.5	4.6
Real effective exchange rate (pa, percent change)	7.8	-2.4	...	...	...	...	...	...	...	...
Terms of trade (percent change, deterioration -)	14.2	5.6	-15.0	-3.5	-0.2	6.0	-1.4	-1.9	-1.3	-2.5
Memorandum items										
GDP per capita (U.S. dollars)	516	528	525	557	541	589	636	670	705	742
Nominal GDP at market prices (billions of ariary)	41,059	46,189	51,107	57,786	54,770	61,113	67,894	75,470	83,849	93,066

Sources: Malagasy authorities; and IMF staff estimates and projections.

¹ Primary balance excl. foreign-financed investment and grants. Commitment basis.² RCF disbursement onlent by the central bank to the Treasury.³ A negative value indicates a financing gap to be filled by budget support or other financing still to be committed or identified.

Table 2. Madagascar: Balance of Payments, 2017-25

	2017	2018	2019	2020		2021	2022	2023	2024	2025
	Prel. Est.	Prel. Est.	Proj.	Art. IV	Proj.	Projection				
	(Millions of SDRs)									
Current account	-40	70	-259	-164	-269	-327	-399	-435	-516	-654
Goods and services	-316	-335	-508	-522	-648	-643	-753	-828	-930	-1,090
Trade balance of goods	-322	-324	-610	-606	-592	-654	-789	-875	-996	-1,176
Exports, f.o.b.	2,021	2,143	1,891	2,118	1,626	1,902	2,147	2,379	2,645	2,915
of which: Mining	510	594	551	696	516	573	669	751	836	875
of which: Vanilla	489	605	423	481	406	405	446	438	414	360
Imports, f.o.b.	-2,343	-2,467	-2,501	-2,724	-2,218	-2,556	-2,937	-3,255	-3,641	-4,091
of which: Petroleum products	-344	-387	-403	-432	-261	-282	-325	-363	-399	-431
of which: Food	-399	-373	-342	-363	-363	-376	-387	-398	-368	-384
of which: Intermediate goods and capital	-924	-997	-985	-1,183	-986	-1,160	-1,410	-1,576	-1,792	-1,962
Services (net)	6	-11	102	84	-56	10	37	47	66	86
Receipts	917	935	1,009	1,134	922	1,124	1,281	1,364	1,467	1,574
Payments	-911	-946	-907	-1,050	-978	-1,114	-1,244	-1,317	-1,401	-1,488
Income (net)	-255	-281	-329	-301	-301	-300	-308	-315	-336	-365
Receipts	27	40	44	48	48	55	63	73	82	84
Payments	-283	-321	-373	-349	-349	-356	-371	-388	-418	-449
of which: interest on public debt	-16	-22	-29	-26	-26	-25	-32	-41	-52	-64
Current transfers (net)	532	686	578	659	680	617	661	708	754	802
Official transfers	106	126	86	123	145	43	46	49	53	57
of which: Budget aid ¹	65	85	73	83	104	0	0	0	0	0
Private transfers	426	560	491	536	536	574	615	659	701	745
Capital and financial account	209	41	148	291	50	439	519	447	584	714
Capital account	168	171	231	198	172	144	132	76	51	53
of which: Project grant ¹	168	171	231	198	172	144	132	76	51	53
Financial account	43	-111	-51	93	-122	295	387	371	533	661
Foreign direct and portfolio investment	258	253	270	298	252	307	357	394	423	454
Other investment	-215	-364	-321	-206	-368	-13	30	-23	110	206
Government	117	154	132	232	174	421	495	498	492	463
Drawing	174	204	182	295	243	495	587	624	630	611
Project drawings ¹	119	167	178	295	233	423	530	588	595	576
Budgetary support ¹	55	37	5	0	9	72	57	36	36	36
Amortization	-57	-50	-50	-63	-69	-74	-92	-126	-138	-149
Private sector	-98	-156	-244	-239	-239	-243	-248	-252	-255	-257
Banks	2	38	-12	0	0	0	0	0	0	0
Other (inc. unrepatriated export revenues)	-236	-407	-221	-200	-303	-191	-217	-269	-128	1
Errors and omissions	-2	-18	-33	0	0	0	0	0	0	0
Overall balance	169	110	-112	127	-219	112	120	12	68	60
Financing	-169	-110	112	-127	219	-206	-234	-217	-261	-276
Central bank (net; increase = -)	-169	-110	112	-127	219	-206	-234	-217	-261	-276
Use of IMF credit (net)	84	24	60	25	25	-12	-19	-37	-45	-50
Other assets, net (increase = -) ²	-252	-135	52	-152	69	-194	-215	-180	-216	-226
Residual financing gap	0	0	0	0	125	94	113	204	193	216
Debt relief and cancellation	0	0	0	0	0	0	0	0	0	0
Exceptional financing-RCF disbursement					122					
Potential debt relief under the CCRT ³					6	12	3			
Financing gap	0	0	0	0	0	94	113	204	193	216
	(Percent of GDP; unless otherwise indicated)									
<i>Memorandum items:</i>										
Grants	2.5	2.6	3.0	2.5	2.6	1.2	1.0	0.5	0.3	0.3
Loans	1.8	2.1	1.8	2.7	2.2	4.1	4.4	4.4	4.1	3.7
Direct investment	2.7	2.6	2.6	2.7	2.3	2.6	2.7	2.8	2.8	2.8
Current account										
Excluding net official transfers	-2.9	-1.9	-5.5	-4.0	-5.0	-3.9	-4.0	-3.6	-3.7	-4.3
Including net official transfers	-0.4	0.7	-2.5	-1.5	-2.5	-2.7	-3.0	-3.1	-3.4	-4.0
Debt service (percent of exports of goods)	2.7	1.7	4.1	3.7	3.6	3.2	3.2	3.2	3.0	2.8
Export of goods volume (percent change)	-3.8	-4.8	6.5	8.6	-6.8	10.6	13.1	11.7	12.0	12.1
Import of goods volume (percent change)	13.6	-0.2	4.0	9.3	-4.0	15.5	13.5	9.6	11.2	11.5
Gross official reserves (millions of SDR)	1,086	1,221	1,169	1,390	1,100	1,290	1,504	1,683	1,898	2,123
Months of imports of goods and nonfactor services	4.0	4.3	4.1	4.4	4.1	4.2	4.3	4.4	4.5	4.6
Terms of trade (percent change, deterioration -)	14.2	5.6	-15.0	-3	-0.2	6.0	-1.4	-1.9	-1.3	-2.5
Exchange rate (ariary/US\$, period average)	3,116	3,335	3,618	...	...	...	...	...	...	...
Nominal GDP	13,176	13,851	14,124	15,365	14,924	16,647	18,439	19,898	21,445	23,101

Sources: Malagasy authorities; and IMF staff estimates and projections.

¹ Includes official external financial support only with a disbursement schedule.² Includes reserve accumulation.³ Of which SDR 3.055 million of debt service falling due in the initial period of debt service relief from April 14 to October 13, 2020. The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

**Table 3. Madagascar: Projected Payments to the IMF
in Upcoming 24 Months from April 14, 2020**

Concept	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (RCF)	25-Jun-20	3,055,000	3,055,000	1.25	1.25
PRGT Repayment (RCF)	23-Dec-20	3,055,000	3,055,000	1.25	2.5
PRGT Repayment (RCF)	25-May-21	3,055,000	3,055,000	1.25	3.75
PRGT Repayment (RCF)	25-Jun-21	3,055,000	3,055,000	1.25	5
PRGT Repayment (RCF)	25-Nov-21	3,055,000	3,055,000	1.25	6.25
PRGT Repayment (RCF)	24-Dec-21	3,055,000	3,055,000	1.25	7.5
PRGT Repayment (ECF)	4-Feb-22	3,142,800	3,142,800	1.29	8.8

Annex 13.B. Letter of Intent—CCRT Request

Republic of Madagascar

Antananarivo, Republic of Madagascar
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The COVID-19 pandemic has hit Madagascar hard. The number of confirmed cases in Madagascar is relatively small but rising at a fast pace, and the impact on our economy is already severe. Our preliminary estimates suggest that real output growth in 2020 will decline to 1.6 percent compared to pre-crisis projections of more than 5 percent due to a dramatic decline in tourism, and disruptions to manufacturing and extractive industry exports, as well as to transport, communications, and services.

We in Madagascar are experiencing an exceptional balance of payments need arising from the pandemic and our response to it. As discussed in our March 27, 2020 Letter of Intent accompanying our request for disbursement under the Rapid Credit Facility (RCF), the balance of payments need was estimated, before the disbursement under the RCF, at SDR194 million, equivalent to 1.8 percent of GDP in 2020.

Our immediate priority is to ensure the health of the population and preserve macroeconomic stability. Following the activation of the national contingency plan, we are beginning to take measures to cope with the pandemic and limit economic and financial disruptions. These include:

- Increasing health spending and use targeted investments to strengthen the health system with the support of development partners; and increasing expenditures on social protection to support the most vulnerable, contain the epidemic, and mitigate its financial consequences (with first measures including distribution of food staples and postponing of payments on mortgages and credit).
- Supporting the private sector with several tax measures, including deadline extensions for certain declarations and payments, and taking measures to preserve the stability of the financial sector, including through liquidity injection into the banking sector.
- Maintaining a flexible exchange rate to act as a shock absorber and using reserves only to finance any unfilled financing gap while maintaining an adequate level.

Our request for emergency financing under the RCF in the amount of SDR 122.2 million, equivalent to 50 percent of quota, has been approved by the IMF Executive Board on April 3, 2020.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available under the Trust. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We continue to work closely with IMF staff to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. The recently approved disbursement under the RCF has already helped catalyze wider support from other development partners, and additional project and budget support discussions are advancing well, including for the augmentation of an existing Development Policy Loan with a Catastrophe Deferred Drawdown Option (Cat DDO) co-financed by the World Bank and the Agence Francaise de Development, and for additional support from the European Union and the African Development Bank.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Mr. Richard Randriamandrato
Minister of Economy and Finance

/s/

Mr. Henri Rabarijohn
Bank of Madagascar Governor

Annex 14.A. Malawi: Staff Appraisal—CCRT Request

Malawi faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 is having a severe economic impact on Malawi. While the number of confirmed cases in Malawi is currently relatively low, the government's preparation and response plan—developed with support of the World Health Organization and other development partners—requires additional health and social assistance spending of 0.3 percent of GDP in 2020H1 (FY 2019/20) and 0.4 percent of GDP more in 2020H2 (FY 2020/21). Economic spillovers from the global slowdown and measures taken in neighboring countries are also significant, including border closures that substantially increase trade transit costs and reduce demand for Malawi's exports; and weigh on remittances, tourism, and foreign direct investment. These adverse impacts are only partly offset by lower international oil prices and reduced import demand. Real GDP growth in 2020 is anticipated at 2 percent—down from the 5 percent pre-pandemic projection and the FY 2019/20 domestic primary deficit is projected to widen by 1.7 percent of GDP relative to end-2019 reflecting the additional spending and revenue shortfalls from reduced economic activity. As a result, and even absent a major outbreak within Malawi itself, external financing needs during 2020-21 are estimated at 1.8 percent of GDP (US\$150 million). Notably, this outlook is highly uncertain and assumes a temporary impact from the pandemic.

Macroeconomic policies. The fiscal deficit has been widened to allow for spending on COVID-19 containment and ensuing revenue shortfalls. To strengthen medium-term public debt sustainability, a domestic revenue mobilization strategy will be implemented as soon as the pandemic passes—including comprehensive VAT reforms. The Reserve Bank of Malawi (RBM) has enhanced monitoring of financial sector risks and will inject liquidity as needed to maintain a smoothly functioning banking system; and is committed to greater exchange rate flexibility to buffer external shocks.

IMF program status. A three-year ECF arrangement was approved in April 2018. Following Tropical Cyclone Idai, access was augmented from 56.25 to 76.25 percent of quota at the time of the 2nd and 3rd reviews in November 2019. Preliminary data suggest that all the quantitative performance criteria at end-December 2019, the test date for the 4th review were observed, discussions on the review are expected to be delayed until at least early this Summer, once there is greater clarity on the outlook. In addition to the CCRT, the authorities have requested an RCF to support exceptional BOP needs.

Staff appraisal. Staff supports Malawi's request for debt relief under the CCRT. Malawi meets the income threshold with GNI per capita of US\$360, below the threshold of US\$1,175 and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service and amount of grants for debt relief. Malawi has eligible debt service of SDR 7.202 million falling due for the period from April 14 to October 13, 2020. Its eligible debt falling due in the 24 months from April 14, 2020 amounts to SDR 32.842 million. Staff supports the

authorities' request for debt service relief for amounts falling due to the Fund up to April 13, 2022, amounting to SDR 32.842 million.

Table 1. Malawi: Selected Economic Indicators, 2018–25

	2018	2019	2020		2021	2022	2023	2024	2025
	Est.	Est.	2nd & 3rd Review	Proj.			Proj.		
National accounts and prices (percent change, unless otherwise indicated)									
GDP at constant market prices	3.2	4.5	5.1	1.9	3.5	6.5	6.5	6.3	6.3
Nominal GDP (billions of Kwacha)	5,060	5,711	6,466	6,440	7,204	8,133	9,053	10,048	11,147
GDP deflator	7.8	8.0	7.9	10.7	8.1	6.0	4.5	4.4	4.4
Consumer prices (end of period)	9.9	11.5	7.9	11.6	7.3	6.2	5.0	5.0	5.0
Consumer prices (annual average)	9.2	9.4	8.7	11.2	9.1	6.7	5.0	5.0	5.0
Investment and savings (percent of GDP)									
National savings	-7.2	-4.7	-4.6	-4.7	-3.5	-2.4	-1.9	-1.3	-1.2
Gross investment	13.3	12.5	12.6	13.1	14.3	14.5	14.7	14.6	14.5
Government	5.0	5.7	5.8	6.3	7.5	7.6	7.8	7.4	7.3
Private	8.3	6.8	6.8	6.7	6.8	6.9	6.9	7.2	7.2
Saving-investment balance	-20.5	-17.2	-17.2	-17.8	-17.8	-16.9	-16.6	-15.9	-15.7
Central government (percent of GDP on a fiscal year basis) ¹									
Revenue	21.0	21.1	22.0	21.6	21.9	22.9	23.7	23.7	23.5
Tax and nontax revenue	19.6	19.1	19.8	19.4	19.6	20.4	21.0	21.0	21.0
Grants	1.5	2.0	2.2	2.2	2.3	2.5	2.7	2.7	2.5
Expenditure and net lending	28.9	28.2	26.8	28.3	27.6	27.0	26.9	26.6	26.0
Overall balance (excluding grants)	-9.3	-9.1	-7.0	-8.9	-8.0	-6.7	-5.9	-5.6	-5.0
Overall balance (including grants)	-7.9	-7.0	-4.9	-6.7	-5.7	-4.1	-3.2	-2.9	-2.5
Foreign financing	2.6	1.5	0.9	1.5	1.7	1.7	1.6	1.6	1.6
Total domestic financing	7.8	6.8	4.3	5.5	4.0	2.4	1.6	1.3	0.9
Discrepancy	-0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance	-4.3	-2.7	-0.8	-2.7	-1.9	-1.2	-0.9	-0.6	-0.5
Primary balance (excluding budget support and dedicated grants)	-4.8	-3.8	-1.7	-3.5	-2.9	-2.2	-1.8	-1.4	-1.3
Domestic primary balance ²	-2.6	-1.2	0.9	-0.8	0.3	1.3	1.5	1.8	1.9
Money and credit (change in percent of broad money at the beginning of the period, unless otherwise indicated)									
Money and quasi money	11.4	8.1	13.4	12.8	11.9	12.9	11.3	11.0	10.9
Net foreign assets	-7.8	2.4	10.1	-2.9	5.2	9.0	9.3	10.6	10.1
Net domestic assets	22.9	5.7	3.3	12.6	6.6	3.9	2.0	0.4	0.8
Credit to the government	7.3	1.7	2.3	5.5	3.5	1.6	1.3	1.2	0.4
Credit to the private sector (percent change)	11.5	21.3	14.8	9.5	11.0	14.0	14.6	15.1	15.5
External sector (US\$ millions, unless otherwise indicated)									
Exports (goods and services)	1,112	1,250	1,365	1,224	1,306	1,413	1,529	1,660	1,787
Imports (goods and services)	2,927	3,023	3,270	3,115	3,247	3,359	3,524	3,686	3,891
Gross official reserves	750	820	950	893	925	999	1,095	1,218	1,323
(months of imports)	3.0	3.2	3.3	3.3	3.3	3.4	3.6	3.8	3.9
Current account (percent of GDP)	-20.5	-17.2	-17.2	-17.8	-17.8	-16.9	-16.6	-15.9	-15.7
Current account, excl. official transfers (percent of GDP)	-20.5	-17.7	-17.2	-17.8	-17.8	-16.8	-16.6	-15.9	-15.7
Current account, excl. project related imports (percent of GDP)	-18.6	-14.6	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Current account, excl. official transfers and project related imports (percent of GDP)	-18.6	-15.1	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Real effective exchange rate (percent change)	7.6	13.9	...	...	...	...	...	...	...
Overall balance (percent of GDP)	-0.2	0.6	1.7	-0.9	0.2	1.3	1.4	1.6	1.5
Financing gap	0.0	0.0	0.0	120.0	25.2	5.3	0.0	0.0	0.0
<i>Of which: Grants for debt relief until Oct 13, 2020 under IMF CCRT</i>	...	...	...	9.8	...	...	...	...	...
<i>Prospective grants for debt relief under IMF CCRT</i>	...	...	...	4.5	25.2	5.3	...	...	...
<i>Financial support from other donors (incl. World Bank, UN, DFID, Irish Aid, Giz, KfW, GAVI)</i>	...	...	...	28.0	...	...	...	...	...
<i>Residual gap</i>	...	...	...	77.7	...	...	...	...	...
Terms of trade (percent change)	-4.9	0.3	0.5	6.2	-1.8	-1.8	-1.7	-1.9	-1.0
Debt stock and service (percent of GDP, unless otherwise indicated)									
External debt (public sector)	31.2	29.6	29.5	31.5	32.7	32.6	32.4	32.3	32.2
NPV of public external debt (percent of exports)	123.3	115.4	110.8	130.7	128.7	122.8	117.5	128.7	123.6
Domestic public debt	28.2	30.0	30.5	32.1	32.1	30.1	28.3	26.8	24.6
Total public debt	59.4	59.5	60.0	63.6	64.8	62.6	60.7	59.1	56.8
External debt service (percent of exports)	9.8	6.5	6.9	7.9	8.6	9.2	8.6	8.3	8.1
External debt service (percent of revenue excl. grants)	9.7	5.6	5.5	6.0	6.4	7.1	6.9	6.9	6.9
91-day treasury bill rate (end of period)	11.4	...	...	...	...	...	...	...	...

Sources: Malawian authorities and IMF staff estimates and projections.

¹The fiscal year starts in July and ends in June. The current financial year, 2020, runs from July 1, 2019 to June 30, 2020.²Domestic primary balance is calculated by subtracting current expenditures (except interest payment) and domestically-financed development expenditures from tax and nontax revenues.

Table 2a. Malawi: Balance of Payments, 2018–25
(Millions of USD, unless otherwise indicated)

	2018	2019	2020		2021	2022	2023	2024	2025
	Est.	Est.	2nd & 3rd Review	Proj.			Proj.		
Current account balance¹	-1,418.6	-1,318.3	-1,426.6	-1,491.4	-1,518.3	-1,491.5	-1,522.9	-1,529.5	-1,575.4
Merchandise trade balance	-1,663.5	-1,622.4	-1,802.5	-1,715.3	-1,805.1	-1,815.1	-1,858.4	-1,898.0	-1,995.9
Exports	929.8	1,050.7	1,144.6	1,040.5	1,106.3	1,190.6	1,281.5	1,387.1	1,492.2
Of which: Tobacco	426.4	397.1	444.2	368.9	372.3	375.8	388.9	407.1	427.5
Imports	-2,593.3	-2,673.1	-2,947.1	-2,755.8	-2,911.5	-3,005.7	-3,139.9	-3,285.1	-3,488.1
Of which: Petroleum products	-342.6	-344.9	-341.4	-233.6	-265.8	-307.2	-346.9	-387.1	-418.3
Project related	-131.5	-198.9	-189.3	-238.5	-265.6	-279.6	-299.6	-304.4	-304.3
Services balance	-315.4	-331.3	-291.7	-361.2	-338.9	-336.3	-359.0	-359.9	-353.4
Interest public sector	-10.1	-20.1	-20.0	-21.4	-33.3	-24.5	-28.9	-25.9	-26.5
Other factor payments (net)	-153.9	-161.0	-169.3	-164.3	-170.2	-181.3	-193.2	-205.5	-218.4
Nonfactor (net)	-151.4	-150.2	-102.4	-175.4	-135.4	-130.4	-136.9	-128.5	-108.5
Receipts	182.4	199.5	220.8	183.3	199.7	222.7	247.1	272.7	294.7
Payments	-333.8	-349.7	-323.2	-358.7	-335.1	-353.0	-384.0	-401.2	-403.2
Unrequited transfers (net)	560.3	635.3	667.6	585.0	625.8	659.8	694.5	728.3	773.9
Private (net)	561.4	595.6	668.7	586.1	626.9	661.0	695.6	729.5	775.1
Official (net)	-1.1	39.7	-1.1	-1.1	-1.1	-1.1	-1.2	-1.2	-1.2
Receipts	0.0	40.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Budget support	0.0	40.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.2	-1.2	-1.2
Capital account balance	806.8	931.8	404.5	1,023.9	1,101.6	1,174.8	1,225.1	1,248.9	1,253.4
Project and dedicated grants	92.4	137.7	166.5	173.4	204.9	230.7	252.5	249.8	1,253.4
Off-budget project support ²	714.3	794.1	238.0	850.5	896.7	944.1	972.7	999.1	
Financial account balance	408.9	435.1	1,160.2	388.6	437.7	427.7	430.1	437.7	469.3
Medium- and long-term flows (net)	40.0	127.2	79.4	121.9	161.5	142.1	149.8	153.1	165.1
Disbursements	127.0	171.1	133.1	176.5	213.1	209.4	219.3	230.3	239.7
Budget support and other program loans	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project support loans	109.8	168.2	124.6	167.9	203.7	199.4	208.5	218.5	228.3
Other medium-term loans	14.2	2.9	8.5	8.6	9.4	10.0	10.8	11.8	11.4
Amortization	-87.0	-43.9	-53.7	-54.6	-51.6	-67.3	-69.5	-77.2	-74.7
SDR allocation	-2.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign direct investment and other inflows	107.1	104.8	224.3	101.7	125.4	145.0	150.6	166.6	188.9
Short-term capital and other inflows	153.5	187.2	856.5	165.0	150.8	140.6	129.7	117.9	115.3
Commercial banks net foreign assets	108.3	15.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	190.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-12.7	48.6	138.0	-78.8	21.1	111.0	132.3	157.1	147.3
Financing	12.7	-48.6	-138.0	-41.2	-46.3	-116.3	-132.3	-157.1	-147.3
Gross reserves (- increase)	7.8	-69.5	-173.0	-73.1	-31.8	-74.8	-95.7	-123.2	-105.1
Liabilities	4.9	20.9	34.9	32.0	-14.5	-41.5	-36.7	-33.8	-42.3
Of which: IMF ECF (net)	31.4	27.0	37.9	38.0	-10.3	-37.1	-32.6	-33.8	-42.3
Purchases/drawings	31.4	43.4	57.3	57.3	15.8	0.0	0.0	0.0	0.0
Repurchases/repayments	0.0	16.4	19.3	19.3	26.1	37.1	32.6	33.8	42.3
Financing gap	0.0	0.0	0.0	120.0	25.2	5.3	0.0	0.0	0.0
Of which:									
Grants for debt relief until Oct 13, 2020 under IMF CCRT	...	...	...	9.8	...	...	...	...	...
Prospective grants for debt relief under IMF CCRT	...	...	...	4.5	25.2	5.3	...	...	...
Financial support from other donors (incl. World Bank, UN, DFID, Irish Aid, Giz, KfW, GAVI)	...	...	...	28.0	...	...	...	...	...
Residual gap	...	...	...	77.7	...	...	...	...	...
Memorandum items:									
Gross official reserves	750.1	819.6	950.0	892.8	924.5	999.3	1,095.0	1,218.2	1,323.3
Months of imports ³	3.0	3.2	3.3	3.3	3.3	3.4	3.6	3.8	3.9
Net International Reserves	486.2	534.7	624.7	498.0	544.3	660.6	792.9	950.0	1,097.3
Current account balance (percent of GDP)			-17.2						
Excluding official transfers	-20.5	-17.7	-17.2	-17.8	-17.8	-16.8	-16.6	-15.9	-15.7
Excluding project related imports	-18.6	-14.6	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Excluding official transfers and project related imports	-18.6	-15.1	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Import price index (2005 = 100)	114.2	113.4	120.8	102.9	103.8	105.7	107.4	109.4	110.5
Import volume (percent change)	9.8	3.8	7.4	13.6	4.8	1.3	2.9	2.7	5.1
REER (percent change)	7.6	...	...	...	...	...	...	...	...
Terms of trade (percent change)	-4.9	0.3	0.5	6.2	-1.8	-1.8	-1.7	-1.9	-1.0
Nominal GDP (millions of U.S. dollars)	6,911.0	7,663.5	8,289.7	8,392.7	8,537.5	8,847.3	9,187.0	9,593.3	10,014.8

Sources: Malawian authorities; and IMF staff estimates and projections.

¹The IMF has adopted the Malawi National Statistics Office (NSO)'s capital and financial account data following adoption of the NSO's current account data in 2019. Previously, the IMF's reported series was based on staff estimates. Consequently, the IMF's reported capital account balance increased from 3.8 percent of GDP to 11.7 percent of GDP in 2018 while financial account balance including net errors and omission decreased from 16.5 percent of GDP to 8.6 percent of GDP.

²Includes estimate for project grants not channeled through the budget.

³In months of imports of goods and nonfactor services in the following year.

Table 2b. Malawi: Balance of Payments, 2018–25
(In Percent of GDP)

	2018	2019	2020		2021	2022	2023	2024	2025
	Est.	Est.	2nd & 3rd Review	Proj.			Proj.		
Current account balance¹	-20.5	-17.2	-17.2	-17.8	-17.8	-16.9	-16.6	-15.9	-15.7
Merchandise trade balance	-24.1	-21.2	-21.7	-20.4	-21.1	-20.5	-20.2	-19.8	-19.9
Exports	13.5	13.7	13.8	12.4	13.0	13.5	13.9	14.5	14.9
Of which: Tobacco	6.2	5.2	5.4	4.4	4.4	4.2	4.2	4.2	4.3
Imports	-37.5	-34.9	-35.6	-32.8	-34.1	-34.0	-34.2	-34.2	-34.8
Of which: Petroleum products	-5.0	-4.5	-4.1	-2.8	-3.1	-3.5	-3.8	-4.0	-4.2
Project related	-1.9	-2.6	-2.3	-2.8	-3.1	-3.2	-3.3	-3.2	-3.0
Services balance	-4.6	-4.3	-3.5	-4.3	-4.0	-3.8	-3.9	-3.8	-3.5
Interest public sector (net)	-0.1	-0.3	-0.2	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3
Other factor payments (net)	-2.2	-2.1	-2.0	-2.0	-2.0	-2.0	-2.1	-2.1	-2.2
Nonfactor (net)	-2.2	-2.0	-1.2	-2.1	-1.6	-1.5	-1.5	-1.3	-1.1
Receipts	2.6	2.6	2.7	2.2	2.3	2.5	2.7	2.8	2.9
Payments	-4.8	-4.6	-3.9	-4.3	-3.9	-4.0	-4.2	-4.2	-4.0
Unrequited transfers (net)	8.1	8.3	8.1	7.0	7.3	7.5	7.6	7.6	7.7
Private (net)	8.1	7.8	8.1	7.0	7.3	7.5	7.6	7.6	7.7
Official (net)	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receipts	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Budget support	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital account balance	11.7	12.2	4.9	12.2	12.9	13.3	13.3	13.0	2.4
Project and dedicated grants	1.3	1.8	2.0	2.1	2.4	2.6	2.7	2.6	2.4
Off-budget project support ²	10.3	10.4	2.9	10.1	10.5	10.7	10.6	10.4	
Financial account balance	5.9	5.7	14.0	4.6	5.1	4.8	4.7	4.6	4.7
Medium- and long-term flows (net)	0.6	1.7	1.0	1.5	1.9	1.6	1.6	1.6	1.6
Disbursements	1.8	2.2	1.6	2.1	2.5	2.4	2.4	2.4	2.4
Budget support and other program loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project support loans	1.6	2.2	1.5	2.0	2.4	2.3	2.3	2.3	2.3
Other medium-term loans	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Amortization	-1.3	-0.6	-0.6	-0.7	-0.6	-0.8	-0.8	-0.8	-0.7
SDR allocation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign direct investment and other inflows	1.6	1.4	2.7	1.2	1.5	1.6	1.6	1.7	1.9
Short-term capital and other inflows	2.2	2.4	10.3	2.0	1.8	1.6	1.4	1.2	1.2
Commercial banks net foreign assets	1.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-0.2	0.6	1.7	-0.9	0.2	1.3	1.4	1.6	1.5
Financing	0.2	-0.6	-1.7	-0.5	-0.5	-1.3	-1.4	-1.6	-1.5
Gross reserves (- increase)	0.1	-0.9	-2.1	-0.9	-0.4	-0.8	-1.0	-1.3	-1.0
Liabilities	0.1	0.3	0.4	0.4	-0.2	-0.5	-0.4	-0.4	-0.4
Of which: IMF (net)	0.5	0.4	0.5	0.5	-0.1	-0.4	-0.4	-0.4	-0.4
Purchases/drawings	0.5	0.6	0.7	0.7	0.2	0.0	0.0	0.0	0.0
Repurchases/repayments	0.0	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Financing gap	0.0	0.0	0.0	1.4	0.3	0.1	0.0	0.0	0.0
Of which: Grants for debt relief until Oct 13, 2020 under IMF CCRT	...	...	...	0.1	...	...	...	...	...
Prospective grants for debt relief under IMF CCRT	...	...	...	0.1	0.3	0.1	...	...	...
Financial support from other donors (incl. World Bank, UN, DFID, Irish Aid, GIZ, KfW, GAVI)	...	...	...	0.3	...	...	...	...	...
Residual gap	...	...	...	0.9	...	...	...	...	...
Memorandum items:									
Gross official reserves	10.9	10.7	11.5	10.6	10.8	11.3	11.9	12.7	13.2
Months of imports ³	3.0	3.2	3.3	3.3	3.3	3.4	3.6	3.8	3.9
Current account balance (percent of GDP)									
Excluding official transfers	-20.5	-17.7	-17.2	-17.8	-17.8	-16.8	-16.6	-15.9	-15.7
Excluding project related imports	-18.6	-14.6	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Excluding official transfers and project related imports	-18.6	-15.1	-14.9	-14.9	-14.7	-13.7	-13.3	-12.8	-12.7
Value of exports of GNPs (percent change)	5.6	12.4	10.2	-2.1	6.7	8.2	8.2	8.6	7.7
Value of imports of GNPs (percent change)	6.2	3.3	5.2	3.0	4.2	3.5	4.9	4.6	5.6

Sources: Malawian authorities; and IMF staff estimates and projections.

¹The IMF has adopted the Malawi National Statistics Office (NSO)'s capital and financial account data following adoption of the NSO's current account data in 2019. Previously, the IMF's reported series was based on staff estimates. Consequently, the IMF's reported capital account balance increased from 3.8 percent of GDP to 11.7 percent of GDP in 2018 while financial account balance including net errors and omission decreased from 16.5 percent of GDP to 8.6 percent of GDP.

²Includes estimate for project grants not channeled through the budget.

³In months of imports of goods and nonfactor services in the following year.

Table 3. Malawi: Debt service due to the IMF over the 24 months from April 14, 2020

List of loan type	Due date	Amount in SDR	In percent of quota	Cumulative amount in percent of quota
PRGT Repayment (ECF)	4/16/2020	1,301,000	0.9%	0.9%
PRGT Repayment (ECF)	6/22/2020	694,000	0.5%	1.4%
PRGT Repayment (ECF)	6/26/2020	1,302,000	0.9%	2.4%
PRGT Repayment (ECF)	7/27/2020	1,301,000	0.9%	3.3%
PRGT Repayment (ECF)	7/31/2020	1,302,000	0.9%	4.3%
PRGT Repayment (ECF)	9/30/2020	1,302,000	0.9%	5.2%
PRGT Repayment (ECF)	10/16/2020	1,301,000	0.9%	6.1%
PRGT Repayment (ECF)	12/22/2020	694,000	0.5%	6.6%
PRGT Repayment (ECF)	12/23/2020	1,302,000	0.9%	7.6%
PRGT Repayment (ECF)	1/27/2021	1,301,000	0.9%	8.5%
PRGT Repayment (ECF)	1/29/2021	1,302,000	0.9%	9.4%
PRGT Repayment (ECF)	3/30/2021	1,302,000	0.9%	10.4%
PRGT Repayment (ECF)	4/16/2021	1,301,000	0.9%	11.3%
PRGT Repayment (ECF)	6/25/2021	1,302,000	0.9%	12.3%
PRGT Repayment (ECF)	7/27/2021	1,301,000	0.9%	13.2%
PRGT Repayment (ECF)	7/30/2021	1,302,000	0.9%	14.1%
PRGT Repayment (ECF)	9/30/2021	1,302,000	0.9%	15.1%
PRGT Repayment (ECF)	10/15/2021	1,301,000	0.9%	16.0%
PRGT Repayment (ECF)	12/27/2021	1,302,000	0.9%	16.9%
PRGT Repayment (ECF)	12/28/2021	5,422,000	3.9%	20.8%
PRGT Repayment (ECF)	1/27/2022	1,301,000	0.9%	21.8%
PRGT Repayment (ECF)	1/31/2022	1,302,000	0.9%	22.7%
PRGT Repayment (ECF)	3/30/2022	1,302,000	0.9%	23.7%

Annex 14.B. Letter of Intent—CCRT Request

Malawi

Lilongwe, Malawi
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The COVID-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity both across the globe and within our region.

We in Malawi are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- While there are few confirmed cases of COVID-19, our local COVID-19 testing capabilities are only just being established with assistance from development partners (DFID, UNICEF, and the Global Fund). Should the disease spread country-wide, the loss of lives could be substantial given the population's weak health and the limitations of the public health system.
- We currently anticipate that: i) real output growth in 2020 will decline to 2 percent, compared with pre-crisis projections of around 5 percent; ii) the impact on the budget of rising health and related outlays and a fall-off in tax revenues will be on the order of 1.5 percent of GDP in FY 2019/20; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$150 million during 2020-21 (1.8 percent of GDP and 18.3 percent of our end-2019 official external reserves). These projections assume limited COVID-19 cases in Malawi and no lockdown. However, the outlook is highly uncertain and should the situation deteriorate, balance of payments needs could rapidly and significantly increase.

Our response to the crisis has several dimensions:

- While the number of confirmed cases in Malawi is currently relatively low, we have developed a preparation and response plan with the support of the World Health Organization and other development partners. In line with this plan, we have increased health sector outlays related to containing and managing COVID-19 by 0.2 percent of GDP in 2020H1 (FY 2019/20) and budget another 0.3 percent of GDP in 2020H2 (FY 2020/21), with key measures already underway including developing testing capabilities, equipping treatment centers (including importing medical equipment and supplies), hiring additional medical staff, and raising public awareness.

We have also increased expenditure on social assistance by 0.1 percent of GDP in 2020H1 and plan for another 0.1 percent of GDP in 2020H2 to mitigate the economic impact of the virus.

- As this pandemic is affecting Malawi in the last quarter of FY 2019/20 (which ends in June), we expect the domestic primary deficit to widen by about at least 1.7 percent of GDP given limited room for fiscal measures to offset the increased spending on health and social assistance, and revenue shortfalls from reduced economic activity. However, we will seek to create budgetary space for COVID-19 spending and revenue shortfalls during FY 2020/21 by delaying spending on goods and services and development projects (in non-health areas) that are not essential to tackling the immediate crisis. Nevertheless, as implementation of our domestic revenue mobilization strategy (including VAT reforms) will be delayed until after the pandemic passes, we expect the FY 2020/21 domestic primary balance to worsen on the order of 1.7 percent of GDP relative to what we were anticipating at end-2019. We will look for additional donor support to help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.
- The RBM has enhanced monitoring of financial sector risks and will inject liquidity as needed to maintain a smoothly functioning banking system.
- We are monitoring closely our balance of payments position and will allow the exchange rate to adjust to help narrow the financing gap.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. Beyond debt relief under the CCRT, we are actively seeking additional support from the IMF (including accessing emergency financing facilities) and other development partners (beyond the US\$28 million already committed by World Bank, DFID, and GAVI, UN, Irish Aid, Giz, and KfW) to support the US\$150 million of exceptional financing needs outlined above—which would rapidly and significantly increase should COVID-19 spread in Malawi and a lockdown be implemented. We have recently begun discussions with IMF staff on use of the Rapid Credit Facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Hon. Joseph M. Mwanamvekha, M.P
Minister of Finance, Economic Planning and
Development

/s/

Dr. Dalitso Kabambe
Governor of the Reserve Bank of Malawi

Annex 15.A. Mali: Staff Appraisal—CCRT Request

Mali faces exceptional balance of payments and fiscal needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Mali. The initial effects stemmed from the slowdown in external demand, supply chain disruptions and the necessary containment measures (border closures, suspension of commercial flights, prohibition on public gatherings, school closures and night curfews). These affected the hospitality industries, manufacturing and mining, forcing closures and furloughs, and will dampen exports. As these effects reverberate through the economy, they will lower household income and consumption, weaken business activity and investment, and lead to further job losses. Growth is expected to slow to 0.9 percent in 2020, compared to 5.1 percent at the time of the first review of the ECF arrangement. Already high poverty and informality, the large number of internally displaced population due to the security situation, weak social safety nets, food insecurity and a fragile health system will all exacerbate the negative impact of the pandemic.

The decline in activity and the needed policy response will exert significant pressures on the budget and the balance of payments. The fiscal deficit could deteriorate by about 2.6 percentage points of GDP (to 6.1 percent; see below)—unless additional grants can be identified—opening a fiscal financing gap of 2 percent of GDP.⁸ The improved terms-of-trade (lower oil import prices and higher gold export prices) will narrow the current account deficit, but lower FDI inflows and other private inflows will put pressures on the overall balance of payments, opening an external financing gap of 2.3 percent of GDP.

To cover the immediate financing gaps and protect priority spending, the authorities are also seeking assistance under the RCF for at least 50 percent of quota (at least SDR93.3 million) and are actively engaged with donors, including the World Bank, to cover the remaining financing needs.

Macroeconomic policies. Near-term fiscal policy priority is to contain the humanitarian and economic fallout from the pandemic. The authorities are considering measures to strengthen medical care capacity for testing, income support for the most affected households and firms (estimated at 0.8 percent of GDP), while reprioritizing non-essential spending and accommodating the bulk of the shortfall in revenues due to lower activity, disruptions in international trade, and difficulties increasing tax yields in the context of the crisis (2.2 percent of GDP). The regional central bank (BCEAO) for the West-African Economic and Monetary Union has taken preemptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. It raised the liquidity made available to banks at its weekly and monthly auctions; revised auction strategies to allow banks to satisfy their liquidity needs fully at a lower rate; extended

⁸ Staff encourages the authorities to reach understanding with the WAEMU authorities on a temporary deviation from the fiscal deficit convergence criterion.

the collateral framework to access central bank refinancing to include bank loans to prequalified private companies; and set up a framework with the banking system to support firms with repayment difficulties.

IMF program status. Mali has an existing three-year ECF arrangement approved on August 28, 2019, with an access level of 75 percent of quota (SDR 139.95 million). The first review under the ECF was completed on January 8, 2020. Following completion of the review, 10.7 percent of quota (SDR 20 million) was disbursed, bringing total disbursements under the arrangement to the equivalent of SDR 40 million (0.3 percent of 2019 GDP). Discussions under the second review (to assess end-2019 performance) are unfeasible under current circumstances, with the rapidly changing macro picture and pandemic-related restrictions, but will be resumed when possible.

Staff appraisal. Staff supports Mali's request for debt relief under the CCRT. Mali meets the income threshold with GNI per capita of US\$830, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Mali has debt service of SDR 7.3 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 30.0 million.

Table 1. Mali: Selected Economic Indicators, 2018–25

	2017	2018	2019		2020		2021		2022	2023	2024	2025
			1st Review ¹	Est.	1st Review ¹	Proj.	1st Review ¹	Proj.				
National income and prices												
	(Annual percentage change)											
Real GDP	5.0	5.2	5.1	5.1	5.0	0.9	5.0	4.0	6.0	5.0	5.0	5.0
Real non-agriculture GDP	5.0	4.8	5.1	5.1	...	...	...	...	...	...	...	...
GDP deflator	2.1	0.4	2.5	2.5	1.8	1.8	2.3	1.7	2.0	2.0	2.0	2.0
Consumer price inflation (average)	1.8	1.7	-0.4	-0.6	0.6	0.6	2.0	1.5	2.0	2.0	2.0	2.0
Consumer price inflation (end of period)	1.1	1.0	-0.8	-1.3	1.7	1.5	2.3	1.7	2.0	2.0	2.0	2.0
External sector												
Terms of trade (deterioration -)	-25.3	-0.2	2.2	16.7	4.8	24.6	0.2	-6.7	-4.8	-5.8	-4.6	-4.6
Real effective exchange rate (depreciation -)	0.6	2.6	...	...	...	...	...	...	...	...	...	...
Money and credit												
Credit to the government	55.7	64.1	27.7	-36.6	20.2	72.0	...	...	...	...	...	...
Credit to the economy	5.4	4.8	6.1	2.2	6.0	2.7	...	...	...	...	...	...
Broad money (M2)	4.3	14.2	10.0	9.0	11.2	3.3	...	...	...	...	...	...
Central government finance												
	(Percent of GDP, unless otherwise indicated)											
Revenue	18.4	14.4	19.5	19.5	20.5	18.4	20.7	19.3	19.6	19.9	20.2	20.4
of which: Tax revenue	15.2	11.9	14.6	14.7	15.5	13.7	15.7	14.2	14.5	14.8	15.0	15.3
Grants	1.6	1.2	2.4	1.9	2.4	2.5	2.0	2.4	1.9	1.9	1.8	1.9
Total expenditure and net lending	22.9	20.4	24.8	23.1	26.4	27.1	25.9	25.0	24.5	24.8	25.0	25.4
Overall balance (commitment basis, including grants)	-2.9	-4.8	-2.9	-1.7	-3.5	-6.1	-3.3	-3.3	-3.0	-3.0	-3.0	-3.0
Overall balance (cash basis, including grants)	-2.6	-3.9	-3.6	-2.6	-3.6	-6.0	-3.2	-3.3	-2.9	-2.9	-2.9	-2.9
External sector												
Current account balance, including official transfers	-7.3	-4.9	-4.8	-4.2	-4.4	-3.6	-4.6	-3.8	-6.1	-8.3	-10.2	-10.9
Current account balance, excluding official transfers	-12.1	-9.3	-9.4	-9.0	-8.5	-7.1	-8.5	-8.0	-10.1	-12.1	-13.8	-15.2
Exports of goods and services	22.5	24.7	23.6	24.6	24.0	24.4	23.0	25.4	24.3	23.4	22.5	21.6
Imports of goods and services	36.2	35.8	34.6	35.2	34.0	31.5	32.9	33.1	33.7	34.4	34.8	35.0
Overall balance of payments	-0.5	1.1	-0.3	-0.5	0.1	-0.9	-0.2	0.4	-3.0	-4.5	-6.4	-7.0
Public debt (end period)												
External and Domestic public debt	36.0	37.7	38.3	40.4	39.0	44.3	39.5	45.2	44.9	44.8	44.8	44.6
External public debt	25.0	24.9	26.3	26.4	26.1	27.6	25.7	27.3	25.9	24.6	23.3	22.6
Domestic public debt ²	11.0	12.8	12.0	14.0	12.9	16.7	13.8	17.9	19.0	20.3	21.5	22.1
External debt service to exports of goods and services ratio	4.4	3.8	4.0	5.2	4.6	6.6	4.7	6.6	7.0	6.9	7.3	5.3
Debt service	6.3	5.2	4.8	5.1	5.6	7.2	5.9	8.2	9.5	9.7	10.4	10.1
Memorandum items:												
Nominal GDP (CFAF billions)	8,922	9,426	10,214	10,154	10,917	10,427	11,732	11,030	11,929	12,776	13,683	14,654
Nominal GDP (US\$ billions)	16.1	16.4	...	...	...	...	...	...	...	...	...	...
Overall balance of payments (US\$ millions)	-71.1	189.0	...	...	...	...	...	...	...	...	...	...
US\$ exchange rate (end of period)	554.2	576.2	...	...	...	...	...	...	...	...	...	...
Gold Price (US\$/fine ounce London fix)	1257	1269	1400	1392	1531	1640	1558	1667	1684	1703	1721	1739
Gold Price (CFAF billion/ton)	21.1	20.8	20.9	20.9	23.0	23.0	23.2	23.2	23.3	23.5	23.7	24.7
Petroleum price (crude spot)(US\$/bbl)	53	68	62	61	58	36	55	38	41	43	45	46

Sources: Ministry of Finance; and IMF staff estimates and projections.

¹ IMF Country Report No. 20/8, Mali : First Review Under the Extended Credit Facility Arrangement.

² Includes BCEAO statutory advances, government bonds, treasury bills, and other debts.

Table 2. Mali: Balance of Payments 2017–25
(Billions of CFAF)

	2017	2018	2019		2020		2021		2022	2023	2024	2025
			1st Review ¹ Proj.		1st Review ¹ Proj.		1st Review ¹ Proj.		Projections			
Current account balance												
Excluding official transfers	-1079	-879	-958	-916	-930	-744	-994	-881	-1206	-1543	-1883	-2226
Including official transfers	-650	-465	-490	-426	-484	-376	-544	-416	-730	-1054	-1395	-1599
Trade balance	-415	-213	-256	-207	-204	136	-268	100	-73	-256	-430	-611
Exports, f.o.b.	1686	1991	2073	2159	2258	2252	2316	2480	2565	2644	2719	2792
Cotton fiber	223	271	231	223	251	151	271	218	237	255	272	291
Gold	1176	1388	1492	1651	1637	1868	1649	1993	2016	2019	2022	2024
Other	287	332	349	284	371	234	395	268	312	369	425	477
Imports, f.o.b.	-2101	-2204	-2329	-2366	-2463	-2116	-2584	-2379	-2638	-2900	-3149	-3403
Petroleum products	-552	-659	-626	-650	-618	-405	-613	-459	-527	-594	-661	-736
Foodstuffs	-349	-323	-350	-314	-375	-334	-395	-351	-379	-404	-430	-458
Other	-1201	-1223	-1353	-1402	-1469	-1378	-1575	-1570	-1731	-1902	-2057	-2209
Services (net)	-808	-840	-864	-871	-889	-878	-901	-948	-1050	-1150	-1252	-1359
Credit	319	334	339	339	359	295	379	319	332	345	358	372
Debit	-1127	-1174	-1204	-1210	-1249	-1173	-1280	-1267	-1383	-1496	-1611	-1731
Of which: freight and insurance	-387	-407	-430	-437	-469	-403	-492	-453	-502	-552	-600	-648
Income (net)	-291	-283	-309	-309	-314	-327	-319	-344	-372	-398	-426	-433
Of which: interest due on public debt	-28	-29	-34	-34	-38	-38	-28	-40	-42	-42	-42	-45
Transfers (net)	864	871	940	961	925	693	943	775	765	750	713	803
Private transfers (net)	435	457	472	472	478	325	493	311	289	262	225	176
Official transfers (net) ²	429	414	468	490	446	367	450	465	476	489	488	627
Of which: budgetary grants	49	43	94	112	111	108	116	168	118	123	123	158
Capital and financial account	698	544	512	637	490	278	520	458	375	479	524	572
Capital account (net)	150	133	221	150	204	211	173	159	162	176	190	189
Of which: debt forgiveness	18	19	18	18	0	9	0	9	0	0	0	0
Of which: project grants	96	75	158	87	156	156	120	101	109	119	129	123
Financial account	548	411	292	487	286	67	347	299	213	303	333	383
Private (net)	395	266	-15	48	116	-157	140	27	56	128	156	126
Direct investment (net)	318	259	181	181	268	90	304	191	207	221	237	254
Portfolio investment private (net)	1	-1	-1	-1	0	0	0	0	0	0	0	0
Other private capital flows	76	8	-195	-132	-152	-247	-164	-164	-151	-93	-81	-128
Official (net)	153	144	307	439	170	224	207	272	157	175	177	258
Portfolio investment public (net)	16	119	41	153	44	94	48	99	107	115	123	132
Disbursements	206	97	364	377	248	252	259	272	212	224	236	253
Budgetary	50	23	275	271	54	58	50	122	50	50	50	54
Project related	157	74	89	105	194	194	209	150	162	174	186	199
Amortization due on public debt	-70	-72	-99	-91	-122	-122	-99	-99	-163	-164	-182	-127
Errors and omissions	-90	26	115	53	0	0	0	0	0	0	0	0
Overall balance	-41	105	-138	264	-6	-309	-24	41	-355	-575	-871	-1027
Financing	41	-105	138	-264	38	66	-8	-54	323	575	871	1027
Foreign assets (net)	23	-115	-172	-181	-47	57	-17	-63	323	575	871	1027
Of which: IMF based on existing drawing (net)	16	65	5	5	20	20	20	20	20	-22	-29	-28
HIPC initiative			18	18	9	9	9	9				
Financing gap	0	0	0	0	0	243	33	13	32		0	0
Additional donors' financing						181						
Prospective financing from CCRT ³						10		13	1			
Residual financing gap						52						
External trade					(Annual percentage change)							
Export volume index	11.1	-0.6	2.3	-5.5	3.9	-8.6	2.4	15.8	5.3	6.3	5.6	5.1
Import volume index	-14.2	-12.1	5.9	9.3	5.7	-2.3	5.0	10.3	7.4	6.8	6.3	5.5
Export unit value	-9.4	19.1	1.9	14.7	4.9	14.1	0.1	-4.9	-1.7	-3.0	-2.6	-2.3
Import unit value	21.3	19.3	-0.3	-1.7	0.1	-8.4	-0.1	1.9	3.2	2.9	2.1	2.5
Terms of trade	-25.3	-0.2	2.2	16.7	4.8	24.6	0.2	-6.7	-4.8	-5.8	-4.6	-4.6

Sources: Malian authorities; and IMF staff estimates and projections.

¹ IMF Country Report No. 19/128, Mali: First Review Under the Extended Credit Facility Arrangement.² Includes financing by the international community for imports of security services in relation to the foreign military intervention in the country.³ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 3. Mali: Debt Services and Outstanding Credit to the IMF
(In SDR)

Description	Schedule Due Date	Total Amount Due	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	9-Jun-20	800,000	800,000	0.4	0.4
PRGT Repayment (RCF)	18-Jun-20	1,000,000	1,000,000	0.5	1.0
PRGT Repayment (ECF)	22-Jun-20	600,000	600,000	0.3	1.3
PRGT Repayment (ECF)	26-Jun-20	2,100,000	2,100,000	1.1	2.4
PRGT Repayment (ECF)	26-Jun-20	600,000	600,000	0.3	2.7
PRGT Repayment (ECF)	10-Jul-20	600,000	600,000	0.3	3.1
PRGT Repayment (ECF)	24-Jul-20	200,000	200,000	0.1	3.2
PRGT Repayment (ECF)	3-Aug-20	200,000	200,000	0.1	3.3
PRGT Repayment (RCF)	5-Aug-20	1,200,000	1,200,000	0.6	3.9
PRGT Repayment (ECF)	9-Dec-20	800,000	800,000	0.4	4.3
PRGT Repayment (ECF)	18-Dec-20	400,000	400,000	0.2	4.6
PRGT Repayment (RCF)	18-Dec-20	1,000,000	1,000,000	0.5	5.1
PRGT Repayment (ECF)	22-Dec-20	600,000	600,000	0.3	5.4
PRGT Repayment (ECF)	23-Dec-20	600,000	600,000	0.3	5.7
PRGT Repayment (ECF)	28-Dec-20	2,100,000	2,100,000	1.1	6.9
PRGT Repayment (ECF)	12-Jan-21	600,000	600,000	0.3	7.2
PRGT Repayment (ECF)	3-Feb-21	200,000	200,000	0.1	7.3
PRGT Repayment (RCF)	5-Feb-21	1,200,000	1,200,000	0.6	7.9
PRGT Repayment (ECF)	9-Jun-21	800,000	800,000	0.4	8.4
PRGT Repayment (ECF)	10-Jun-21	400,000	400,000	0.2	8.6
PRGT Repayment (RCF)	18-Jun-21	1,000,000	1,000,000	0.5	9.1
PRGT Repayment (ECF)	18-Jun-21	400,000	400,000	0.2	9.3
PRGT Repayment (ECF)	22-Jun-21	600,000	600,000	0.3	9.6
PRGT Repayment (ECF)	25-Jun-21	600,000	600,000	0.3	10.0
PRGT Repayment (ECF)	28-Jun-21	2,100,000	2,100,000	1.1	11.1
PRGT Repayment (ECF)	12-Jul-21	600,000	600,000	0.3	11.4
PRGT Repayment (RCF)	5-Aug-21	1,200,000	1,200,000	0.6	12.1
PRGT Repayment (ECF)	9-Dec-21	800,000	800,000	0.4	12.5
PRGT Repayment (ECF)	10-Dec-21	400,000	400,000	0.2	12.7
PRGT Repayment (ECF)	16-Dec-21	1,900,000	1,900,000	1.0	13.7
PRGT Repayment (RCF)	17-Dec-21	1,000,000	1,000,000	0.5	14.3
PRGT Repayment (ECF)	17-Dec-21	400,000	400,000	0.2	14.5
PRGT Repayment (ECF)	22-Dec-21	600,000	600,000	0.3	14.8
PRGT Repayment (ECF)	27-Dec-21	600,000	600,000	0.3	15.1
PRGT Repayment (ECF)	12-Jan-22	600,000	600,000	0.3	15.4
PRGT Repayment (RCF)	4-Feb-22	1,200,000	1,200,000	0.6	16.1

Source: IMF

Annex 15.B. Letter of Intent— CCRT Request

Mali

Bamako, Mali
April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Mali are experiencing an exceptional balance of payments and fiscal needs arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- There were 47 confirmed cases and five deaths, as of April 6, 2020.
- We currently anticipate that: i) real output growth in 2020 will decline to 0.9 percent, compared with pre-crisis projections of 5.1 percent; ii) the impact on the budget of rising health and related outlays and a fall-off in revenues will be on the order of 2.6 percentage points of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$416 million (2.3 percent of GDP).

Our response to the crisis has several dimensions:

- We plan to increase health sector outlays by some 31 percent (0.4 percentage points of GDP) over the course of 2020, with key measures already underway including i) strengthening our testing capacities, stepping up our health campaigns, and making mass distribution of gel, hydroalcoholic solutions, sanitizers and masks, ii) expanding our quarantine and hospitalization facilities and iii) improving our medical care capacities. We also plan to increase expenditure on social protection for workers who have lost income and on support for badly affected sectors, to mitigate the economic impact of the virus (0.4 percentage points of GDP).
- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure), but still expect an increase in the primary budget deficit on the order of 2.6 percent

of GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

- Monetary and exchange rate policies are conducted at the level of the West African Economic and Monetary Union by the regional central bank (BCEAO).

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from these resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the emergency financing facilities (Rapid Credit Facility) and have submitted a request for support on the order of at least SDR93.3 million (at least 50 percent of quota). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Dr. Boubou Cissé

Prime Minister, Head of Government,
Minister of Economy and Finance

Annex 16.A. Republic of Mozambique: Staff Appraisal—CCRT Request

Mozambique faces exceptional BOP needs resulting from the impact of the COVID-19 pandemic and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. The impact of the COVID-19 pandemic will be significant, dashing prospects of a nascent economic recovery after the devastation caused by Tropical Cyclones Idai and Kenneth in 2019. The brunt of the impact will be felt in the first half of 2020, due to lower tax revenue collections and higher spending to treat infected people and protect the most vulnerable in society, as well as production and transportation disruptions. In addition, the fall in international commodity prices and demand for exports will have an impact on economic growth and the availability of foreign exchange, including for the critical imports of food and medicine. Real GDP growth is currently projected at 2¼ percent, 3¾ percentage points below the pre-virus baseline of October 2019. Substantial BOP and fiscal financing gaps of 5 percent of GDP are expected to emerge. Downside risks to these projections are significant.

Macroeconomic policies. The authorities' immediate priority is to limit the economic impact of the pandemic and preserve hard-won macroeconomic stability. Measures to protect the most vulnerable and support the private sector are being implemented and/or considered. Health budgetary allocations have been increased within the realities of a tight budget, and the authorities are seeking US\$700 million (5 percent of GDP) from Mozambique's development partners mainly in the form of grants and highly concessional financing. To ease liquidity conditions, the central bank has reduced reserve requirements (by 150 bps) for both domestic and foreign currency deposits, and announced measures to support financial markets and encourage prudent loan restructuring, such as a foreign currency credit line of US\$500 million, the waiver of provisioning by financial institutions in cases of renegotiation of the terms and conditions of loans for clients affected by the pandemic, and the waiver of specific provisioning on foreign currency loans. In addition, the metical has been allowed to adjust flexibly and has depreciated since late February by almost 6 percent against the U.S. dollar.

IMF program status. Given the large and immediate external and fiscal financing needs arising from the COVID-19 pandemic, the authorities are seeking financial assistance under the "exogenous shocks" window of the RCF. Discussions on a three-year ECF are expected to start later in the year when the current crisis has stabilized.

Staff appraisal. Staff supports Mozambique's request for debt relief under the CCRT. Mozambique meets the income threshold with GNI per capita of US\$477, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of the COVID-19 pandemic and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Mozambique has debt service of SDR 10.9 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24

months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 39.3 million.

Table1. Mozambique: Selected Economic and Financial Indicators, 2016–2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		Prel.	Est.				Proj.			
National income and prices (Percentage change, unless otherwise indicated)										
Real GDP	3.8	3.7	3.4	2.2	2.2	4.7	4.0	8.6	11.0	11.2
Real GDP, excl. mining	3.3	2.1	2.9	2.4	2.0	3.6	4.0	4.0	4.0	4.0
Nominal GDP	18.0	11.7	5.6	5.7	8.2	10.6	9.7	15.5	18.5	18.7
GDP deflator	13.7	7.6	2.1	3.4	5.9	5.6	5.5	6.4	6.8	6.7
Consumer prices (end of period)	23.7	5.6	3.5	3.5	6.0	5.5	5.5	5.5	5.5	5.5
Consumer prices (annual average)	19.9	15.1	3.9	2.8	5.2	5.7	5.5	5.5	5.5	5.5
GDP (billions of meticals)	753	841	888	939	1,016	1,123	1,232	1,424	1,687	2,003
GDP (billions of US dollars)	11.9	13.2	14.6	14.9	14.1	14.6	16.6	19.9	22.6	25.4
GDP per capita (US dollars)	415	445	481	477	439	444	493	575	636	696
Investment and savings (Percent of GDP)										
Gross domestic investment	46.6	33.2	49.0	56.9	78.2	80.2	91.7	74.4	53.3	43.3
Gross domestic savings, excl. grants	11.0	14.1	18.1	14.7	9.4	6.2	7.7	8.0	8.0	9.5
Central government (Percent of GDP)										
Total revenue ¹	22.0	25.1	24.0	29.5	22.5	24.5	25.4	25.7	24.4	22.9
Total expenditure and net lending	29.4	30.0	32.9	30.6	36.3	35.9	33.9	32.4	28.3	25.4
of which: current expenditure	19.2	19.3	21.9	22.6	23.9	22.2	21.4	20.1	18.8	17.4
Overall fiscal balance, before grants ²	-8.6	-5.1	-9.2	-1.1	-13.8	-11.4	-8.5	-6.7	-3.9	-2.6
Grants	1.9	1.9	2.0	1.0	6.0	5.4	4.2	3.3	1.9	1.6
Overall fiscal balance, after grants ²	-6.7	-3.2	-7.2	-0.2	-7.7	-6.1	-4.3	-3.4	-1.9	-1.0
Primary fiscal balance, after grants	-4.2	-0.2	-2.8	3.2	-4.2	-2.9	-1.5	-1.0	0.3	1.0
Public sector debt (Percent of GDP)										
Nominal stock of total debt	126.9	106.6	110.0	110.9	126.6	125.6	110.4	105.5	95.5	77.7
of which: external	104.3	87.4	92.4	92.0	110.0	110.6	97.0	93.5	85.1	68.5
Nominal stock of total debt, excl. ENH's debt	119.3	100.6	103.1	97.8	104.4	98.7	82.6	76.6	69.2	63.2
of which: external debt, excl. ENH's debt	96.7	81.5	85.4	78.9	87.9	83.7	69.2	64.6	58.9	54.0
Money and credit (Percentage change, unless otherwise indicated)										
Reserve money	35.2	4.7	22.5	19.8	16.8	8.9	8.3	9.9	9.9	10.9
Broad Money (M3)	10.1	5.1	8.2	12.2	8.1	9.5	9.6	12.0	12.2	13.3
Percent of GDP	48.8	45.9	47.0	49.9	49.9	49.4	49.3	47.8	45.3	43.2
Credit to the economy	12.6	-13.7	-2.5	4.7	2.1	9.4	9.7	9.7	9.7	10.7
Percent of GDP	34.7	26.9	24.8	24.5	23.2	22.9	22.9	21.8	20.1	18.8
Policy rate (percent) ³	23.3	19.5	14.3	12.8	12.8	...	...	...	...	...
External sector (Percent of GDP, unless otherwise indicated)										
Current account balance	-35.6	-19.1	-30.9	-42.2	-68.8	-74.0	-84.0	-66.4	-45.3	-33.8
excl. megaprojects	-31.3	-29.8	-26.3	-26.0	-29.0	-26.3	-23.1	-22.1	-22.1	-21.4
excl. megaprojects (MP) and indirect MP imports	-19.2	-19.6	-17.2	-14.4	-15.0	-12.9	-10.7	-11.2	-12.1	-11.7
Merchandise exports	27.9	35.9	35.6	29.5	22.6	31.2	30.4	32.9	38.7	43.5
excl. megaprojects	7.7	8.1	8.8	8.7	5.8	7.6	8.2	7.4	7.1	6.9
Merchandise imports	39.6	39.7	42.3	45.6	51.8	54.1	53.1	46.4	41.0	36.6
excl. megaprojects	33.2	34.1	33.5	35.2	38.5	37.3	33.1	29.8	28.1	26.5
Net foreign direct investment	25.9	17.4	18.5	14.5	18.9	22.8	26.7	18.7	13.7	10.6
Terms of trade (Percentage change)	2.7	0.2	-1.6	-1.5	2.7	-0.1	0.1	0.2	0.3	0.4
Gross international reserves (millions of US dollars, end of period)	2,009	3,338	3,081	3,884	3,133	3,211	3,443	3,642	3,818	3,933
Months of next year's non-megaproject imports	4.3	6.7	6.1	7.3	5.8	5.7	5.6	5.6	5.5	5.4
Net international reserves (millions of US dollars, end of period)	1,764	3,114	2,885	3,605	2,932	3,010	3,242	3,441	3,617	3,732
Exchange rate										
Meticals per US dollar, end of period	71.4	59.3	61.6	62.4	...	...	...	...	...	...
Meticals per US dollar, period average	63.1	63.9	60.9	63.1	...	...	...	...	...	...
Real effective exchange rate (Percentage change)	-23.3	6.0	6.7	0.3	...	...	...	...	...	...

Sources: Mozambican authorities; and IMF staff estimates and projections.

¹ Net of verified VAT refund requests.² Modified cash balances and including arrears.³ Liquidity injection standing lending facility rate (2016), Bank of Mozambique's MIMO rate (2017, and latest as of March 2020).

Table 2. Mozambique: Balance of payments, 2016–2025
(Millions of U.S. dollars, unless otherwise specified)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		Prel.	Est.	Est.			Proj.			
Current account balance	-4,247	-2,512	-4,504	-6,279	-9,690	-10,814	-13,943	-13,202	-10,211	-8,587
<i>Trade balance for goods</i>	-1,405	-498	-973	-2,391	-4,105	-3,342	-3,774	-2,695	-540	1,735
<i>Of which: Megaprojects</i>	1,633	2,925	2,637	1,564	480	978	363	1,748	4,203	6,715
Exports, f.o.b.	3,328	4,725	5,196	4,387	3,175	4,547	5,049	6,542	8,721	11,031
Megaprojects	2,405	3,657	3,913	3,100	2,356	3,433	3,687	5,063	7,115	9,286
Other	924	1,068	1,282	1,286	818	1,114	1,361	1,479	1,606	1,744
Imports, f.o.b.	4,733	5,223	6,169	6,778	7,280	7,889	8,823	9,237	9,261	9,296
Megaprojects	771	733	1,277	1,536	1,876	2,455	3,324	3,315	2,912	2,571
Other	3,962	4,490	4,892	5,242	5,404	5,434	5,499	5,922	6,349	6,725
<i>Services (net)</i>	-2,701	-2,324	-3,571	-4,452	-5,805	-7,617	-10,230	-10,476	-9,424	-8,585
Megaprojects	-2,086	-1,828	-3,287	-4,305	-5,677	-7,235	-9,698	-9,670	-8,578	-7,684
Other	-615	-496	-284	-21	-150	-97	-151	-298	-318	-362
<i>Primary income (net)</i>	-377	-325	-296	-641	-581	-566	-563	-608	-583	-2,077
<i>Of which: Interest on public debt (net)</i> ¹	-201	-277	-305	-236	-211	-201	-203	-218	-289	-467
<i>Of which: Megaprojects (Net interest and dividends)</i>	-18	0	0	-392	-368	-366	-394	-430	-438	-1,827
<i>Secondary income (net)</i>	236	634	336	1,206	802	711	624	577	337	341
<i>Of which: External grants</i>	156	116	108	101	591	496	400	344	93	86
Capital account balance	178	253	164	197	183	174	167	152	396	374
Financial account balance	3,408	3,538	3,644	6,430	8,588	10,483	13,927	13,171	9,951	8,328
Net foreign direct investment	3,093	2,293	2,692	2,162	2,653	3,320	4,430	3,723	3,084	2,696
Megaprojects	1,288	886	2,013	1,266	1,865	2,513	3,592	2,851	2,172	1,745
Other	1,806	1,407	679	896	789	806	838	872	912	951
Borrowing (net) by the general government	294	430	47	112	422	229	286	381	296	128
Disbursements	514	672	430	512	861	729	759	941	821	721
Repayments ²	220	242	383	401	438	500	473	559	524	593
Loans (net) by the nonfin private sector	-8	165	1,425	2,578	4,108	5,886	8,427	7,703	5,761	4,739
Megaprojects	-36	0	0	2,419	3,960	5,734	8,269	7,531	5,573	4,534
Other	28	165	1,425	159	149	152	158	172	188	205
Other financial flows (net) ³	29	650	-520	1,579	1,404	1,049	784	1,363	809	766
Net errors and omissions	-137.3	-578	-30	0	0	0	0	0	0	0
Overall balance	-799	701	-726	348	-919	-156	151	121	136	115
Financing	799	-701	726	-348	919	156	-151	-121	-136	-115
Reserve assets (- = increase)	534	-1,296	290	-795	453	-52	-205	-173	-176	-115
Net use of credit	-33	-32	-32	76	220	-26	-26	-26	0	0
<i>Of which: IMF disbursements</i>	0	0	0	120	248	0	0	0	0	0
<i>Of which: Repayments to the IMF (-)</i>	-33	-32	-32	-44	-28	-26	-26	-26	0	0
Exceptional financing	298	626	468	372	246	235	80	78	40	0
<i>Of which: IMF CCRT grants</i> ⁴					28	26				
<i>Memorandum items:</i>										
Current account balance (Percent of GDP)	-35.6	-19.1	-30.9	-42.2	-69.0	-74.2	-84.0	-66.4	-45.3	-33.8
excl. megaprojects (Percent of GDP)	-31.3	-29.8	-26.3	-26.0	-29.2	-26.5	-23.1	-22.1	-22.1	-21.4
excl. megaprojects (MP) and indirect MP imports (Percent of GDP) ⁵	-19.2	-19.6	-17.2	-14.4	-15.2	-13.1	-10.7	-11.2	-12.1	-11.7
Net foreign assets	1,646	2,969	2,758	3,481	2,808	2,886	3,118	3,317	3,493	3,608
Net international reserves ⁶	1,764	3,114	2,885	3,605	2,932	3,010	3,242	3,441	3,617	3,732
Gross international reserves	2,009	3,338	3,081	3,884	3,133	3,211	3,443	3,642	3,818	3,933
Months of next year's imports of goods and services	2.9	3.8	3.1	3.3	2.3	1.9	2.0	2.2	2.3	2.5
Months of next year's imports of goods and services, excl. MP	4.3	6.7	6.1	7.3	5.8	5.7	5.6	5.6	5.5	5.4
Percent of broad money (M2)	56.2	68.7	61.0	68.2	61.5	59.0	51.5	50.5	49.1	47.3

Sources: Data from Government of Mozambique and projections by IMF staff.

¹ Includes interest payments for Ematum and previously undisclosed loans.

² Includes repayments of previously undisclosed loans.

³ Other financial account flows include net portfolio investment; net financial derivatives; net currency and deposits; insurance, pension and standardized guarantee schemes (net); net trade credits and advances; net other accounts receivable/payable; net other equity and net special drawing rights.

⁴ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

⁵ Imports by domestic firms to supply megaprojects (estimated).

⁶ NIR include USD reserve deposits of commercial banks at the Bank of Mozambique. NIR do not include any disbursements by the IMF, foreign currency swaps, foreign currency liabilities of the central bank to non-residents, foreign currency deposits by resident banks, or reserve requirement deposits in foreign currency by resident banks.

Table 3. Mozambique: Debt Service to the IMF, April 2020-April 2021
As of April 14, 2020 (In SDR)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ESF-HAC)	28-Jun-10	26-Jun-20	1,420,000	1,420,000	0.6	0.6
PRGT Repayment (SCF)	30-Dec-15	30-Jun-20	7,337,778	7,337,778	3.2	3.9
PRGT Repayment (SCF)	30-Dec-15	30-Jun-20	2,128,889	2,128,889	0.9	4.8
PRGT Repayment (SCF)	30-Dec-15	30-Dec-20	7,337,778	7,337,778	3.2	8.0
PRGT Repayment (SCF)	30-Dec-15	30-Dec-20	2,128,889	2,128,889	0.9	9.0
PRGT Repayment (SCF)	30-Dec-15	30-Jun-21	7,337,778	7,337,778	3.2	12.2
PRGT Repayment (SCF)	30-Dec-15	30-Jun-21	2,128,889	2,128,889	0.9	13.1
PRGT Repayment (SCF)	30-Dec-15	30-Dec-21	7,337,778	7,337,778	3.2	16.4
PRGT Repayment (SCF)	30-Dec-15	30-Dec-21	2,128,889	2,128,889	0.9	17.3

Source: IMF staff calculations.

Annex 16.B. Letter of Intent—CCRT Request

Republic of Mozambique

Maputo, Mozambique

April 6, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

1. The COVID-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe. In Mozambique, we are experiencing exceptional balance of payments needs arising from the pandemic and our needed response to it.
2. Although the number of cases in Mozambique is still relatively small, the impact on our economy is already severe, and as this insidious disease spreads, the human and medical costs are expected to rise significantly. We currently project immediate balance of payments and fiscal needs resulting from the crisis to reach US\$700 million (5 percent of GDP or 18 percent of official international reserves at end-2019).
3. Our response to the crisis has several dimensions. We have taken strict social-distancing measures to contain the spread of the disease. We plan to significantly increase health sector outlays over the course of 2020 to strengthen disease prevention, control the spread of the virus, and boost medical infrastructure to help with treatment, including by adequately equipping isolation centers and hospitals around the country. Regarding macroeconomic policies, to mitigate the effects of the crisis on the private sector and safeguard financial stability, we have reduced reserve requirements on banks' deposits, created a U.S. dollar credit line to alleviate banks' liquidity shortages, and relaxed provisioning rules for restructuring loans of the ones affected by the COVID-19 pandemic. More importantly, we plan to increase expenditure on social protection for workers and families, particularly the most vulnerable in society, who have lost income due to the crisis.
4. We are monitoring closely our balance of payments position and will continue to allow the exchange rate to adjust flexibly to help narrow the financing gap if warranted, while remaining alert to the dangers of possibly destabilizing expectations and triggering panic and a run on the metical.

5. Against this backdrop, and given the large balance of payments needs created by the impact of the novel coronavirus, we hereby request grant assistance under the Catastrophe Containment window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020, or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors, with focus on the most vulnerable in society.

6. We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the emergency financing facilities and have submitted a request for support under the IMF's Rapid Credit Facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from Mozambique's other development partners.

7. We authorize the IMF to publish this letter and all the staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Adriano Afonso Maleiane
Minister of Economy and Finance

/s/

Rogério Zandamela
Bank of Mozambique Governor

Annex 17.A. Nepal: Staff Appraisal—CCRT Request

Nepal faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Nepal. In FY2019/20 (July 16, 2019 to July 15, 2020), staff expects growth to be 3.5 percent lower than the pre-pandemic baseline, as the COVID-19 shock in recent months derailed the growth momentum observed in the earlier part of the FY. COVID-19 shock has manifested in a decline in remittances (mainly from Gulf Cooperation Council (GCC) countries, India, and Malaysia), a contraction in tourism, as well as a drop in domestic activities due to containment measures that include a nationwide lockdown and border closures. Extra healthcare spending (estimated at 0.6 percent of GDP), targeted support to the most vulnerable (estimated at 0.2 percent of GDP), and revenue shortfalls (estimated at 0.7 percent of GDP) are expected to widen the overall fiscal deficit by 1.5 percent of GDP in FY2019/20, relative to the pre-pandemic baseline. Before the pandemic, the balance of payments was expected to be in balance, allowing for a stable level of gross official reserves. Now, a projected current account deficit of 6.5 percent of GDP (compared to 5.2 percent of GDP in the pre-pandemic baseline) and a projected capital and financial account surplus of 4.8 percent of GDP (compared to 5.1 percent in the pre-pandemic baseline), give rise to a balance of payments gap of 1.7 percent of GDP.

Macroeconomic policies. The authorities' immediate priority is to cope with the impact of the COVID-19 pandemic on Nepal. They intend to increase health spending, strengthen social assistance, ensure adequate liquidity to the banking system, and support access to credit. Higher healthcare costs arise from setting up dedicated hospitals and quarantine centers, and removing import tariffs on medical goods. Social assistance measures include discounts on food and utility payments (electricity, internet) and extensions of utility payment deadlines. Vulnerable individuals will receive in-kind food provision from local governments. To provide liquidity to the financial system, the Nepal Rastra Bank (NRB) lowered its cash reserve ratio from 4 to 3 percent and reduced the interest rate on the standing liquidity facility rate from 6 to 5 percent. The NRB is no longer requiring banks to build up the 2 percent countercyclical capital buffer that was due in July 2020. Further, the NRB announced measures to help borrowers facing temporary cashflow difficulties and support access to credit for businesses in the most affected sectors. Credibility of the exchange rate peg is preserved by maintaining an adequate level of gross official reserves.

IMF program status. There is outstanding credit equivalent to 22.7 percent of quota, corresponding to the remainder of previous Rapid Credit Facility (RCF) disbursements in 2010 and 2015. Nepal has requested Fund financing under the Rapid Credit Facility to support its COVID-19 response.

Staff appraisal. Staff supports Nepal's request for debt relief under the CCRT. Nepal meets the income threshold with GNI per capita of US\$960 in 2018, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Outstanding debt service and amount of grants for debt relief. Nepal has eligible debt of SDR 2.85 million for the period from April 14 to October 13, 2020. Its eligible debt falling due in the 12 months from April 14, 2020 amounts to SDR 6.42 million; and to SDR 13.55 million in the 24 months from April 14, 2020. Staff supports the authorities' request for debt service relief for amounts falling due to the Fund up to October 13, 2020, amounting to SDR 2.85 million.

Table 1. Nepal: Selected Economic Indicators, 2017/18-2024/25 1/

	2017/18 2018/19		2019/20		2020/21		2021/22	2022/23	2023/24	2024/25
	Est.	Proj.	Article IV		Article IV		Proj.	Proj.	Proj.	Proj.
			2020 Baseline	Current Baseline	2020 Baseline	Current Baseline				
Output and prices (annual percent change)										
Real GDP	6.7	7.1	6.0	2.5	5.7	5.0	6.5	5.5	5.3	5.3
Headline CPI (period average)	4.1	4.6	6.0	6.7	5.9	6.7	5.8	5.6	5.3	5.3
Headline CPI (end of period)	4.6	6.0	5.9	7.5	5.8	6.0	5.6	5.5	5.3	5.3
Fiscal Indicators: Central Government (in percent of GDP)										
Total revenue and grants	25.3	26.0	25.8	25.3	26.0	26.1	26.0	25.7	25.7	25.8
of which: Tax revenue	21.1	21.9	21.9	21.3	21.8	21.9	21.8	21.5	21.5	21.6
Expenditure	31.9	30.6	30.4	31.2	30.4	31.1	30.4	30.1	29.9	29.8
Expenses	23.0	23.6	23.1	23.7	23.1	23.8	23.3	23.1	23.2	23.3
Net acquisition of nonfinancial assets	8.9	7.0	7.3	7.5	7.3	7.3	7.1	7.0	6.7	6.5
Operating balance	2.3	2.4	2.8	1.5	2.9	2.3	2.6	2.5	2.5	2.5
Net lending/borrowing	-6.7	-4.6	-4.5	-6.0	-4.4	-5.0	-4.5	-4.5	-4.2	-4.0
Statistical discrepancy	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial transactions	3.6	4.6	4.5	6.0	4.4	5.0	4.5	4.5	4.2	4.0
Net acquisition of financial assets	-0.7	1.7	1.6	1.6	0.9	0.9	0.9	0.9	0.9	0.9
Net incurrence of liabilities	2.9	6.3	6.1	7.6	5.3	5.9	5.4	5.3	5.1	4.9
Foreign	2.4	2.1	2.4	2.3	1.9	1.5	1.5	1.6	1.4	1.2
Domestic	0.4	4.2	3.7	5.3	3.4	4.4	3.8	3.8	3.7	3.7
Money and credit (annual percent change)										
Broad money	19.4	15.8	13.2	11.4	11.9	15.7	12.1	10.2	10.3	10.3
Domestic credit	26.1	21.7	17.6	18.1	15.7	19.3	16.1	14.0	13.3	13.1
Private sector credit	22.3	19.1	15.0	13.6	13.8	17.1	14.6	12.5	12.0	12.0
Saving and Investment (in percent of nominal GDP)										
Gross investment	55.2	62.3	54.6	53.8	53.4	54.6	53.4	52.5	51.6	50.8
Private	25.8	30.0	25.1	24.4	24.4	25.1	24.6	24.1	23.9	23.6
Central government	8.9	7.0	7.3	7.5	7.3	7.3	7.1	7.0	6.7	6.5
Change in Stock	20.5	25.3	22.2	21.9	21.7	22.2	21.7	21.3	21.0	20.7
Gross national saving	47.1	54.6	49.4	47.3	48.5	48.5	48.4	47.7	47.2	46.7
Private	46.1	53.3	47.8	47.0	47.0	47.6	47.2	46.6	46.1	45.6
Central government	1.0	1.2	1.6	0.3	1.5	0.8	1.2	1.1	1.1	1.1
Balance of Payments										
Current account (in millions of U.S. dollars)	-2,350	-2,369	-1,760	-2,100	-1,832	-2,188	-1,949	-1,981	-1,997	-2,004
In percent of GDP	-8.1	-7.7	-5.2	-6.5	-4.9	-6.2	-5.0	-4.7	-4.4	-4.1
Trade balance (in millions of U.S. dollars)	-10,849	-11,373	-11,658	-10,690	-12,379	-12,060	-12,908	-13,562	-14,214	-14,904
In percent of GDP	-37.4	-37.1	-34.2	-32.8	-33.1	-33.9	-33.2	-32.3	-31.5	-30.6
Exports of goods (y/y percent change)	15.5	12.1	1.4	-1.4	9.9	11.9	10.3	10.3	10.3	10.3
Imports of goods (y/y percent change)	27.4	5.4	2.4	-5.6	6.5	12.7	7.3	5.5	5.3	5.4
Workers' remittances (in millions of U.S. dollars)	7,224	7,769	8,402	7,354	8,825	8,383	9,157	9,600	10,064	10,551
In percent of GDP	24.9	25.3	24.7	22.6	23.6	23.6	23.5	22.9	22.3	21.7
Gross official reserves (in millions of U.S. dollars)	9,304	8,545	8,536	7,998	8,419	7,332	7,048	6,874	6,739	6,692
In months of prospective imports	7.9	7.6	6.6	6.3	6.1	5.4	4.9	4.5	4.2	3.9
Memorandum items										
Public debt (in percent of GDP)	30.2	30.1	33.7	36.3	35.7	38.8	40.3	42.0	43.5	44.7
Nominal GDP (in billions of U.S. dollars)	29.0	30.7	34.1	32.6	37.4	35.5	38.9	42.0	45.1	48.7
Nominal GDP (in billions of Nepalese Rupees)	3,031	3,464	3,892	3,790	4,354	4,247	4,785	5,330	5,909	6,550
Private Sector Credit (in percent of GDP)	80.6	84.0	86.0	87.3	87.5	91.2	92.8	93.7	94.7	95.7
Exchange rate (NPR/US\$, period average)	104.4	112.9	...	...	...	...	...	...	...	...
Real effective exchange rate (average, y/y percent change)	0.2	-1.4	...	...	...	...	...	...	...	...

Sources: Nepalese authorities; and IMF staff estimates and projections.

1/ Fiscal year ends mid-July.

Note: Article IV 2020 Baseline is based on data as of end-Jan 2020, while current baseline forecast is as of April 1, 2020.

Table 2. Nepal: Balance of Payments, 2017/18-2024/25 1/

	2017/18	2018/19	2019/20		2020/21		2021/22	2022/23	2023/24	2024/25
			Article IV		Article IV					
			2020	Current	2020	Current				
			Baseline	Baseline	Baseline	Baseline				
	Est.	Proj.	Proj.	Proj.	Proj.	Projections				
(in millions of US dollars)										
Current account	-2,350	-2,369	-1,760	-2,100	-1,832	-2,188	-1,949	-1,981	-1,997	-2,004
Current account (excluding official transfers)	-2,633	-2,667	-2,119	-2,441	-2,281	-2,615	-2,416	-2,485	-2,538	-2,585
Trade balance	-10,849	-11,373	-11,658	-10,690	-12,379	-12,060	-12,908	-13,562	-14,214	-14,904
Exports, f.o.b.	894	1,002	1,016	988	1,117	1,105	1,219	1,345	1,484	1,637
Imports, f.o.b.	-11,743	-12,375	-12,675	-11,677	-13,496	-13,165	-14,127	-14,907	-15,698	-16,541
Services (net)	18	-147	-118	-305	-104	-248	-100	-72	-52	-27
Receipts	1,697	1,654	1,844	1,554	2,034	1,797	2,129	2,322	2,507	2,721
Of which: tourism	643	651	729	490	811	634	856	937	1,020	1,115
Payments	-1,680	-1,801	-1,962	-1,859	-2,138	-2,044	-2,228	-2,393	-2,559	-2,748
Income	210	358	398	380	436	415	454	490	526	568
Credit	660	708	786	751	862	820	898	969	1,041	1,124
Debit	-450	-350	-389	-371	-426	-405	-444	-479	-514	-555
Current transfers	8,271	8,793	9,619	8,515	10,215	9,705	10,605	11,163	11,743	12,359
Credit, of which:	8,327	8,889	9,669	8,562	10,270	9,757	10,662	11,224	11,809	12,431
General government	283	298	359	341	449	427	467	504	541	581
Workers' remittances	7,224	7,769	8,402	7,354	8,825	8,383	9,157	9,600	10,064	10,551
Debit	-56	-96	-50	-48	-55	-52	-57	-62	-66	-72
Capital account	169	137	170	164	192	184	198	211	225	238
Financial account	1,344	689	1,584	1,393	1,533	1,348	1,477	1,605	1,648	1,728
Direct investment	169	115	163	90	179	177	194	209	247	291
Portfolio investment	0	0	0	0	0	0	0	0	0	0
Other investment (net)	1,175	573	1,421	1,303	1,354	1,171	1,283	1,396	1,401	1,437
Of which: Trade credit	556	427	445	408	478	460	502	536	570	607
Official loans	764	546	802	728	684	529	581	645	600	581
Errors and omissions	1,086	839	0	0	0	0	0	0	0	0
Overall balance	249	-704	-5	-543	-107	-656	-274	-164	-125	-37
(in percent of GDP)										
Current account	-8.1	-7.7	-5.2	-6.5	-4.9	-6.2	-5.0	-4.7	-4.4	-4.1
Current account (excluding official transfers)	-9.1	-8.7	-6.2	-7.5	-6.1	-7.4	-6.2	-5.9	-5.6	-5.3
Trade balance	-37.4	-37.1	-34.2	-32.8	-33.1	-33.9	-33.2	-32.3	-31.5	-30.6
Exports, f.o.b.	3.1	3.3	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.4
Imports, f.o.b.	-40.4	-40.3	-37.2	-35.9	-36.1	-37.0	-36.3	-35.5	-34.8	-34.0
Services (net)	0.1	-0.5	-0.3	-0.9	-0.3	-0.7	-0.3	-0.2	-0.1	-0.1
Receipts	5.8	5.4	5.4	4.8	5.4	5.1	5.5	5.5	5.6	5.6
Of which: tourism	2.2	2.1	2.1	1.5	2.2	1.8	2.2	2.2	2.3	2.3
Payments	-5.8	-5.9	-5.8	-5.7	-5.7	-5.8	-5.7	-5.7	-5.7	-5.6
Income	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Credit	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Debit	-1.5	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1
Current transfers	28.7	29.0	28.4	26.3	27.5	27.5	27.4	26.7	26.2	25.5
Credit, of which:	1.0	1.0	1.1	1.0	1.2	1.2	1.2	1.2	1.2	1.2
General government	24.9	25.3	24.7	22.6	23.6	23.6	23.5	22.9	22.3	21.7
Workers' remittances	-0.2	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Debit	0.6	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Capital account	0.6	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Financial account	4.6	2.2	4.6	4.3	4.1	3.8	3.8	3.8	3.7	3.5
Direct investment	0.6	0.4	0.5	0.3	0.5	0.5	0.5	0.5	0.5	0.6
Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment (net)	4.0	1.9	4.2	4.0	3.6	3.3	3.3	3.3	3.1	2.9
Of which: Trade credit	1.9	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2
Official loans	2.6	1.8	2.4	2.2	1.8	1.5	1.5	1.5	1.3	1.2
Errors and omissions	3.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	0.9	-2.3	0.0	-1.7	-0.3	-1.8	-0.7	-0.4	-0.3	-0.1
Memorandum items										
Imports (y/y percent change)	27.4	5.4	2.4	-5.6	6.5	12.7	7.3	5.5	5.3	5.4
of which Oil imports (y/y percent change)	8.9	8.7	8.4	7.8	8.4	8.2	8.6	8.7	8.8	8.9
Exports of G&S (in percent of GDP)	46.2	46.2	42.9	41.6	41.8	42.8	42.0	41.2	40.5	39.6
Imports of G&S (in percent of GDP)	10.2	7.6	8.1	-5.3	5.0	14.0	9.2	4.8	4.8	4.8
Total external debt (in percent of GDP)	17.3	17.0	18.3	19.0	18.6	19.0	18.9	19.1	19.1	19.0
Gross official reserves (in mil U.S. dollars)	9,304	8,545	8,536	7,998	8,419	7,332	7,048	6,874	6,739	6,692
In months of prospective imports	7.9	7.6	6.6	6.3	6.1	5.4	4.9	4.5	4.2	3.9
As a share of broad money (in percent)	33.0	26.2	...	...	...	...	...	...	...	...
Gross foreign exchange reserves (in mil U.S. dollars) 2/	10,056	9,474	...	...	...	...	...	...	...	...
In months of prospective imports	8.5	8.4	...	...	...	...	...	...	...	...
In months of current imports	9.0	8.0	...	...	...	...	...	...	...	...
Nominal GDP (in mil U.S. dollars)	29,040	30,690	34,081	32,555	37,382	35,543	38,916	42,012	45,122	48,708

Sources: Nepalese authorities; and IMF staff estimates and projections.

1/ Fiscal year ends in mid-July.

2/ The authorities define gross foreign exchange reserves as follows: Gross official reserves -Gold/SDR/IMF reserve position + Bank/financial institutions' reserves

Note: Article IV 2020 Baseline is based on data as of end-Jan 2020, while current baseline forecast is as of April 1, 2020.

Table 3. Nepal: Debt service due to the IMF over the 24 months from April 14, 2020

Loan type	Disbursement Date	Due Date	Amount in SDRs	Cumulative Amount	Amount in Percent of Quota	Cumulative Amount in Percent of Quota
PRGT Repayment (RCF)	6/7/2010	6/5/2020	2,852,000	2,852,000	1.8%	1.8%
PRGT Repayment (RCF)	8/10/2015	2/10/2021	3,565,000	6,417,000	2.3%	4.1%
PRGT Repayment (RCF)	8/10/2015	8/10/2021	3,565,000	9,982,000	2.3%	6.4%
PRGT Repayment (RCF)	8/10/2015	2/10/2022	3,565,000	13,547,000	2.3%	8.6%

Sources: Nepal authorities' data and IMF staff estimates and projections.

Annex 17.B. Letter of Intent—CCRT Request

Nepal

Kathmandu, Nepal

April 4, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is posing a severe threat to both the lives of the general public and the level of economic activity across the globe.

The pandemic has adversely affected the main sources of Nepal's foreign currency earnings, namely remittances, tourism and merchandise exports. Thus, the country is experiencing an exceptional balance of payments need. While there is a high degree of uncertainty regarding the duration and scale of the COVID-19 impact, we currently anticipate that: (i) real output growth in FY2019/20 will decline by 2 to 4 percent, compared to the pre-COVID outlook; (ii) the impact on the budget of rising health and related outlays and a shortfall in tax revenues will be on the order of 1.5 to 2 percent of GDP; and (iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$400 to US\$600 million (1.2 to 1.8 percent of GDP).

Our response to the crisis has several dimensions:

- We plan to increase health sector outlays by some 0.6 percent of GDP over the course of FY2019/20, with key measures already underway such as setting up dedicated hospitals and quarantine centers and removing import tariffs on medical goods. We also plan to increase expenditure on social assistance by providing discounts on food and utility payments (electricity, internet) and extending utility payment deadlines. Vulnerable individuals will receive in-kind food provision from local governments. These measures, combined with revenue shortfalls, are expected to widen the overall fiscal deficit by an estimated 1.5 to 2 percent of GDP in FY2019/20.
- We are seeking to create budgetary space for these and other outlays to support economic activity by reprioritizing budgeted expenditure where possible. We hope that additional support from development partners will help to meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

- We are providing liquidity to the financial sector by lowering the cash reserve ratio from 4 to 3 percent and reducing the interest rate on the standing liquidity facility rate from 6 to 5 percent.
- We are no longer requiring banks to build up the 2 percent countercyclical capital buffer that was due in July 2020. Further, we announced measures to help borrowers facing temporary cashflow difficulties and support access to credit for businesses in the most affected sectors.
- The credibility of the exchange rate peg is preserved by maintaining an adequate level of gross official reserves.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 10, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the Rapid Credit Facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from other development partners as well.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Dr. Yuba Raj Khatiwada
Finance Minister

/s/

Mr. Chinta Mani Siwakoti
Acting Governor, Nepal Rastra Bank

Annex 18.A. Niger: Staff Appraisal—CCRT Request

Niger faces exceptional balance of payments needs resulting from the impact of the COVID-19 pandemic and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. Niger faces reduced exports, implementation delays for large-scale foreign-financed projects, tighter financial conditions, and domestic containment measures that are likely to cut real GDP growth to just 1 percent this year, from 6 percent previously projected. The fiscal deficit could widen to 5.0 percent of GDP, compared to a budgeted 2.7 percent of GDP, reflecting a revenue shortfall of 2.2 percent of GDP and additional spending. Health care related outlays could rise by as much as 2 percent of GDP and measures are also needed to cushion the pandemic's social and economic fallout. But re-prioritizing existing budget allocations, reshuffling donor projects, and in-kind support by the international community should keep the net expenditure increase to 0.3 percent of GDP. The economic shock from the pandemic opens a financing gap in Niger's balance of payments equivalent to 3 percent of GDP.

Macroeconomic policies. A comprehensive response plan is in place, with (i) health measures (mainly prevention and containment); (ii) social protection (food and cash distributions and free utilities); and (iii) business support (predominantly temporary tax relief). Despite efforts to identify savings in the 2020 budget and keep support measures targeted, the fiscal stance eases in 2020. The authorities are committed to fiscal consolidation in 2021 and 2022. The regional central bank (BCEAO) has taken preemptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. These steps include raising the liquidity made available to banks, ensuring that refinancing rates remain close to the floor of the monetary policy corridor of 2.5 percent, expanding collateral to access central bank refinancing, and setting-up a framework with the banking system to support firms with repayment difficulties.

IMF program status. An ECF arrangement (SDR118.44 million or 90 percent of quota) has accompanied Niger's reform efforts since January 2017 and is scheduled to expire at end-July 2020. The 5th program review, completed on January 8, 2020, attests broadly satisfactory overall program performance. The unsettled macroeconomic outlook precludes the timely conclusion of the 6th review. Instead, the authorities have requested emergency financial assistance under the Rapid Credit Facility (SDR83.66 million, 63.6 percent of quota).

Staff appraisal. Staff supports Niger's request for debt relief under the CCRT. Niger meets the income threshold with GNI per capita of some US\$600, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Niger has debt service of SDR 5.64 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24

months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 31.595 million.

Table 1. Niger: Selected Economic and Financial Indicators, 2017–25

	2017	2018	2019		2020		2021	2022	2023	2024	2025
			5th Review	Est.	5th Review	Proj.						Projections
(Annual percentage change, unless otherwise indicated)											
National income and prices											
GDP at constant prices	5.0	7.0	6.3	5.8	6.0	1.0	8.1	13.2	6.2	7.0	8.1
Oil production (thousand barrels per day)	18	17	20	20	20	20	20	70	83	97	110
GDP deflator	1.3	2.6	1.0	0.5	2.0	2.4	2.0	2.0	2.0	2.0	2.0
Consumer price index											
Annual average	0.2	2.8	-1.8	-2.5	2.0	4.4	1.7	2.0	2.0	2.0	2.0
End-of-period	1.7	1.6	-1.8	-2.3	2.0	2.7	2.0	2.0	2.0	2.0	2.0
External sector											
Exports, f.o.b. (CFA francs)	14.5	-4.5	10.7	11.7	12.0	-3.9	20.7	54.7	13.0	13.2	14.6
Of which: non-uranium exports	22.6	3.5	10.3	11.6	15.7	-3.6	25.3	59.8	14.7	14.7	8.1
Imports, f.o.b. (CFA francs)	11.7	11.6	19.0	14.7	14.9	7.8	17.1	-4.6	-1.0	4.1	8.6
Export volume	11.5	-5.2	4.6	6.0	11.4	0.5	15.2	66.8	11.0	11.2	14.9
Import volume	9.6	8.7	20.0	11.8	14.7	8.1	19.5	-4.7	-1.4	2.0	6.7
Terms of trade (deterioration -)	0.8	-2.0	6.7	2.7	0.3	-4.1	6.9	-7.4	1.4	-0.3	-2.0
Government finances											
Total revenue	5.7	26.7	0.4	-1.6	15.1	-5.9	31.4	25.3	11.1	11.6	12.1
Total expenditure and net lending	6.7	18.8	7.6	8.4	9.7	8.5	5.9	9.7	7.3	10.0	11.5
Current expenditure	5.6	6.0	5.2	2.3	9.3	17.0	3.7	14.7	11.1	12.0	13.6
Capital expenditure	7.8	33.0	9.7	13.8	10.1	1.8	7.8	5.4	3.7	8.0	9.2
(Annual percentage change, unless otherwise indicated)											
Money and credit											
Domestic credit	11.4	11.4	7.8	-12.2	8.9	3.9	14.3	12.9	11.6	14.8	12.0
Credit to the government (net)	48.1	127.8	8.0	-89.5	8.3	-46.7	1.1	50.7	20.9	-22.0	4.6
Credit to the economy	7.7	-4.5	7.7	13.0	9.1	5.4	14.5	12.4	11.4	15.5	12.1
Net domestic assets	10.9	13.4	12.5	-18.6	13.0	0.8	24.8	20.4	12.8	14.1	17.5
Broad money	-4.9	-2.1	8.0	15.0	8.4	-0.7	13.1	14.6	12.6	13.2	15.8
Velocity of broad money (ratio)	5.6	6.3	6.3	5.8	6.2	6.1	5.9	6.0	5.7	5.5	5.3
(Percent of GDP, unless otherwise indicated) ⁴											
Government finances											
Total revenue	10.5	12.1	11.4	11.2	12.1	10.2	12.2	13.2	13.5	13.8	14.1
Total expenditure and net lending	19.5	21.1	21.3	21.5	21.6	22.6	21.7	20.6	20.4	20.6	20.8
Current expenditure	10.3	9.9	9.8	9.6	9.9	10.8	10.2	10.1	10.4	10.6	11.0
Capital expenditure	9.3	11.2	11.5	12.0	11.7	11.8	11.6	10.5	10.1	10.0	9.9
Basic balance (excl. grants) ¹	-3.6	-2.9	-2.6	-3.5	-2.0	-5.0	-2.1	-1.1	-1.1	-1.2	-1.5
Overall balance (commitment basis, incl. grants) ²	-4.1	-3.0	-2.8	-3.6	-2.7	-5.0	-3.3	-2.6	-2.5	-2.5	-2.5
Gross investment	28.1	29.0	31.8	30.2	32.6	31.5	31.3	24.6	23.5	23.1	22.0
Non-government investment	18.8	18.7	20.3	19.2	20.9	20.6	20.8	15.0	14.3	13.9	13.0
Government investment	9.3	10.3	11.5	11.0	11.7	10.8	10.6	9.7	9.3	9.2	9.1
Gross national savings	16.7	16.3	17.7	17.0	16.7	16.4	14.8	14.9	15.6	16.4	15.5
Of which: non-government	14.6	12.5	13.3	12.9	12.5	15.0	11.3	10.9	11.6	12.2	11.4
Domestic savings	14.8	14.4	14.9	14.3	13.8	14.1	13.0	13.8	14.9	15.9	15.5
External current account balance											
Excluding official grants	-13.5	-14.7	-16.9	-16.0	-17.9	-17.4	-18.4	-11.0	-9.1	-7.9	-7.7
External current account balance (incl. grants)	-11.4	-12.7	-14.1	-13.2	-15.9	-15.1	-16.6	-9.7	-7.9	-6.7	-6.5
Debt-service ratio as percent of:											
Exports of goods and services	5.1	7.1	7.2	7.2	8.3	13.0	13.5	10.6	9.8	7.9	7.1
Government revenue	6.2	6.7	7.4	7.6	8.3	14.3	14.0	12.8	11.9	9.6	8.8
Total public and publicly-guaranteed debt ³	39.6	39.0	40.3	42.0	39.7	45.4	43.7	40.1	39.3	38.3	37.1
Public and publicly-guaranteed external debt	25.7	25.4	28.0	26.5	28.0	30.3	29.7	27.3	26.9	26.4	25.6
NPV of external debt	23.1	24.5	19.4	18.5	19.6	21.8	21.1	19.3	18.8	18.5	17.9
Public domestic debt ³	13.9	13.6	12.2	15.5	11.7	15.1	14.0	12.7	12.4	11.9	11.5
Foreign aid	7.7	8.4	11.4	10.8	9.9	14.4	9.6	8.0	7.4	7.2	6.8
(Billions of CFA francs)											
GDP at current market prices (revised national accounts)	6,486	7,121	7,621	7,574	8,240	7,830	8,633	9,971	10,803	11,795	13,000
GDP at current market prices (former national accounts)	4,726	5,175	5,555	5,504	6,009	5,690	6,274	7,246	7,851	8,572	9,447
GDP at current prices (annual percentage change)	6.4	9.8	7.3	6.4	8.2	3.4	10.3	15.5	8.3	9.2	10.2

Sources: Nigerien authorities; and IMF staff estimates and projections.

¹ Revenue excluding grants minus expenditure excluding foreign-financed capital expenditure.

² Revenue including grants minus expenditure; WAEMU anchor.

³ Includes from 2017 onward debt associated with commercial PPPs, standing at some 4.7 and 4.2 percent of GDP in 2017 and 2018 respectively, and gradually being paid off through 2033.

⁴ In percent of GDP as revised in the context of the migration to SNA2008.

Table 2. Niger: Balance of Payments, 2017–25
(In billions of CFA francs, unless otherwise indicated)

	2017	2018	2019		2020		2021	2022	2023	2024	2025
			5th Review	Est.	5th Review	Proj.						Projections
Current account balance	-742	-903	-1,075	-1,003	-1,311	-1,180	-1,431	-969	-851	-793	-849
Balance on goods, services, and income	-981	-1,173	-1,423	-1,344	-1,622	-1,504	-1,736	-1,257	-1,148	-1,109	-1,158
Balance on goods	-436	-599	-769	-707	-904	-850	-970	-411	-219	-90	4
Exports, f.o.b	700	668	740	747	828	717	866	1,339	1,513	1,712	1,963
Uranium	168	117	132	132	125	125	123	152	152	151	276
Oil	151	129	136	138	137	104	99	455	568	691	805
Other products	381	422	472	477	567	488	644	733	793	870	882
Imports, f.o.b	1,136	1,268	1,508	1,454	1,733	1,567	1,836	1,751	1,732	1,803	1,958
Food products	263	315	296	299	318	325	365	370	395	428	444
Petroleum products	74	59	71	72	74	46	54	62	68	74	79
Capital goods	294	362	470	443	570	506	583	538	496	497	550
Other products	505	532	672	640	770	690	834	781	773	804	886
Services and income (net)	-545	-573	-654	-637	-717	-654	-766	-846	-929	-1,019	-1,162
Services (net)	-440	-466	-539	-523	-593	-537	-636	-696	-735	-783	-876
Income (net)	-105	-107	-115	-114	-124	-118	-130	-150	-195	-236	-286
Of which: interest on external public debt	-16	-21	-27	-22	-33	-33	-43	-47	-50	-52	-55
Unrequited current transfers (net)	240	270	347	341	311	324	304	288	297	317	309
Private (net)	107	128	132	132	148	144	151	163	170	178	159
Public (net)	132	142	215	210	163	180	153	125	127	139	150
Of which: grants for budgetary assistance	118	126	199	193	147	164	137	109	112	124	136
Capital and financial account	610	793	1,065	1,322	1,295	930	1,376	1,009	934	883	962
Capital account	237	347	411	390	512	518	521	474	479	437	482
Private capital transfers	33	41	42	42	46	44	53	49	50	55	60
Project grants	201	303	368	348	466	474	468	425	429	382	422
Nonproduced, nonfinancial assets	3	3	0	0	0	0	0	0	0	0	0
Financial account	373	446	655	932	783	412	855	535	455	446	479
Direct investment	180	237	340	338	528	393	655	253	154	120	133
Portfolio investment	31	79	33	186	45	-76	19	47	55	45	69
Other investment	162	130	281	408	210	95	182	236	246	280	277
Public sector (net)	161	134	273	269	182	234	190	193	203	243	237
Disbursements	183	166	329	306	258	310	287	308	319	338	332
Loans for budgetary assistance	33	31	118	111	56	156	46	51	57	63	64
Project loans	150	135	211	195	202	154	241	257	261	275	268
Amortization	21	32	56	37	76	76	97	114	116	95	96
Other (net)	1	-5	8	139	28	-139	-8	42	43	37	41
Errors and omissions	2	-10	0	0	0	0	0	0	0	0	0
Overall balance	-129	-119	-10	320	-15	-249	-55	40	83	90	113
Financing	129	119	10	-320	15	15	-5	-45	-83	-90	-113
Net foreign assets (BCEAO)	102	96	10	-206	15	15	-5	-45	-83	-90	-113
Of which: net use of Fund resources	19	18	32	21	3	15	-16	-18	-21	-22	-23
Net foreign assets (commercial banks)	27	23	0	-113	0	0	0	0	0	0	0
Rescheduling obtained	0	0	0	0	0	0	0	0	0	0	0
Financing gap	0	0	0	0	0	235	59	5	0	0	0
Prospective exceptional financing from the RCF	...	...	...	...	...	69	...	...	...	...	...
Prospective exceptional financing from the CCRT ¹	...	...	...	...	...	6	16	5	...	...	...
<i>Memorandum items:</i>											
Current account balance, excluding grants	-874	-1,045	-1,290	-1,212	-1,474	-1,360	-1,584	-1,094	-978	-932	-999
Exports of goods and services	830	806	882	889	997	880	1,087	1,583	1,766	1,977	2,241
Pooled gross international reserves, WAEMU (in USD billion)	13.0	14.9	...	17.5	...	...	...	...	...	...	...
Pooled gross international reserves, WAEMU (in CFAF billion)	7,184	8,561	...	10,357	...	...	...	...	...	...	...
In months of next year's imports of goods and services	4.0	4.5	...	5.4	...	...	...	...	...	...	...
In percent of broad money	29.4	31.1	...	34.1	...	...	...	...	...	...	...
GDP at current prices	6,486	7,121	7,621	7,574	8,240	7,830	8,633	9,971	10,803	11,795	13,000

Sources: Nigerien authorities; and IMF staff estimates and projections.

¹ The grant for debt service falling due in the 18 months from October 14, 2020 is subject to availability of resources under the CCRT.

Table 3. Niger: Debt Service to the IMF, April 14, 2020 – April 13, 2022
As of February 29, 2020 (in SDR)

Concept	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	29-Jun-20	1,128,000	1,128,000	0.9	0.9
PRGT Repayment (ECF)	28-Sep-20	1,128,000	1,128,000	0.9	1.7
PRGT Repayment (ECF)	7-Oct-20	1,128,000	1,128,000	0.9	2.6
PRGT Repayment (ECF)	7-Oct-20	2,256,000	2,256,000	1.7	4.3
PRGT Repayment (ECF)	29-Dec-20	1,128,000	1,128,000	0.9	5.1
PRGT Repayment (ECF)	26-Mar-21	1,128,000	1,128,000	0.9	6.0
PRGT Repayment (ECF)	8-Apr-21	2,256,000	2,256,000	1.7	7.7
PRGT Repayment (ECF)	8-Apr-21	1,128,000	1,128,000	0.9	8.6
PRGT Repayment (ECF)	8-Jun-21	3,900,500	3,900,500	3.0	11.5
PRGT Repayment (ECF)	29-Jun-21	1,128,000	1,128,000	0.9	12.4
PRGT Repayment (ECF)	28-Sep-21	1,128,000	1,128,000	0.9	13.2
PRGT Repayment (ECF)	8-Oct-21	2,256,000	2,256,000	1.7	15.0
PRGT Repayment (ECF)	11-Oct-21	1,128,000	1,128,000	0.9	15.8
PRGT Repayment (ECF)	8-Dec-21	3,900,500	3,900,500	3.0	18.8
PRGT Repayment (ECF)	29-Dec-21	1,128,000	1,128,000	0.9	19.6
PRGT Repayment (ECF)	19-Jan-22	1,234,000	1,234,000	0.9	20.6
PRGT Repayment (ECF)	28-Mar-22	1,128,000	1,128,000	0.9	21.4
PRGT Repayment (ECF)	8-Apr-22	2,256,000	2,256,000	1.7	23.2
PRGT Repayment (ECF)	11-Apr-22	1,128,000	1,128,000	0.9	24.0

Source: IMF, Finance Department.

Annex 18.B. Letter of Intent—CCRT Request

Niger

Niamey, Niger

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The COVID-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

Niger is experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and on economic activity:

- Despite early action on border controls and public awareness campaigns, a first infection was recorded in Niger on March 19, 2020. Cases have since multiplied and several deaths have occurred.
- We currently anticipate that: i) real output growth in 2020 will decline to 1 percent, compared with pre-crisis projections of 6 percent; ii) the impact on the budget of rising health and related outlays and a fall-off in fiscal revenues will be on the order of 2.4 percent of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$400 million (3 percent of GDP and 2.3 percent of the BCEAO's pooled official external reserves).

Our response to the crisis has several dimensions:

- Increase health sector outlays by up to 100 percent (2 percent of GDP) over the course of 2020, with key measures already underway, including i) purchase of equipment and test kits, ii) establishment of isolation centers, and iii) hiring of additional health workers. We also plan to increase expenditure on social protection for vulnerable households and for workers who have lost income and on support for badly-affected sectors, to mitigate the economic impact of the virus.

- Create budgetary space for these and other outlays to support economic activity, by suspending or sharply curtailing non-essential outlays to tackling the immediate crisis (including non-health capital expenditure), but still expect an increase in the primary budget deficit on the order of 2.3 percent of GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.
- Monetary and exchange rate policies that are conducted at the level of the West African Economic and Monetary Union by the regional central bank (BCEAO).

Against this backdrop, and given the large balance of payments need created by the impact of the COVID-19, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors. It will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the emergency financing facilities and have requested support of SDR 83.66 million (63.6 percent of quota) under the Rapid Credit Facility (RCF). We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Mamadou Diop
Minister of Finance

Annex 19.A. Rwanda: Staff Appraisal—CCRT Request

Summary. Rwanda faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Rwanda. The pandemic is affecting Rwanda through domestic measures to contain the spread of the virus and global spillovers. Travel bans and airport closures have disrupted trade, with significant spillovers to import-dependent local activities, and severely impacted the tourism sector. Weak global demand has lowered exports. Losses in foreign exchange reserves have accelerated. Public finances have been strained with revenue losses due to slower growth and increases in public spending to mitigate the health and economic impact of the pandemic estimated at 1.9 and 1.5 percent of GDP, respectively, over the next two fiscal years. Economic growth in 2020 is revised down from a pre-pandemic projection of 8 percent by 3 percentage points to 5.1 percent. The pandemic created an external financing need of 2 percent of GDP in 2020 and fiscal financing needs of 3.7 percent of GDP in the current and next fiscal year, of which 27 percent have been filled by an RCF disbursement.

Macroeconomic policies. Authorities are introducing measures to support affected households and firms. Periodic distribution of basic food staples to vulnerable households has started. Subsidized loans and debt restructuring to hard-hit sectors and SMEs are under consideration. The central bank announced measures allowing banks to ease loan repayment conditions to distressed borrowers; created a new extended lending facility for banks; modified existing Treasury bonds rediscounting window; and reduced the reserve requirement ratio.

IMF program status. Rwanda has a PCI arrangement since June 2019. The next (second) review is expected by June 2020, but timely completion is uncertain given the current outlook. Authorities requested an RCF in the amount of US\$109.4 million (50 percent of quota), which was approved on April 2nd and disbursed on April 6th, 2020.

Staff appraisal. Staff supports Rwanda's request for debt relief under the CCRT. At US\$780, Rwanda's GNI per capita is below the IDA income threshold of US\$1,175. Staff assesses that the country faces urgent balance of payments needs stemming from the severe impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster. Authorities have committed to transfer the benefits of the debt relief to the budget.

Outstanding debt service and amount of grants for debt relief. Rwanda has a debt service of SDR 8.0 million in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 50.1 million.

Table 1. Rwanda: Selected Economic Indicators, 2018–24¹

	2018	2019	2020	2021	2022	2023	2024
	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)							
Output and prices							
Real GDP	8.6	10.1	5.1	6.7	8.0	8.6	7.1
GDP deflator	-0.8	1.2	6.5	5.4	5.0	5.0	5.0
CPI (period average)	1.4	2.4	6.9	5.4	5.0	5.0	5.0
CPI (end period)	1.1	6.7	5.0	5.0	5.0	5.0	5.0
Terms of trade (deterioration, -)	-0.7	-1.8	0.9	-0.6	0.0	0.0	0.0
Money and credit							
Broad money (M3)	15.6	15.4	11.0	18.6	13.4	16.9	12.5
Reserve money	16.1	17.2	10.9	18.6	17.6	14.8	12.5
Credit to non-government sector	10.8	12.6	9.2	11.8	13.7	14.8	15.1
M3/GDP (percent)	25.3	26.2	26.0	27.4	27.4	28.1	25.0
NPLs (percent of total gross loans)	6.4	...	...	...	...	...	...
(Percent of GDP, unless otherwise indicated)							
Budgetary central government							
Total revenue and grants	24.1	23.6	21.4	23.3	23.0	22.4	22.4
<i>of which</i> : tax revenue	16.2	16.7	14.9	16.8	17.0	17.2	17.4
<i>of which</i> : grants	4.9	4.2	4.5	4.3	4.1	3.5	3.2
Expenditure	28.8	31.7	31.9	29.7	27.8	27.4	27.9
Current	15.3	15.6	16.1	14.9	13.3	13.3	13.7
Capital	11.5	13.2	13.0	12.9	12.7	12.3	12.5
Primary balance	-3.5	-6.8	-8.8	-5.0	-3.3	-3.6	-4.1
Overall balance	-4.7	-8.1	-10.5	-6.5	-4.8	-4.9	-5.5
excluding grants	-9.6	-12.3	-15.0	-10.8	-8.9	-8.4	-8.7
Debt-creating overall bal. (excl. PKO) ²		-6.6	-10.3	-6.5	-5.3	-5.5	0.0
Net domestic borrowing	0.0	0.8	2.7	2.0	-0.8	-0.7	0.1
Public debt							
Total public debt incl. guarantees	53.1	58.4	64.4	66.3	65.6	64.8	65.1
<i>of which</i> : external public debt	41.6	46.2	48.0	48.7	49.1	49.1	50.3
PV of total public debt incl. guarantees	40.9	42.6	47.4	48.3	47.4	46.6	46.8
Investment and savings							
Investment	24.4	28.9	23.6	25.0	27.7	29.3	29.5
Government	11.5	13.2	13.0	12.9	12.7	12.3	12.5
Nongovernment	12.9	15.7	10.6	12.1	15.1	17.0	17.0
Savings	12.8	17.1	5.7	12.2	15.1	18.1	18.9
Government	4.0	3.8	0.8	4.0	5.6	5.7	5.5
Nongovernment	8.8	13.3	4.9	8.2	9.5	12.4	13.4
External sector							
Exports (goods and services)	21.5	21.3	13.6	22.9	24.6	23.6	23.5
Imports (goods and services)	33.1	33.1	29.4	35.1	36.5	34.0	33.1
Current account balance (incl grants)	-8.0	-9.2	-16.0	-10.2	-9.8	-9.3	-8.8
Current account balance (excl grants)	-11.6	-11.7	-18.0	-12.8	-12.6	-11.2	-10.6
Current account balance (excl. large proj.)	-7.6	-9.0	-15.0	-9.4	-7.7	-7.4	-7.4
Gross international reserves							
In millions of US\$	1,319	1,440	1,011	1,208	1,389	1,601	1,911
In months of next year's imports	4.7	5.4	3.0	3.1	3.5	3.8	4.1
Memorandum items:							
GDP at current market prices							
Rwanda francs (billion)	8,189	9,121	10,210	11,476	13,012	14,842	16,698
Population (million)	12.1	12.4	12.7	13.0	13.3	13.6	13.9

Sources: Rwandan authorities and IMF staff estimates.

¹ The source of the projections is the recent RCF with small updates² Overall deficit excl. spending on materialized contingent liabilities and other items already incl. in the DSA.

Table 2. Rwanda: Balance of Payments, 2018–24
(Millions of U.S. Dollars, unless otherwise indicated)

	2018	2019	2020	2021	2022	2023	2024
	Act.	Act.	Proj.	Proj.	Proj.	Proj.	Proj.
Current account balance (incl. official transfers)	-756	-935	-1,728	-1,191	-1,243	-1,305	-1,360
Trade balance	-915	-1,072	-1,165	-1,359	-1,479	-1,446	-1,523
Exports (f.o.b.)	1,126	1,167	1,028	1,370	1,645	1,757	1,928
Of which: coffee and tea	159	156	140	198	229	259	295
Of which: minerals	142	98	60	115	129	141	156
Imports (f.o.b.)	2,041	2,239	2,193	2,728	3,124	3,203	3,451
Of which: capital goods	548	645	432	929	1,113	1,030	1,090
Of which: Energy goods	246	254	174	196	238	278	320
Services (net)	-186	-123	-538	-59	-31	-25	40
Credit	917	993	443	1,293	1,482	1,560	1,685
Of which: tourism receipts	375	411	82	509	535	631	682
Debit	1,103	1,115	981	1,353	1,513	1,585	1,645
Income	-312	-325	-347	-404	-454	-449	-519
Of which: interest on public debt ^{1,2}	89	-92	-96	-87	-86	-101	-131
Current transfers (net)	657	585	322	631	721	616	642
Private	311	331	109	328	363	337	369
Public	346	254	214	303	358	279	273
Capital and financial account balance	891	1,232	1,097	1,387	1,458	1,561	1,704
Capital account	245	260	285	290	286	285	288
Financial account	647	972	813	1,097	1,172	1,276	1,416
Direct investment	284	331	186	518	425	494	561
Public sector capital ³	482	599	638	559	672	744	810
Long-term borrowing ²	550	669	890	704	794	1,243	996
Scheduled amortization, excl IMF	-68	-70	-252	-146	-122	-499	-186
Other capital ⁴	-119	42	-11	20	75	38	45
Of which: commercial banks NFA (increase -)	-126	123	0	0	0	0	0
Net errors and omissions	-2	-178	0	0	0	0	0
Overall balance	133	120	-630	197	214	257	344
Financing	-133	-120	538	-197	-214	-257	-344
Reserve assets (increase -)	-158	-120	428	-197	-181	-212	-310
Net credit from the IMF	24	0	109	0	-33	-45	-34
Of which: IMF disbursement (+) ⁵	25	0	109	0	0	0	0
Of which: Repayments to IMF (-)	-1	0	-22	-36	-45	-45	-34
Of which: Prospective exceptional financing (CCRT grants) (+) ⁶	...	...	22	36	11	0	0
Financing gap	...	...	93	0	0	0	0
in percent of GDP	...	...	0.9	0.0	0.0	0.0	0.0
Prospective financing from the World Bank	...	...	73	0	0	0	0
Residual financing gap	...	...	19	0	0	0	0
Memorandum items:							
Current account deficit (percent of GDP) ⁷	-8.0	-9.2	-16.0	-10.2	-9.8	-9.3	-8.8
Trade balance (percent of GDP)	-9.6	-10.6	-10.8	-11.7	-11.6	-10.3	-9.9
Gross official reserves	1,319	1,440	1,011	1,208	1,389	1,601	1,911
in months of prospective imports of G&S	4.7	5.4	3.0	3.1	3.5	3.8	4.1
Financing gap (for adequate reserves)⁸	...	...	349	338	208	98	0
in percent of GDP	...	...	3.2	2.9	1.6	0.5	0.0

Sources: Rwandan authorities and IMF staff estimates and projections.

¹ Including interest due to the IMF.

² Includes central government project and budget loans, and borrowing by KCC, RwandAir, and Bugesera.

³ Financial account excludes debt assumption for Marriott included in the fiscal sector.

⁴ Other capital includes long-term private capital, commercial credit, change in NFA of commercial banks, and unrecorded imports.

⁵ The amount in 2020 corresponds to the RCF disbursement that is transferred to the budget.

⁶ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

⁷ Including official transfers.

⁸ The amount of additional reserves needed to bring import cover to 4 months, which is a minimum level of reserves to be adequate. See Country Report No. 19/211.

**Table 3. Rwanda: Projected Payments to the IMF, April 14, 2020 – April 13, 2022
as of February 29, 2020**

Concept	Original disbursement date	Due Date	Amount		Cumulative amount	
			SDR	% of quota ¹	SDR	% of quota ¹
PRGT Repayment (SCF)	Jun 16, 2016	Jun 16, 2020	8,010,000	5.0	8,010,000	5.0
PRGT Repayment (SCF)	Jun 16, 2016	Dec 16, 2020	8,010,000	5.0	16,020,000	10.0
PRGT Repayment (SCF)	Jan 17, 2017	Jan 15, 2021	4,005,000	2.5	20,025,000	12.5
PRGT Repayment (SCF)	Jun 16, 2016	Jun 16, 2021	8,010,000	5.0	28,035,000	17.5
PRGT Repayment (SCF)	Jan 17, 2017	Jul 16, 2021	4,005,000	2.5	32,040,000	20.0
PRGT Repayment (SCF)	Jul 21, 2017	Jul 21, 2021	2,002,500	1.3	34,042,500	21.3
PRGT Repayment (SCF)	Jun 16, 2016	Dec 16, 2021	8,010,000	5.0	42,052,500	26.3
PRGT Repayment (SCF)	Jan 17, 2017	Jan 17, 2022	4,005,000	2.5	46,057,500	28.8
PRGT Repayment (SCF)	Jan 22, 2018	Jan 21, 2022	2,002,500	1.3	48,060,000	30.0
PRGT Repayment (SCF)	Jul 21, 2017	Jan 21, 2022	2,002,500	1.3	50,062,500	31.3

Source: IMF staff estimates and projections.

¹ Rwanda's IMF quota is SDR160.2 million.

Annex 19.B. Letter of Intent—CCRT Request

Rwanda

Kigali, Rwanda

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

As detailed in our recent Letter of Intent (LOI), dated March 26, 2020, attached to the staff report on our request for emergency financing under the Rapid Credit Facility (RCF), and approved by the IMF Executive Board on April 2, 2020, Rwanda is experiencing an exceptional balance of payments need arising from the pandemic. In the aforementioned LOI, we have detailed the impact of the pandemic and our response to contain and mitigate the impact.

Against this backdrop, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic. To this end, the National Bank of Rwanda (Rwanda's central bank) stands ready to avail to the government the funds that would have been used to service debt to the IMF.

We reiterate our continued commitment to meeting the objectives of the PCI-supported program. We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

The Hon. Uzziel Ndagijimana
Minister of Finance and Economic Planning

/s/

John Rwangombwa
Governor, National Bank of Rwanda

Annex 20.A. Sierra Leone: Staff Appraisal—CCRT Request

Already grappling with the legacy of past shocks and looming repayments of IMF Ebola-related support, Sierra Leone is severely impacted by COVID-19. With the resulting exceptional balance of payments needs, the authorities have requested support under the Catastrophe Containment window of the CCRT.

Economic impact. Sierra Leone's economy is being severely impacted by COVID-19. With the lessons of the Ebola health crisis, the authorities acted decisively to introduce containment measures since mid-March, such as a national state of emergency, border closures, suspension of all international passenger flights, school closures, and limits on social gatherings. Among the serious disruptions, trade and tourism are set to be hardest hit, and services (nearly 40 percent of GDP) will contract. Large declines in iron ore and other commodity prices will depress mining activity, exports and foreign exchange receipts. While still uncertain, preliminary estimates suggest 2020 economic growth could be minus 2½ percent, 6½ percentage points lower than the pre-COVID estimate. Together with the dampening effect on revenues, additional spending to cushion the health and economic effects will see the fiscal deficit widen by 2 percentage points or more. The loss of export earnings and FDI, along with dependence on essential food and medical imports, would see a balance of payments need in 2020 in excess of US\$ 50 million if reserve coverage (in months of regular imports) is to be broadly maintained.

Macroeconomic policies. The Bank of Sierra Leone has reduced the monetary policy rate by 150 bps to 15 percent, created a special credit facility to support production, procurement and distribution of essential goods, and extended the reserve requirement maintenance period to ease tight liquidity. It also intends to provide foreign exchange resources to avoid disruptions to imports. The exchange rate has, so far, been allowed to adjust. The Government is also developing an economic response—the *Quick Action Economic Response Programme*—as well as its *Covid-19 Preparedness and Response Plan* for the health sector. Both are being prepared in close consultation with development partners, the latter in particular with the World Health Organization and World Bank. Firm estimates of the potential fiscal impact are not yet available at this early stage, but they are expected to be significant. In this regard, the authorities will reprioritize or delay non-essential spending, where possible, and are collaborating closely with IMF staff on measures to cushion the economic spillovers of the global crisis.

IMF program status. Sierra Leone currently has a program supported by a 43-month Extended Credit Facility (ECF) arrangement for SDR124.44 million (60 percent of quota), which was approved in November 2018. Following continued good progress under the ECF-supported program, the Executive Board completed the 2nd review on April 3, 2020.

Staff appraisal. Staff supports Sierra Leone's request for debt relief under the CCRT. Sierra Leone meets the income threshold with 2018 GNI per capita of US\$500, below the threshold of US\$1,175,

and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19. It is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Sierra Leone has debt service of SDR 13.36 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 58.25 million.

Table 1. Sierra Leone: Selected Economic Indicators, 2017-2025

	2017	2018	2019	2020		2021	2022	2023	2024	2025
				Est.	Rev. Proj.			Proj.		
(Annual percent change, unless otherwise indicated)										
National account and prices										
Growth										
GDP at constant prices	3.8	3.5	5.1	4.2	-2.3	4.0	4.5	4.5	4.5	4.6
GDP excluding Iron ore	3.6	5.4	4.5	4.4	-1.7	3.5	4.4	4.4	4.4	4.4
Inflation										
Consumer prices (end-of-period)	15.3	14.2	13.9	13.0	17.0	13.5	11.1	9.8	8.8	8.0
Consumer prices (average)	18.2	16.0	14.8	13.4	15.4	15.3	12.3	10.5	9.3	8.4
External sector										
Terms of trade (deterioration -)	15.5	-9.9	-4.2	2.3	0.3	-5.2	-1.7	-1.6	-1.6	-1.5
Exports of goods	-0.3	-2.0	11.4	28.1	-14.0	35.8	12.1	12.3	4.7	7.1
Imports of goods	23.7	0.6	4.7	4.0	-5.9	4.5	4.7	4.9	4.5	4.0
Gross international reserves (excluding swaps), months of imports 1/	3.8	3.7	3.5	3.7	4.1	3.8	3.6	3.5	3.4	3.4
Money, credit and reserves										
Domestic credit to the private sector	4.9	30.6	22.9	9.3	6.9	15.2	19.0	15.0	14.1	14.0
Domestic credit to the private sector in percent of non-iron GDP	5.2	5.6	6.0	5.7	5.8	5.7	5.9	5.9	5.9	6.0
Base money	9.0	6.5	12.4	26.3	24.1	16.8	15.5	14.3	13.3	12.5
M3	7.0	14.5	14.3	17.4	15.4	16.8	15.5	14.3	13.3	12.5
Gross Intl. Reserves (excluding swaps, in US\$ millions)	501	487	506	572	545	543	543	548	552	570
Net Intl. Reserves (excluding swaps, in US\$ millions)	128	107	125	154	127	124	160	227	297	370
(Percent of non-iron ore GDP, unless otherwise indicated)										
National accounts										
Gross capital formation	19.0	16.9	15.9	17.6	16.6	16.6	17.5	18.8	19.1	19.3
Government	8.5	6.4	5.4	6.6	6.8	6.2	6.5	6.8	7.1	7.3
Private	10.5	10.5	10.5	11.0	9.8	10.4	11.0	12.0	12.0	12.0
National savings	-2.2	-1.8	1.9	6.3	2.4	4.2	5.9	8.3	8.4	9.2
Financing and debt										
Public debt	69.4	68.7	67.4	66.6	72.7	73.4	71.5	68.7	65.8	62.9
Domestic	28.0	27.9	24.7	19.4	21.8	21.2	20.1	19.0	18.0	17.3
External public debt (including IMF)	41.4	40.8	42.7	47.2	50.9	52.2	51.4	49.7	47.8	45.7
External sector										
Current account balance										
(including official grants)	-21.1	-18.7	-14.0	-11.3	-14.2	-12.4	-11.6	-10.5	-10.6	-10.1
(excluding official grants)	-22.5	-19.7	-17.4	-15.2	-18.4	-15.4	-14.7	-13.5	-13.4	-12.8
Central government budget										
Domestic primary balance 2/	-4.5	-0.5	-0.6	0.3	-1.7	-0.4	0.4	0.6	0.7	0.7
Overall balance	-8.8	-5.6	-2.9	-3.3	-5.4	-5.4	-4.0	-3.6	-3.2	-3.0
Overall balance (excluding grants)	-11.3	-7.7	-6.3	-7.4	-9.7	-7.9	-6.5	-5.8	-5.2	-5.0
Revenue (excluding grants)	12.3	13.7	14.3	14.8	13.9	14.5	15.1	15.7	16.2	16.5
Grants	2.5	2.1	3.4	4.0	4.3	2.5	2.5	2.2	2.1	2.0
Total expenditure and net lending	23.5	21.4	20.6	22.2	23.6	22.5	21.6	21.5	21.4	21.5
Memorandum item:										
GDP at market prices (billions of Leone)	27,465	32,402	37,911	43,846	41,736	49,037	56,919	65,278	74,233	83,947
Excluding iron ore	27,257	32,402	37,588	43,569	41,736	48,710	56,483	64,723	73,458	82,811
Excluding iron ore in millions of US\$	3,700	4,082	4,142	4,149	3,902	3,879	3,943	4,050	4,193	4,384
Per capita GDP (US\$)	498	534	535	523	489	480	478	482	491	505
National currency per US dollar (average)	7,366	7,938	9,076	...	...	...	...	...	...	...
National currency per US dollar (EOP)	7,537	8,396	9,756	...	...	...	...	...	...	...

Sources: Sierra Leonean authorities; and Fund staff estimates and projections.

1/ Refers to reserves and imports in current year.

2/ Revenue less expenditures and net lending adjusted for interest payments, foreign financed capital spending, and arrears paydown from grants.

Table 2. Sierra Leone: Balance of Payments, 2017-2025

(Millions of U.S. dollars; unless otherwise indicated)

	2017	2018	2019	2020		2021	2022	2023	2024	2025
		Prel.	Est.	2nd ECF		Proj.				
				Rev.	Proj.					
Current account	-781.5	-762.6	-581.8	-466.9	-553.8	-479.3	-458.2	-426.3	-445.4	-442.1
Trade balance	-551.2	-570.8	-555.2	-406.3	-580.6	-414.7	-372.4	-321.5	-333.7	-313.7
Exports, f.o.b.	652.1	639.2	712.1	912.1	612.5	831.7	932.4	1,046.6	1,096.0	1,173.5
Of which: diamonds	118.2	157.1	161.9	163.3	124.3	119.1	123.8	128.4	133.2	138.1
iron ore	131.9	13.1	13.0	70.4	0.0	71.2	81.2	75.6	96.3	130.8
Imports, f.o.b.	-1,203.3	-1,210.0	-1,267.3	-1,318.4	-1,193.1	-1,246.4	-1,304.8	-1,368.1	-1,429.7	-1,487.2
Of which: oil	-153.0	-204.8	-193.5	-182.2	-109.6	-121.2	-136.9	-150.9	-164.4	-177.4
Services (net)	-285.9	-285.4	-243.4	-314.2	-207.9	-270.9	-295.5	-300.9	-318.8	-341.9
Income (net)	-99.7	-71.2	-79.1	-67.1	-66.6	-60.7	-62.8	-77.9	-69.4	-71.7
Of which: interest on public debt	-10.0	-7.1	-12.1	-14.6	-14.6	-15.1	-14.7	-14.7	-10.9	-11.3
Transfers	155.8	164.8	295.8	320.8	301.2	267.0	272.5	274.0	276.4	285.2
Official transfers	51.7	43.2	138.8	162.7	162.7	118.9	121.6	119.3	117.0	119.7
Other transfers	104.1	121.6	157.0	158.1	138.6	148.1	150.9	154.7	159.4	165.5
Capital and financial account	709.7	388.7	595.4	497.0	503.4	424.7	478.3	493.5	514.9	514.9
Capital account	147.7	66.3	97.5	120.1	115.5	95.0	94.9	97.1	96.7	75.6
Of which: Project support grants	30.4	48.6	55.7	70.0	68.7	44.2	39.3	35.8	33.1	31.2
Financial account	562.0	322.5	497.9	376.9	387.9	329.7	383.3	396.5	418.2	439.3
Foreign direct and portfolio investment	413.7	250.5	367.6	235.3	239.4	252.4	315.3	358.0	358.1	374.6
Other investment	148.3	72.0	130.4	141.6	148.5	77.3	68.0	38.5	60.1	64.7
of which: Public sector (net)	105.4	59.9	94.7	126.4	126.4	65.0	55.8	53.6	75.9	79.9
Disbursements	145.2	104.2	142.9	180.6	180.6	123.7	118.9	123.7	130.1	138.2
Amortization	-39.8	-44.3	-48.2	-54.1	-54.1	-58.7	-63.1	-70.1	-54.2	-58.3
Errors and omissions	18.1	377.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-53.7	3.8	13.5	30.1	-50.4	-54.6	20.1	67.2	69.5	72.8
Financing	53.7	-3.8	-13.5	-30.1	-3.4	2.7	-36.2	-67.2	-69.5	-72.8
Change in central bank reserves, net (- increase)	53.7	-3.8	-13.5	-30.1	-3.4	2.7	-36.2	-67.2	-69.5	-72.8
of which: Use of Fund credit (net)	36.5	3.6	6.1	37.5	35.1	1.2	-37.0	-61.8	-65.1	-55.7
Disbursements	52.7	21.6	21.6	64.3	64.3	43.2	21.7	0.0	0.0	0.0
Repayments	-16.2	-18.1	-15.6	-26.8	-29.2	-41.9	-58.7	-61.8	-65.1	-55.7
Financing gap	0.0	0.0	0.0	...	53.8	51.9	16.1	0.0	0.0	0.0
Exceptional financing (CCRT first tranche)	0.0	0.0	0.0	...	18.5	0.0	0.0	0.0	0.0	0.0
Exceptional financing (remaining CCRT, prospective) 1/	0.0	0.0	0.0	...	4.3	41.9	16.1	0.0	0.0	0.0
Remaining gap	0.0	0.0	0.0	...	31.0	10.0	0.0	0.0	0.0	0.0
Memorandum items	(Percent of non-iron ore GDP unless otherwise indicated)									
Current account	-21.1	-18.7	-14.0	-11.3	-14.2	-12.4	-11.6	-10.5	-10.6	-10.1
Trade Balance	-14.9	-14.0	-13.4	-9.8	-14.9	-10.7	-9.4	-7.9	-8.0	-7.2
Capital and Financial Account	19.2	9.5	14.4	12.0	12.9	10.9	12.1	12.2	12.3	11.7
Overall Balance	-1.1	0.1	0.3	0.7	-1.3	-1.4	0.5	1.7	1.7	1.7
Budget support (grants and loans)	1.3	1.2	2.1	2.4	2.5	1.8	1.8	1.8	1.7	1.7
Budget support (grants and loans, in US dollars)	48.8	49.1	88.0	98.0	98.0	68.0	71.8	71.2	70.6	75.0
Gross International Reserves (Including swaps)	534	503	533	584	557	543	543	548	552	570
Gross International Reserves (excluding swaps)										
US\$ millions	501	487	506	572	545	543	543	548	552	570
Months of imports	3.8	3.7	3.5	3.7	4.1	3.8	3.6	3.5	3.4	3.4
National currency per US dollar (average)	7,366	7,938	...	...	...	...	...	...	...	...

Sources: Sierra Leonean authorities; and Fund staff estimates and projections.

1/ Subject to the availability of resources.

Table 3. Sierra Leone: Debt Service Due to the IMF, April 14, 2020 - April 13, 2022

Loan Type	Due Date	Amount (In millions of SDR)	Amount (In percent of quota)	Cumulative Amount (In percent of quota)
ECF	4/29/2020	0.889	0.429	0.429
ECF	6/19/2020	0.888	0.428	0.857
ECF	6/22/2020	0.444	0.214	1.071
ECF	6/22/2020	0.700	0.338	1.408
ECF	7/1/2020	0.889	0.429	1.837
ECF	7/2/2020	0.444	0.214	2.051
ECF	9/4/2020	6.074	2.929	4.980
ECF	9/25/2020	0.444	0.214	5.194
ECF	10/2/2020	2.593	1.250	6.444
ECF	10/28/2020	0.889	0.429	6.872
ECF	12/18/2020	0.888	0.428	7.301
ECF	12/22/2020	0.444	0.214	7.515
ECF	12/30/2020	0.889	0.429	7.943
ECF	3/5/2021	6.074	2.929	10.872
ECF	3/25/2021	0.444	0.214	11.086
ECF	4/2/2021	2.593	1.250	12.336
ECF	4/29/2021	0.889	0.429	12.765
ECF	5/24/2021	3.334	1.607	14.372
ECF	6/18/2021	0.888	0.428	14.800
ECF	7/1/2021	0.889	0.429	15.229
ECF	9/6/2021	6.074	2.929	18.157
ECF	9/24/2021	0.444	0.214	18.372
ECF	10/1/2021	2.593	1.250	19.622
ECF	10/29/2021	0.889	0.429	20.050
ECF	11/24/2021	3.334	1.607	21.657
ECF	12/17/2021	0.888	0.428	22.086
ECF	12/31/2021	0.889	0.429	22.514
ECF	1/11/2022	2.444	1.178	23.693
ECF	3/4/2022	6.074	2.929	26.621
ECF	3/25/2022	0.444	0.214	26.835
ECF	4/1/2022	2.593	1.250	28.085

Source: IMF staff calculations.

Annex 20.B. Letter of Intent—CCRT Request

Sierra Leone

Sierra Leone

April 6, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The global COVID-19 pandemic poses an unprecedented threat to global health, with severe repercussions on economic activity across the globe.

As a result, Sierra Leone is experiencing an exceptional balance of payments need. At the same time, as economic activity is suffering a serious blow, reflecting both the global slowdown and measures to defend against the pandemic, we are also facing a critical need to substantially increase public health spending.

- Sierra Leone's index case was confirmed last week, and tracking is ongoing to contain the spread. In our constrained health system, a spread of the virus would pose significant risks to the well-being and social and economic security of the Sierra Leonean people.
- We currently anticipate that projected economic growth in 2020 will decline by more than 6½ percentage points to almost -2½ percent. The corresponding fall in tax revenues, together with additional critical health and social outlays, could be in the order of 2¼ percent of GDP. The emerging balance of payments need during 2020-2022 would be around US\$120 million, or more than one-fifth of end-2019 official external reserves.

Our response to the crisis has several dimensions, and includes a health sector response and a macro policy response package:

- We announced plans to increase health sector outlays by some US\$7-13 million (or 0.2-0.3 percent of GDP), depending on the spread of the virus, over the course of 2020. Reflecting lessons from the Ebola health crisis, we moved expeditiously to address the health threat and key measures are underway. We activated our Public Health Emergency Operations Center to Level 2, with all structures for dedicated call centers, contact tracing and disease surveillance, and pre-positioned testing, isolation, and treatment facilities to care for the sick.

- Given the lessons learned from the Ebola health crisis, the President has declared a national state of emergency, along with other measures, such as suspending incoming and outgoing regular passenger flights; closing land borders; discouraging gatherings of more than 100 people; and closing education institutions. We also plan to increase expenditure on social protection and on support for the worst-affected sectors, to mitigate the economic impact of the virus. In line with our National Development Plan, protecting the most vulnerable and investing in the health of Sierra Leoneans, within the context of improved governance outcomes, remain urgent Government priorities.
- We are also developing a broader *Quick Action Economic Response Programme*. While we do not yet have a final range of costed measures, we are conscious that Sierra Leone already faced a very tight fiscal situation when the global pandemic hit. To the extent possible, we are seeking to create budgetary space to support economic activity, particularly in the poorest areas of the country, by suspending or curtailing outlays that we do not see as essential to tackling the immediate crisis. However, the overall fiscal financing need could be around 2 percent of GDP. We hope that additional support by development partners will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.
- The Bank of Sierra Leone recently announced measures to mitigate the economic impact of the crisis on businesses, including a reduction in the monetary policy rate, the creation of a special credit facility in support of importation of essential goods, and the extension of the reserve requirement maintenance period.

Against this backdrop, and given the expected large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to enable us to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

Working closely with IMF staff, we will endeavor to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively considering additional IMF support and, based on further analysis of the impact of the global crisis, we will likely soon submit a request for support from the IMF's emergency financing facilities. Notwithstanding pressures on countries around the world, we are very hopeful that strong IMF support for our country will help catalyze wider support from other development partners. To that end, we are continuing to work with other development partners on technical and financial support, such as US\$ 7.5 million World Bank support for the Covid-19 Preparedness and Response Project.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Very truly yours,

/s/

Jacob J. Saffa
Minister of Finance

/s/

Kelfala M. Kallon
Governor of Bank of Sierra Leone

Annex 21.A. Solomon Islands: Staff Appraisal—CCRT Request

Solomon Islands faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Solomon Islands. Growth is expected to decline to about -2 percent in 2020 (compared to 2.5 percent in the pre-pandemic baseline) as a result of a decline in logging and fisheries exports, a contraction in tourism, as well as the negative impact of containment measures that include suspension of all international flights, no entry of non-citizens and strict mandatory quarantine for all returning passengers. The government has also scaled down public services to essential services only and restricted local travel. Lower export revenues are expected to contribute to an increase in the fiscal deficit to above 7 percent of GDP (compared to 3.7 percent in the pre-pandemic baseline). While the decline in oil prices will significantly alleviate pressure on external accounts, the current account deficit is projected to increase to about 15 percent of GDP in 2020 (compared to 8.1 percent in the pre-pandemic baseline) as goods exports and tourism fall. As a result, reserves are expected to fall to about 6.5 months of prospective imports in 2020 (compared to 8 months in the pre-pandemic baseline) and to decline further in 2021 and over the medium-term. An adequate level of reserves for Solomon Islands, a resource-rich, fragile and small economy, is estimated in the range of 4-7 months of imports.⁹ Maintaining a safety buffer of reserves within the upper part of the range is warranted given the basket exchange rate peg regime and lack of market access, potential shocks (including natural disasters) and exceptional uncertainty in the current circumstances.

Macroeconomic policies. The authorities' immediate priority is to cope with the impact of the COVID-19 pandemic on Solomon Islands. Fiscal policy measures thus far have focused on supporting COVID-19 preparedness and containment efforts, and the government has announced that it is putting together a stimulus package to counter the global pandemic and to support local businesses. Additional spending of about USD 20 million (about 1.4 percent of GDP) is currently expected in 2020, but more may be needed should downside risks materialize. Authorities have reached out to development partners for financial support. The central bank has confirmed its commitment to continuing to maintain an expansionary monetary policy stance for the next six months. Credibility of the exchange rate regime is preserved by maintaining an adequate level of gross official reserves.

IMF program status. At present Solomon Islands has no IMF-supported arrangement. However, the government is considering a request for support under the Rapid Credit Facility/Rapid Financing Instrument.

⁹ Solomon Islands 2019 Article IV Consultation.

Staff appraisal. Staff supports Solomon Islands' request for debt relief under the CCRT. Solomon Islands meets the income threshold with GNI per capita of US\$2,000, below the threshold of US\$2,350 for small states, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Outstanding debt service and amount of grants for debt relief. Solomon Islands has eligible debt of SDR 59.4 thousand for the period from April 14 to October 13, 2020. Its eligible debt falling due in the 12 months from April 14, 2020 amounts to SDR 133.7 thousand; and to SDR 341.7 thousand in the 24 months from April 14, 2020. Staff supports the authorities' request for debt service relief for amounts falling due to the Fund up to October 13, 2020, amounting to SDR 59.4 thousand.

Table 1. Solomon Islands: Selected Economic Indicators, 2015-2021

Per capita GDP (2017): US\$2,144

Population (2017): 613,712

	2015	2016	2017	2018	2019	2020	2021
					Proj.	Proj.	
GROWTH AND PRICES							
	Annual percentage change unless otherwise indicated						
Real GDP	2.5	3.2	3.7	3.9	1.2	-2.1	3.8
CPI (period average)	-0.6	0.5	0.5	3.5	1.9	1.9	3.0
CPI (end of period)	3.5	-2.2	2.1	3.9	2.2	1.7	4.1
GDP deflator	3.1	3.7	1.9	3.4	1.5	1.5	2.8
Nominal GDP (in S\$ millions)	9,139	9,780	10,329	11,095	11,400	11,326	12,076
CENTRAL GOVERNMENT OPERATIONS							
	In percent of GDP						
Total revenue and grants	47.9	43.2	43.1	45.3	39.2	32.6	34.2
Revenue	35.1	31.8	32.8	34.3	30.3	26.2	26.6
Grants	12.9	11.4	10.2	11.0	8.9	6.4	7.5
Total expenditure	48.0	47.1	47.5	44.6	41.8	39.9	41.9
excluding grant-funded expenditure	35.1	35.7	37.3	33.7	33.0	33.5	34.4
Recurrent expenditure	33.7	32.1	31.8	33.1	29.9	28.6	28.2
Development expenditure	14.3	15.0	15.8	11.6	11.9	11.2	13.7
Unrecorded expenditure 1/	0.2	-0.6	-1.6	0.0	0.0	0.0	0.0
Overall balance	0.0	-3.9	-4.5	0.7	-2.7	-7.3	-7.8
Foreign financing (net)	-0.2	0.3	0.8	0.1	0.8	2.6	4.2
Domestic financing (net)	0.4	3.0	2.1	-0.8	1.9	4.6	3.6
Central government debt 1/	7.9	9.5	9.4	11.7	19.1	25.8	31.5
MACROFINANCIAL							
	Annual percentage change (end of year)						
Credit to private sector	16.7	12.1	6.4	4.1	4.9	2.5	5.7
Broad money	15.0	13.4	3.5	6.8	2.7	1.2	3.6
Reserve money	23.5	14.5	7.5	10.5	0.7	3.5	5.5
BALANCE OF PAYMENTS							
	In US\$ millions unless otherwise indicated						
Trade balance	-93.5	-71.7	-81.7	-69.4	-123.5	-249.4	-268.3
(percent of GDP)	-8.1	-5.8	-6.4	-5.0	-8.8	-17.9	-18.1
Current account balance	-35.3	-48.8	-62.8	-62.5	-89.4	-209.3	-218.0
(percent of GDP)	-3.0	-4.0	-4.9	-4.5	-6.4	-15.0	-14.7
Foreign direct investment	27.6	36.0	50.0	43.1	48.2	51.9	60.0
(percent of GDP)	2.4	2.9	3.9	3.1	3.4	3.7	4.0
Overall balance	5.3	-5.9	63.2	36.2	22.7	-104.2	-49.8
Gross official reserves (in US\$ millions, end of period) 2/	519.6	513.6	576.9	613.1	574.1	469.7	419.6
(in months of next year's imports of GNFS)	10.0	9.1	9.3	8.9	9.0	6.6	5.5
Net official reserves (in US\$ millions, end of period)	505.6	503.5	569.9	609.7	570.8	466.6	416.8
(in months of next year's imports of GNFS)	9.7	8.9	9.1	8.8	8.9	6.6	5.5
EXCHANGE RATE (S\$/US\$, end of period)							
Real effective exchange rate (end of period, 2010 = 100)	127.4	127.8	126.4	126.5	126.7	...	...
MEMORANDUM ITEMS:							
Cash balance (in S\$ millions)	694	412	343	337	243	-280	-713
in months of recurrent spending	3.6	2.0	1.5	1.3	0.9	-1.1	-2.8
SIG Deposit Account (In addition to cash balance, in S\$ millions)	140	140	140	140	140	140	140
Broader cash balance (=Cash balance+ SIG Deposit Account; in S\$ millions)	834	552	483	477	383	-140	-573
in months of total spending 3/	3.1	1.9	1.5	2.1	1.4	-0.2	-1.5
Public domestic debt, including arrears (in S\$ millions)	43	43	193	245	470	992	1,426

Sources: Data provided by the authorities; and IMF staff estimates and projections.

1/ Includes disbursements under the IMF-supported programs.

2/ Includes SDR allocations made by the IMF to Solomon Islands in 2009 and actual and prospective disbursements under the IMF-supported programs.

3/ Total spending is defined as total expenditure, excluding grant-funded expenditure.

Table 2. Solomon Islands: Balance of Payments, 2015-21 1/

	2015	2016	2017	2018	2019	2020	2021
					Est.	Proj.	
	(In millions of U.S. dollars)						
Current account balance	-35.3	-48.8	-62.8	-62.5	-89.4	-209.3	-218.0
Trade balance for goods	-17.2	12.8	7.2	4.7	-3.6	-161.1	-163.0
Exports	420.3	432.1	469.3	534.1	555.3	384.3	443.3
Imports	-437.5	-419.4	-462.1	-529.4	-558.9	-545.4	-606.3
Trade balance for services	-76.4	-84.5	-88.9	-74.0	-120.0	-88.3	-105.3
Exports	106.3	122.6	128.9	144.6	150.6	133.5	139.9
Imports	-182.7	-207.2	-217.8	-218.7	-270.5	-221.9	-245.1
Income balance	-24.2	-41.6	-33.3	-30.0	-28.3	-28.5	-27.4
Current transfers balance	82.4	64.5	52.2	36.8	62.5	68.6	77.7
Of which: Official transfers, net	78.2	80.8	61.1	50.6	29.0	28.7	31.0
Capital and financial account balance	88.6	93.4	126.6	116.4	132.1	125.1	188.2
Capital account balance	55.2	53.3	59.6	60.0	88.2	52.7	74.0
Direct investment balance	27.6	36.0	50.0	43.1	48.2	51.9	60.0
Portfolio investment balance	-0.7	-1.7	2.0	-0.1	0.0	0.0	0.0
Other investment balance	6.5	5.8	15.0	13.4	-4.4	20.5	54.3
Assets	16.2	-7.5	4.8	6.0	-8.3	-5.8	-7.5
of which, amortization of official loans	-6.8	-9.2	-9.0	-6.9	-7.1	-5.3	-5.3
Liabilities	-9.7	13.3	10.2	7.5	3.9	26.2	61.8
of which, disbursement of official loans (incl. SDR)	0.2	23.5	17.9	8.9	17.8	42.2	67.5
Errors and omissions	-58.6	-38.7	-127.0	-90.1	-20.0	-20.0	-20.0
Overall balance	5.3	-5.9	63.2	36.2	22.7	-104.2	-49.8
Financing	-6.5	2.9	-66.2	-39.8	-24.8	104.0	49.5
Change in gross reserves (- = increase)	-5.3	5.9	-63.2	-36.2	-22.7	104.2	49.8
IMF	-1.2	-3.1	-3.0	-3.5	-2.1	-0.2	-0.3
	(In percent of GDP, unless otherwise indicated)						
Current account	-3.0	-4.0	-4.9	-4.5	-6.4	-15.0	-14.7
Trade balance for goods	-1.5	1.0	0.6	0.3	-0.3	-11.6	-11.0
Exports	36.3	35.1	36.5	38.5	39.6	27.6	29.8
Imports	37.8	34.0	35.9	38.2	39.9	39.2	40.8
Of which: Official transfers net	6.8	6.6	4.7	3.6	2.1	2.1	2.1
Capital account balance	4.8	4.3	4.6	4.3	6.3	3.8	5.0
Direct investment balance	2.4	2.9	3.9	3.1	3.4	3.7	4.0
Of which: Inward FDI 2/	2.8	3.0	3.3	2.5	3.4	3.7	4.0
Other investment balance	0.6	0.5	1.2	1.0	-0.3	1.5	3.7
Memorandum items							
Net international reserves (in US\$ million)	506	503	570	610	571	467	417
In months of next year's GNFS	9.7	8.9	9.1	8.8	8.9	6.6	5.5
Gross official foreign reserves (in US\$ million) 3/	520	514	577	613	574	470	420
In months of next year's imports of GNFS	10.0	9.1	9.3	8.9	9.0	6.6	5.5
Gross external public debt	7.5	7.6	7.1	7.7	10.4	14.0	16.8
Disbursement of concessional borrowing (in US\$ millions)	0.2	23.5	17.9	8.9	17.8	42.0	40.3
External public debt service (in percent of exports of GNFS)	1.5	1.8	1.7	1.1	1.1	0.8	1.1

Sources: Data provided by the Solomon Islands authorities; and IMF staff estimates and projections.

1/ Incorporates the authorities' revision of historical data, including a new formula for f.o.b/c.i.f conversion, new estimates of reinvested earnings and donor grants, and reclassification of current and capital transfers.

2/ FDI numbers have been revised down as a result of changes to ensure the correct treatment of net losses under reinvested

3/ Includes actual and prospective disbursements under the IMF-supported arrangement.

Table 3. Solomon Islands: Debt Service due to the IMF as of February 29, 2020

Loan Type	Disbursement Date	Due Date	Amount in SDRs	Cumulative Amount	Amount in Percent of Quota	Cumulative Amount in Percent of Quota
PRGT Repayment (ECF)	12/7/2012	6/11/2020	14,857	14,857	0.1	0.1
PRGT Repayment (ECF)		7/1/2020	14,857	29,714	0.1	0.1
PRGT Repayment (ECF)		7/10/2020	14,857	44,571	0.1	0.2
PRGT Repayment (ECF)		7/16/2020	14,857	59,428	0.1	0.3
PRGT Repayment (ECF)		10/20/2020	14,857	74,285	0.1	0.4
PRGT Repayment (ECF)	12/7/2012	12/11/2020	14,857	89,142	0.1	0.4
PRGT Repayment (ECF)		12/30/2020	14,857	103,999	0.1	0.5
PRGT Repayment (ECF)		1/8/2021	14,857	118,856	0.1	0.6
PRGT Repayment (ECF)		1/15/2021	14,857	133,713	0.1	0.6
PRGT Repayment (ECF)		4/20/2021	14,857	148,570	0.1	0.7
PRGT Repayment (ECF)	12/7/2012	6/11/2021	14,857	163,427	0.1	0.8
PRGT Repayment (ECF)		7/1/2021	14,857	178,284	0.1	0.9
PRGT Repayment (ECF)		7/9/2021	14,857	193,141	0.1	0.9
PRGT Repayment (ECF)		7/16/2021	14,857	207,998	0.1	1.0
PRGT Repayment (ECF)		9/30/2021	29,714	237,712	0.1	1.1
PRGT Repayment (ECF)		10/20/2021	14,857	252,569	0.1	1.2
PRGT Repayment (ECF)		12/10/2021	14,857	267,426	0.1	1.3
PRGT Repayment (ECF)		12/31/2021	14,857	282,283	0.1	1.4
PRGT Repayment (ECF)		1/10/2022	14,857	297,140	0.1	1.4
PRGT Repayment (ECF)		1/14/2022	14,857	311,997	0.1	1.5
PRGT Repayment (ECF)		3/30/2022	29,714	341,711	0.1	1.6
PRGT Repayment (ECF)		4/20/2022	14,857	356,568	0.1	1.7
PRGT Repayment (ECF)		6/10/2022	14,857	371,425	0.1	1.8
PRGT Repayment (ECF)		7/1/2022	14,857	386,282	0.1	1.9
PRGT Repayment (ECF)		7/8/2022	14,857	401,139	0.1	1.9
PRGT Repayment (ECF)		7/15/2022	14,857	415,996	0.1	2.0
PRGT Repayment (ECF)		9/30/2022	29,714	445,710	0.1	2.1
PRGT Repayment (ECF)		10/20/2022	14,857	460,567	0.1	2.2
PRGT Repayment (ECF)		12/9/2022	14,858	475,425	0.1	2.3
PRGT Repayment (ECF)		12/30/2022	14,857	490,282	0.1	2.4

Sources: Solomon Islands authorities' data and IMF staff estimates and projections.

Annex 21.B. Letter of Intent—CCRT Request

Solomon Islands

Honiara, Solomon Islands

April 8, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Solomon Islands are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. We currently anticipate that: (i) real output growth in 2020 will decline to about -2 percent, compared with pre-crisis projections of 2.5 percent; (ii) the severe impact of falling revenue on the budget; and (iii) the emerging balance of payments need resulting from the crisis as reflected in the projected fall in official reserves.

Our response to the crisis has several dimensions:

- We plan to increase spending by approximately USD 20 million (about 1.4 percent of GDP) over the course of 2020, with key measures already underway such as setting up quarantine centers and establishing COVID-19 testing capability. However, additional spending may be needed should downside risks materialize. We also expect to support vulnerable individuals, including through making funds from the National Provident Fund available to its members under 50 that are temporarily laid off or return home.
- We are seeking to create budgetary space for these and other outlays to support economic activity by reprioritizing budgeted expenditure where possible. We hope that additional support from development partners will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.
- We have confirmed our commitment to continuing to maintain an expansionary monetary policy stance for the next six months. Credibility of the exchange rate regime is preserved by maintaining an adequate level of gross official reserves.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the Rapid Credit Facility and Rapid Financing Instrument. We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Mr. Harry Kuma

Minister of Finance and Treasury

/s/

Mr. Luke Forau

Governor, Central Bank of Solomon Islands

Annex 22.A. Democratic Republic of São Tomé and Príncipe: Staff Appraisal—CCRT Request

São Tomé and Príncipe faces exceptional balance of payments needs resulting from the COVID-19 pandemic and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. The COVID-19 pandemic is causing a sharp economic contraction, raising urgent BOP and fiscal financing needs. To pre-empt contamination, the country closed its borders on March 19 and implemented social distancing measures. Four initial cases were confirmed on April 6. With international travel at a standstill, the fledgling tourism sector (with a direct contribution of about 6-7 percent of GDP) has ground to a halt, externally financed projects are delayed, and international supply is disrupted. Prior to the pandemic, GDP growth was projected to recover to 3.5 percent in 2020. Staff now project the tourism sector to decline by 65 percent and GDP by 6 percent in 2020, lowering demand for services such as transportation. Construction is affected by delays in externally financed projects. A large fiscal gap (\$17 million, 4.2 percent of GDP) has emerged from an expected drop in fiscal revenue and increased health and social spending to mitigate the impact. The BOP gap is estimated at \$24 million (close to 6 percent of GDP).

Macroeconomic policies. The authorities will implement their COVID-19 contingency plan, costed at \$3 million (0.7 percent of GDP). They plan to expand a current WB-supported targeted cash-transfer program, including covering additional vulnerable families. They will also implement countercyclical measures such as offering incentives for businesses to retain workers, supporting the unemployed, and facilitating access to credit. Retail fuel prices will be kept unchanged to generate revenue from lower international oil prices, and a small solidarity contribution will be introduced on public servants who are otherwise relatively insulated from the shock. Spending related to COVID-19 mitigation efforts will be published monthly. Monetary policy aims to safeguard the peg to the euro while alleviating liquidity pressures through possibly reducing reserve requirements and encouraging banks to prudently restructure loans while ensuring that loan reporting, classification, and provisioning standards are maintained. Fiscal transparency measures are also being considered.

IMF program status. A new 40-month ECF-supported program was approved on October 2, 2019 in the amount of SDR 13.32 million (90 percent of quota). The first review of the program will commence once the crisis situation stabilizes. The country has requested support under the RCF in the amount of SDR 9.028 million (61 percent of quota).

Staff appraisal. Staff supports the country's request for debt relief under the CCRT. The country meets the income threshold with GNI per capita of US\$1890 in 2018, below the threshold of US\$2350 for small states, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Outstanding debt service and amount of grants for debt relief. The country has debt service of SDR 111,000 falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 697,712.

Table 1. São Tomé and Príncipe: Selected Economic Indicators, 2016–24

	2016	2017	2018	2019		2020		2021	2022	2023	2024
				ECF Req.	Est.	ECF Req.	Proj.				
National income and prices											
GDP at constant prices	4.2	3.9	3.0	2.7	1.3	3.5	-6.0	5.5	3.5	4.0	4.5
GDP deflator	5.1	2.0	2.6	3.7	5.7	3.5	3.5	3.0	3.0	2.9	2.8
Consumer prices											
End of period	5.1	7.7	9.0	7.8	7.7	10.0	8.0	6.0	4.0	3.0	3.0
Period average	5.4	5.7	8.3	8.4	8.4	8.9	7.9	7.0	5.0	3.5	3.0
External trade											
Exports of goods and nonfactor services	8.9	-10.8	13.9	10.5	-1.8	11.0	-44.0	62.7	8.6	12.4	10.7
Imports of goods and nonfactor services	-0.4	5.5	-3.6	1.8	2.5	6.7	-23.6	17.9	5.2	6.4	6.8
Exchange rate (new dobras per US\$; end of period) ¹	23.4	20.7	21.5	21.7	22.0	...	...	...	...	...	...
Real effective exchange rate (period average, depreciation = -)	5.7	4.9	8.7	...	5.7	...	...	...	...	...	...
Money and credit											
Base money	5.0	-9.6	0.8	-0.5	-7.4	2.6	-3.9	8.7	6.6	...	...
Broad money (M3)	-4.8	-0.4	14.3	0.0	-2.2	7.1	0.1	8.7	6.6	...	...
Credit to the economy	6.6	2.5	-1.6	-6.7	3.2	0.6	2.0	3.2	4.6	...	...
Velocity (GDP to broad money; end of period)	2.8	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	...	...
Central bank reference interest rate (percent)	10.0	9.0	9.0	...	9.0	...	...	...	...	...	...
Average bank lending rate (percent)	19.6	19.6	19.9	...	19.1	...	...	...	...	...	...
Government finance (in percent of GDP)											
Total revenue, grants, and oil signature bonuses	28.2	24.9	24.1	21.0	22.5	23.6	22.4	22.8	23.3	23.6	23.4
Of which: tax revenue	12.3	12.7	12.8	12.5	12.6	13.0	12.8	13.8	14.8	15.1	15.2
Nontax revenue	2.3	1.7	3.1	1.8	3.3	1.8	2.2	2.4	2.4	2.4	2.5
Grants	13.5	10.5	8.3	6.7	6.6	8.9	7.5	6.7	6.1	6.1	5.6
Total expenditure and net lending	32.4	27.6	26.0	21.9	22.5	23.9	26.9	24.7	24.3	24.6	24.5
Personnel costs	8.9	8.3	9.3	9.2	9.2	8.8	9.8	9.2	9.2	9.2	9.2
Interest due	0.4	0.5	0.4	0.6	0.7	0.6	0.7	0.5	0.4	0.4	0.4
Nonwage noninterest current expenditure	8.0	6.9	7.0	6.3	7.6	6.3	10.0	8.3	8.3	8.4	8.4
Treasury funded capital expenditures	0.7	0.7	1.4	0.1	0.1	0.2	0.2	0.3	0.3	0.5	0.8
Donor funded capital expenditures	14.2	11.0	7.8	5.5	4.8	7.8	5.9	6.3	5.9	5.9	5.5
HIPC Initiative-related capital expenditure	0.2	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3
Domestic primary balance ²	-4.1	-2.4	-4.2	-2.1	-1.8	-1.7	-5.6	-2.0	-1.0	-1.0	-1.0
Net domestic borrowing	2.8	1.8	3.4	0.7	-1.5	1.2	-0.1	1.0	0.5	0.7	1.4
Overall balance (commitment basis)	-4.2	-2.7	-1.9	-0.9	-0.1	-0.3	-4.5	-1.9	-1.0	-1.0	-1.0
Public Debt ³	80.9	84.3	96.2	94.2	94.8	93.8	104.9	100.2	96.4	91.6	86.9
Of which: EMAE's arrears to ENCO	16.1	19.3	23.3	23.2	26.4	...	31.8	31.8	32.6	32.8	31.8
External sector											
Current account balance (percent of GDP)											
Including official transfers	-6.1	-13.2	-8.6	-11.6	-12.5	-9.0	-11.8	-9.1	-8.7	-7.5	-6.9
Excluding official transfers	-20.0	-24.3	-17.3	-18.3	-19.0	-17.9	-19.3	-15.7	-14.8	-13.6	-12.5
PV of external debt (percent of GDP)	31.5	26.6	27.1	25.6	27.9	24.0	32.7	31.8	31.6	30.7	29.1
External debt service (percent of exports) ⁴	3.3	3.8	2.6	5.1	4.5	5.3	11.8	7.4	7.2	7.1	9.4
Export of goods and non-factor services (US\$ millions)	96.6	86.1	98.0	108.6	96.3	120.5	53.9	87.7	95.3	107.2	118.6
Gross international reserves ⁵											
Millions of U.S. dollars	55.9	51.4	35.1	36.0	40.4	40.0	40.4	45.8	51.4	53.7	57.2
Months of imports of goods and nonfactor services ⁶	4.9	4.7	3.0	3.3	4.7	3.6	4.1	4.3	4.6	4.5	4.5
Gross international reserves (incl. commercial bank reserves)											
Millions of U.S. dollars	62.3	58.5	42.4	43.4	46.4	...	46.4	52.4	58.4	61.4	65.4
Months of imports of goods and nonfactor services ⁶	5.5	5.3	3.6	4.0	5.4	...	4.7	4.9	5.2	5.2	5.2
National Oil Account (US\$ millions)	11.5	11.3	19.5	18.5	18.8	17.8	15.2	12.4	10.1	8.2	6.7
Memorandum Item											
Gross Domestic Product											
Millions of new dobra	7,698	8,154	8,619	9,333	9,230	9,997	8,980	9,758	10,403	11,134	11,955
Millions of U.S. dollars	347.5	375.8	415.6	429.8	421.8	462.6	408.5	448.5	480.4	515.5	554.6
Per capita (in U.S. dollars)	1,738	1,842	1,989	1,933	1,980	2,036	1,874	2,011	2,116	2,222	2,340
Unemployment rate (percent)	13.4	13.5	...	...	...	...	...	...	...	...	...

Sources: São Tomé and Príncipe authorities' data and IMF staff estimates and projections.

¹ Central Bank (BCSTP) mid-point rate.

² Excludes oil related revenues, grants, interest earned, scheduled interest payments, and foreign-financed capital outlay.

³ Total public and publicly guaranteed debt as defined in DSA, which includes EMAE's debt to ENCO (and excludes the government's arrears to EMAE due to consolidation).

⁴ Percent of exports of goods and nonfactor services.

⁵ Gross international reserves exclude the National Oil Account and commercial banks' foreign currency deposits at the BCSTP in order to meet reserve requirements, for new licensing, and for meeting capital requirements.

⁶ Imports of goods and nonfactor services, excluding imports of investment goods and technical assistance.

Table 2a. São Tomé and Príncipe: Balance of Payments, 2016–24
(Millions of U.S. Dollars)

	2016	2017	2018	2019		2020		2021	2022	2023	2024
				ECF Req.	Est.	ECF Req.	Proj.				
Trade balance	-105.5	-112.1	-116.8	-119.0	-112.3	-125.1	-76.1	-95.2	-100.3	-106.9	-113.1
Exports, f.o.b.	13.6	15.6	16.0	16.2	14.1	19.7	14.3	18.6	19.3	21.6	24.4
Cocoa	8.6	8.6	8.2	8.0	6.9	11.0	7.0	11.2	11.0	11.5	11.9
Re-export	3.2	4.7	6.8	5.5	3.4	5.3	3.4	4.2	3.8	4.1	4.5
Imports, f.o.b.	-119.1	-127.7	-132.9	-135.2	-126.4	-144.7	-90.5	-113.8	-119.6	-128.4	-137.4
Food	-36.1	-31.6	-31.1	-32.6	-31.3	-34.3	-27.5	-29.0	-30.1	-31.4	-32.9
Petroleum products	-21.7	-27.6	-33.6	-30.6	-34.2	-29.1	-16.6	-18.7	-20.9	-22.9	-24.9
Non-oil investment goods	-31.2	-33.5	-31.3	-33.5	-23.5	-41.0	-24.6	-27.4	-27.3	-29.8	-31.8
Oil sector related investment goods	-12.7	-21.2	-19.6	-36.6	-22.9	-40.4	-16.0	-23.5	-24.7	-26.6	-28.6
Other	-17.4	-13.8	-17.2	-1.9	-14.6	-0.1	-5.8	-15.1	-16.6	-17.7	-19.2
Services and income (net)	19.9	3.9	28.7	25.0	16.1	26.2	-17.4	8.6	12.0	18.6	23.9
Exports of nonfactor services	82.9	70.5	82.0	92.4	82.2	100.9	39.6	69.2	76.0	85.6	94.2
Of which: travel and tourism	68.8	59.9	68.0	81.6	66.6	89.5	23.3	50.0	55.8	64.2	71.5
Imports of nonfactor services	-63.9	-65.5	-53.4	-66.1	-64.4	-70.1	-55.4	-58.1	-61.3	-64.0	-68.0
Factor services (net)	1.0	-1.1	0.1	-1.2	-1.7	-4.6	-1.6	-2.4	-2.7	-3.0	-2.4
Of which: oil related	0.0	-1.1	0.1	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Private transfers (net)	15.9	16.7	16.3	15.8	15.9	16.3	14.8	16.1	17.2	18.4	19.7
Official transfers (net)	48.5	41.7	36.0	28.6	27.6	41.2	30.7	29.9	29.2	31.3	31.2
Of which: project grants (excluding HIPC grants)	40.2	27.4	26.9	16.8	15.2	29.4	16.7	19.3	18.6	19.9	19.3
HIPC Initiative-related grants	2.9	3.1	1.6	3.4	3.9	3.4	3.8	3.3	3.3	3.5	3.5
Current account balance											
Including official transfers	-21.1	-49.7	-35.9	-49.5	-52.7	-41.5	-48.0	-40.6	-41.9	-38.6	-38.2
Excluding official transfers	-69.6	-91.5	-71.9	-78.1	-80.3	-82.6	-78.7	-70.5	-71.1	-69.9	-69.5
Capital and financial account balance	-9.5	74.9	-3.4	0.0	42.7	40.9	15.1	33.1	38.9	38.5	40.2
Capital transfer	0.0	0.0	0.0	47.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-9.5	74.9	-3.4	39.2	42.7	40.9	15.1	33.1	38.9	38.5	40.2
Foreign Direct Investment	22.3	33.0	21.1	38.5	27.2	43.2	18.9	28.0	29.6	31.8	35.2
Petroleum related investment	19.3	32.1	20.6	0.0	24.1	42.5	16.8	24.8	26.0	28.0	30.1
Portfolio Investment (net)	0.2	0.6	-21.7	2.8	-7.6	0.0	0.0	0.0	0.0	0.0	0.0
Oil signature bonuses	3.3	2.3	10.2	5.1	3.2	2.8	0.1	0.1	0.1	0.1	0.1
Other investment (net)	-35.4	39.0	-13.1	-9.7	20.0	-5.1	-3.9	4.9	9.3	6.6	4.9
Assets	-19.5	2.2	-9.5	0.4	-8.5	-9.9	-8.6	-8.7	-8.8	-9.0	-9.2
Public sector (net)	2.7	3.1	2.9	6.6	2.0	-0.5	-0.2	1.8	2.0	1.8	-1.6
Project loans	6.4	7.4	5.6	0.0	4.4	6.6	7.4	9.0	9.6	10.3	11.1
Program loans	0.0	0.0	0.0	-6.2	2.7	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	-3.7	-4.3	-2.7	-6.2	-5.1	-7.1	-7.5	-7.2	-7.6	-8.5	-12.7
Of which: HIPC Initiative-related grants	-2.5	-2.6	-1.4	-2.9	-3.4	-2.9	-3.3	-2.9	-2.9	-3.2	-3.2
Private sector (net)	-18.6	33.7	-6.5	14.4	26.5	5.3	4.8	11.9	16.0	13.8	15.6
Commercial banks	13.8	8.8	-5.0	2.5	-1.5	-0.2	-0.2	-0.2	-0.1	0.0	0.0
Short-term private capital	-32.3	24.8	-1.5	11.8	28.0	5.5	5.0	12.1	16.2	13.8	15.6
Errors and omissions	26.0	-35.6	31.1	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-4.6	-10.4	-8.2	-2.5	0.5	-0.5	-33.0	-7.5	-3.0	-0.1	1.9
Financing	4.6	10.4	8.2	-0.2	0.2	-4.8	8.8	1.8	0.6	-2.1	-3.3
Change in official reserves, excl. NOA (increase= -)	5.0	6.6	15.9	-0.8	-2.8	-5.3	0.3	-5.9	-6.4	-3.5	-4.7
Use of Fund resources (net)	0.9	2.6	0.5	2.4	2.3	4.9	5.0	4.8	4.6	-0.5	0.0
Purchases	1.8	2.8	0.9	2.7	2.7	5.2	5.2	5.2	5.2	0.0	0.0
Repurchases (incl. MDRI repayment)	-0.9	-0.2	-0.4	-0.3	-0.4	-0.3	-0.3	-0.4	-0.6	-0.5	0.0
National Oil Account (increase = -)	-1.3	0.2	-8.2	0.9	0.7	0.7	3.5	2.9	2.3	1.9	1.5
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	3.0	4.0
Financing Gap	0.0	0.0	0.0	-2.7	0.0	-5.3	-24.2	-5.8	-2.4	-1.4	-1.3
IMF CCRT ¹	...	...	...	...	...	...	0.2	0.0	0.0	0.0	0.0
Prospective CCRT ¹	...	...	...	...	...	...	0.1	0.6	0.1	0.6	0.1
WB	...	...	...	...	...	...	2.5	0.0	0.0	0.0	0.0
Unidentified	...	...	...	...	...	...	21.5	5.2	2.3	0.8	1.2
Memorandum items:											
Current account balance (percent of GDP)											
Including official transfers	-6.1	-13.2	-8.6	-11.5	-12.5	-9.0	-11.8	-9.1	-8.7	-7.5	-6.9
Excluding official transfers	-20.0	-24.3	-17.3	-18.2	-19.0	-17.9	-19.3	-15.7	-14.8	-13.6	-12.5
Debt service ratio (percent of exports) ²	3.3	3.8	2.6	5.1	4.5	5.3	11.8	7.4	7.2	7.1	9.4
Gross international reserves ³											
Millions of U.S. dollars	55.9	51.4	35.1	36.0	40.4	40.0	40.4	45.8	51.4	53.7	57.2
Months of imports of goods and nonfactor services ⁴	4.9	4.7	3.0	3.3	4.7	3.6	4.1	4.3	4.6	4.5	4.5

Sources: São Tomé and Príncipe authorities' data and IMF staff estimates and projections.

¹ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

² Percent of exports of goods and nonfactor services.

³ Gross international reserves exclude the National Oil Account and commercial banks' foreign currency deposits at the BCSTP in order to meet reserve requirements, for new licensing, and for meeting capital requirements.

⁴ Imports of goods and nonfactor services excluding imports of investment goods and technical assistance.

Table 2b. São Tomé and Príncipe: Balance of Payments, 2016–24
(in percent of GDP)

	2016	2017	2018	2019		2020		2021	2022	2023	2024
				ECF Req.	Est.	ECF Req.	Proj.	Proj.	Proj.	Proj.	
Trade balance	-30.3	-29.8	-28.1	-27.7	-26.6	-27.0	-18.6	-21.2	-20.9	-20.7	-20.4
Exports, f.o.b.	3.9	4.1	3.9	3.8	3.3	4.3	3.5	4.1	4.0	4.2	4.4
Cocoa	2.5	2.3	2.0	1.9	1.6	2.4	1.7	2.5	2.3	2.2	2.2
Re-export	0.9	1.3	1.6	1.3	0.8	1.2	0.8	0.9	0.8	0.8	0.8
Imports, f.o.b.	-34.3	-34.0	-32.0	-31.4	-30.0	-31.3	-22.1	-25.4	-24.9	-24.9	-24.8
Food	-10.4	-8.4	-7.5	-7.6	-7.4	-7.4	-6.7	-6.5	-6.3	-6.1	-5.9
Petroleum products	-6.2	-7.3	-8.1	-7.1	-8.1	-6.3	-4.1	-4.2	-4.3	-4.4	-4.5
Non-oil investment goods	-9.0	-8.9	-7.5	-7.8	-5.6	-8.9	-6.0	-6.1	-5.7	-5.8	-5.7
Oil sector related investment goods	-3.7	-5.6	-4.7	-8.5	-5.4	-8.7	-3.9	-5.2	-5.1	-5.2	-5.2
Other	-5.0	-3.7	-4.1	-0.4	-3.5	0.0	-1.4	-3.4	-3.4	-3.4	-3.5
Services and income (net)	5.7	1.0	6.9	5.8	3.8	5.7	-4.3	1.9	2.5	3.6	4.3
Exports of nonfactor services	23.9	18.8	19.7	21.5	19.5	21.8	9.7	15.4	15.8	16.6	17.0
<i>Of which</i> : travel and tourism	19.8	15.9	16.4	19.0	15.8	19.3	5.7	11.1	11.6	12.4	12.9
Imports of nonfactor services	-18.4	-17.4	-12.8	-15.4	-15.3	-15.2	-13.6	-13.0	-12.8	-12.4	-12.3
Factor services (net)	0.3	-0.3	0.0	-0.3	-0.4	-1.0	-0.4	-0.5	-0.6	-0.6	-0.4
<i>Of which</i> : oil related	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private transfers (net)	4.6	4.4	3.9	3.7	3.8	3.5	3.6	3.6	3.6	3.6	3.6
Official transfers (net)	14.0	11.1	8.7	6.7	6.6	8.9	7.5	6.7	6.1	6.1	5.6
<i>Of which</i> : project grants (excluding HIPC grants)	11.6	7.3	6.5	3.9	3.6	6.4	4.1	4.3	3.9	3.9	3.5
HIPC Initiative-related grants	0.8	0.8	0.4	0.8	0.9	0.7	0.9	0.7	0.7	0.7	0.6
Current account balance											
Including official transfers	-6.1	-13.2	-8.6	-11.5	-12.5	-9.0	-11.8	-9.1	-8.7	-7.5	-6.9
Excluding official transfers	-20.0	-24.3	-17.3	-18.2	-19.0	-17.9	-19.3	-15.7	-14.8	-13.6	-12.5
Capital and financial account balance	-2.7	19.9	-0.8	10.9	10.1	8.9	3.7	7.4	8.1	7.5	7.2
Capital transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-2.7	19.9	-0.8	10.9	10.1	8.9	3.7	7.4	8.1	7.5	7.2
Foreign Direct Investment	6.4	8.8	5.1	9.1	6.4	9.3	4.6	6.3	6.2	6.2	6.3
Recovery of oil capital expense	-5.6	-8.5	-5.0	-5.7			-4.1	-5.5	-5.4	-5.4	-5.4
Portfolio Investment (net)	0.1	0.2	-5.2	0.0	-1.8	0.0	0.0	0.0	0.0	0.0	0.0
Oil signature bonuses	1.0	0.6	2.5	0.6	0.8	0.6	0.0	0.0	0.0	0.0	0.0
Other investment (net)	-10.2	10.4	-3.1	1.2	4.7	-1.1	-1.0	1.1	1.9	1.3	0.9
Assets	-5.6	0.6	-2.3	-2.3	-2.0	-2.1	-2.1	-1.9	-1.8	-1.7	-1.7
Public sector (net)	0.8	0.8	0.7	0.1	0.5	-0.1	0.0	0.4	0.4	0.3	-0.3
Project loans	1.9	2.0	1.3	1.5	1.0	1.4	1.8	2.0	2.0	2.0	2.0
Program loans	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	-1.1	-1.1	-0.6	-1.5	-1.2	-1.5	-1.8	-1.6	-1.6	-1.7	-2.3
<i>Of which</i> : transfers to JDA	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector (net)	-5.3	9.0	-1.6	3.3	6.3	1.1	1.2	2.6	3.3	2.7	2.8
Commercial banks	4.0	2.3	-1.2	0.6	-0.4	-0.1	0.0	-0.1	0.0	0.0	0.0
Short-term private capital	-9.3	6.6	-0.4	2.8	6.6	1.2	1.2	2.7	3.4	2.7	2.8
Errors and omissions	7.5	-9.5	7.5	0.0	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-1.3	-2.8	-2.0	-0.6	0.1	-0.1	-8.1	-1.7	-0.6	0.0	0.3
Financing	1.3	2.8	2.0	0.0	0.0	-1.0	2.2	0.4	0.1	-0.4	-0.6
Change in official reserves, excl. NOA (increase= -)	1.4	1.8	3.8	-0.2	-0.7	-1.1	0.1	-1.3	-1.3	-0.7	-0.9
Use of Fund resources (net)	0.3	0.7	0.1	-0.1	0.6	-0.1	1.2	1.1	1.0	-0.1	0.0
Purchases	0.5	0.7	0.2	0.0	0.6	0.0	1.3	1.2	1.1	0.0	0.0
National Oil Account (increase = -)	-0.4	0.1	-2.0	0.2	0.2	0.2	0.9	0.6	0.5	0.4	0.3
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.6	0.7
Financing Gap	0.0	0.0	0.0	-0.6	0.0	-1.1	-5.9	-1.3	-0.5	-0.3	-0.2
IMF CCRT ¹	...	...	...	...	...	...	0.0	0.0	0.0	0.0	0.0
Prospective CCRT ¹	...	...	...	...	...	...	0.0	0.1	0.0	0.1	0.0
WB	...	...	...	...	...	...	0.6	0.0	0.0	0.0	0.0
Unidentified	...	...	...	...	...	...	5.3	1.2	0.5	0.2	0.2
Memorandum items:											
Debt service ratio (percent of exports) ²	3.3	3.8	2.6	5.1	4.5	5.3	11.8	7.4	7.2	7.1	9.4
Gross international reserves ³											
Millions of U.S. dollars	55.9	51.4	35.1	36.0	40.4	40.0	40.4	45.8	51.4	53.7	57.2
Months of imports of goods and nonfactor services ⁴	4.9	4.7	3.0	3.3	4.7	3.6	4.1	4.3	4.6	4.5	4.5

Sources: São Tomé and Príncipe authorities' data and IMF staff estimates and projections.

¹ The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT

² Percent of exports of goods and nonfactor services.

³ Gross international reserves exclude the National Oil Account and commercial banks' foreign currency deposits at the BCSTP in order to meet reserve requirements, for new licensing, and for meeting capital requirements.

⁴ Imports of goods and nonfactor services excluding imports of investment goods and technical assistance.

Table 3. São Tomé and Príncipe: Debt Service to the IMF, 2020-2022
As of March 30, 2020 (in SDR)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	23-Dec-13	23-Jun-20	37,000	37,000	0.25	0.25
PRGT Repayment (ECF)	25-Jun-13	25-Jun-20	37,000	74,000	0.25	0.50
PRGT Repayment (ECF)	31-Jul-12	31-Jul-20	37,000	111,000	0.25	0.75
PRGT Repayment (ECF)	25-Jun-13	23-Dec-20	37,000	148,000	0.25	1.00
PRGT Repayment (ECF)	23-Dec-13	23-Dec-20	37,000	185,000	0.25	1.25
PRGT Repayment (ECF)	21-Jul-15	21-Jan-21	63,428	248,428	0.43	1.68
PRGT Repayment (ECF)	31-Jul-12	29-Jan-21	37,000	285,428	0.25	1.93
PRGT Repayment (ECF)	23-Dec-13	23-Jun-21	37,000	322,428	0.25	2.18
PRGT Repayment (ECF)	25-Jun-13	25-Jun-21	37,000	359,428	0.25	2.43
PRGT Repayment (ECF)	21-Jul-15	21-Jul-21	63,428	422,856	0.43	2.86
PRGT Repayment (ECF)	31-Jul-12	30-Jul-21	37,000	459,856	0.25	3.11
PRGT Repayment (ECF)	20-Jun-16	20-Dec-21	63,428	523,284	0.43	3.54
PRGT Repayment (ECF)	23-Dec-13	23-Dec-21	37,000	560,284	0.25	3.79
PRGT Repayment (ECF)	25-Jun-13	24-Dec-21	37,000	597,284	0.25	4.04
PRGT Repayment (ECF)	21-Jul-15	21-Jan-22	63,428	660,712	0.43	4.46
PRGT Repayment (ECF)	31-Jul-12	31-Jan-22	37,000	697,712	0.25	4.71
PRGT Repayment (ECF)	20-Dec-16	20-Jun-22	63,428	761,140	0.43	5.14
PRGT Repayment (ECF)	20-Jun-16	20-Jun-22	63,428	824,568	0.43	5.57
PRGT Repayment (ECF)	23-Dec-13	23-Jun-22	37,000	861,568	0.25	5.82
PRGT Repayment (ECF)	25-Jun-13	24-Jun-22	37,000	898,568	0.25	6.07
PRGT Repayment (ECF)	21-Jul-15	21-Jul-22	63,428	961,996	0.43	6.50
PRGT Repayment (ECF)	31-Jul-12	29-Jul-22	37,000	998,996	0.25	6.75

Sources: São Tomé and Príncipe authorities' data and IMF staff estimates and projections.

Annex 22.B. Letter of Intent—CCRT Request

Democratic Republic of São Tomé and Príncipe

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Managing Director Georgieva,

São Tomé and Príncipe is experiencing an exceptional financing need as the COVID-19 pandemic drastically curtails economic activity due to a complete shutdown of foreign travel and the effects on associated tourism and service sectors. As four initial COVID-19 cases were confirmed on April 4 in São Tomé and Príncipe, the crisis also creates an urgent spending need to prepare for a possible outbreak. Overall, real GDP growth in 2020 is projected to decline to -6.0 percent, compared with pre-crisis projections of 3.5 percent. Consequently, we face large fiscal and balance of payments gaps, with the latter reaching US\$24 million (6 percent of GDP and 60 percent of our end-2019 official foreign reserves).

To combat against the pandemic, we have developed a comprehensive set of measures. We are implementing a COVID-19 contingency plan, with key measures that are already in effect including suspending international flights and declaring a state of emergency on March 17. We also plan to assist the most vulnerable, support the unemployed, and offer incentives to businesses to retain workers to mitigate the economic impact. To create budgetary space, we plan to introduce a solidarity contribution from public servants who have been insulated from the shock and maintain fuel tariffs to generate revenues. However, we still expect our domestic primary budget deficit to reach 5.6 percent of GDP in 2020 compared with pre-COVID-19 projections of 1.7 percent of GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources. The central bank has prepared a contingency plan with measures including addressing the potential tight market liquidity and encourage banks to work prudently with distressed borrowers while ensuring that loan reporting, classification, and provisioning standards are maintained.

Against this backdrop, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24 months from April 14 to October 13, 2020 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors, particularly those hardest hit in the tourism and informal

sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff to maintain broad macroeconomic stability during the pandemic and are committed to the program supported by the Extended Credit Facility. We have also requested access to the Rapid Credit Facility for support on the order of SDR 9.028 million (61 percent of quota). Strong IMF support will help catalyze assistance from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Mr. Osvaldo Vaz,
Minister of Finance, Commerce and the Blue
Economy

/s/

Mr. Américo Soares De Barros
Governor of the Central Bank of São Tomé
and Príncipe

Annex 23.A. Republic of Tajikistan: Staff Appraisal—CCRT

Request

Tajikistan faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. The COVID19 pandemic has had a severe economic impact on the Tajik economy. Border closures and disruption of transportation links with key trading partners have severely affected foreign trade and remittances, leading to a decline in economic activity and loss of fiscal revenues. Relative to the pre- COVID-19 baseline of 4¾ percent, growth in 2020 is expected to fall sharply to between 1 and -4 percent. The shock is also expected to lead to a reduction in fiscal revenues while also increasing government expenditures on treatment and containment and social transfers. The increase in the primary budget deficit is expected to be of the order of 2-5 percent of GDP. Exchange rate pressures have intensified. The deterioration in the external and fiscal positions has led to a large fiscal and external financing gap in 2020, with preliminary estimates ranging between \$150 - \$400 million.

Macroeconomic policies. In response, the National Bank of Tajikistan (NBT) hiked the policy rate by 50 basis points to 12.75 percent in February to contain inflationary pressures. In line with currency movements in the region, the NBT depreciated the official exchange rate by 5 percent and provided FX liquidity to banks. The authorities have launched an action plan to mitigate the impact of the virus. They are considering providing tax relief to small and medium businesses and stepping up social transfers. Cuts to non-priority spending are also under consideration, while various international partners have been approached to provide emergency financing support.

IMF program status. The Tajik authorities have also requested a disbursement under the Rapid Credit Facility (RCF) to help cover the financing gap and avoid immediate and severe economic disruption. Tajikistan's public debt was assessed as unsustainable on current policies during the 2019 Article IV consultation. The policy discussions with the authorities on the RCF are underway, and the RCF access level is subject to a further clarification as the estimates of the potential financing gap remain wide for now and the likely contributions from other external partners are also being clarified. Credible and specific commitments on fiscal consolidation measures sufficient to restore a sustainable debt trajectory are being sought from the authorities to be able to proceed with disbursement under the RCF.

Staff appraisal. Staff supports Tajikistan's request for debt relief under the CCRT. Tajikistan meets the income threshold with GNI per capita of US\$1,010, below the threshold of US\$1,175, and staff assesses that the country faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Tajikistan has eligible debt of SDR 7.8 million for the period from April 14 to October 13, 2020. Its eligible debt falling due in the 12 months from April 14, 2020 amounts to SDR 13 million. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 19.6 million. Staff supports the authorities' request for debt service relief for amounts falling due to the Fund up to October 13, 2020, amounting to SDR 7.8 million.

Table 1. Republic of Tajikistan: Selected Economic Indicators, 2016-25

(Quota: SDR 174 million)
 (Population: 9.1 million; 2018)
 (Per capita GDP: US\$827; 2018)
 (Poverty rate: 27 percent; 2018)
 (Main exports: aluminum, gold, cotton; 2018)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
				Est.				Proj.		
	(Annual percent change; unless otherwise indicated)									
National accounts										
Real GDP	6.9	7.1	7.3	7.5	1.0	5.5	4.5	4.0	4.0	4.0
GDP deflator (cumulative)	5.3	4.7	5.0	4.4	5.6	5.2	5.3	5.2	5.4	5.4
Headline CPI inflation (end-of-period)	6.1	6.7	5.4	8.0	7.4	6.9	6.5	6.5	6.5	6.5
Headline CPI inflation (period average)	5.9	7.3	3.8	7.8	8.1	6.9	6.5	6.5	6.5	6.5
	(In percent of GDP; unless otherwise indicated)									
General government finances										
Revenue and grants	29.9	29.7	29.1	27.4	26.3	26.6	27.0	27.1	27.3	27.2
Tax revenue	20.7	21.6	21.3	20.4	19.0	19.5	20.0	20.2	20.4	20.5
Expenditure and net lending	38.9	35.6	31.9	29.5	32.7	29.6	29.4	29.6	29.7	29.6
Current	17.1	17.0	17.2	17.1	20.1	17.2	17.1	17.1	17.1	17.2
Capital	15.8	18.6	14.6	12.4	12.6	12.4	12.3	12.5	12.6	12.4
Overall balance (excl. PIP and stat. discrepancy) 1/	-5.4	-3.4	1.6	1.1	0.1	1.6	1.7	0.4	0.4	0.2
Overall balance (incl. PIP and stat. discrepancy) 1/	-9.0	-6.0	-2.8	-2.1	-6.4	-3.0	-2.5	-2.5	-2.4	-2.4
Domestic financing	7.1	-2.8	2.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0
External financing 2/	1.8	7.8	1.0	1.4	6.5	3.0	2.5	2.5	2.5	2.4
Total public and publicly-guaranteed debt	42.1	50.4	47.9	44.6	51.8	51.3	50.8	50.7	50.5	50.3
	(In percent of GDP; unless otherwise indicated)									
Monetary sector										
Broad money (12-month percent change)	37.1	21.8	5.1	16.9	8.1	11.8	11.0	10.7	10.7	10.5
Reserve money (12-month percent change)	71.1	21.0	7.0	20.1	9.6	11.4	10.3	10.4	10.2	10.1
Credit to private sector (12-month percent change)	-4.9	-20.2	1.3	7.7	3.2	9.9	10.2	10.2	10.8	11.0
Velocity of broad money (eop)	3.7	3.4	3.6	...	...	...	...	...	...	...
Refinancing rate (in percent, eop/ latest value)	11.0	16.0	14.8	...	...	...	...	...	...	...
	(In percent of GDP; unless otherwise indicated)									
External sector										
Exports of goods and services (U.S. dollar, percent change)	9.1	25.1	-0.8	14.0	-9.0	13.0	9.8	7.6	7.4	7.3
Imports of goods and services (U.S. dollar, percent change)	-12.0	-5.6	16.5	3.2	-2.9	5.1	6.2	5.5	5.3	5.2
Current account balance	-4.2	2.2	-5.0	-3.3	-7.7	-4.5	-4.4	-4.2	-4.1	-4.0
Trade balance (goods)	-27.1	-21.2	-25.1	-22.5	-22.9	-22.0	-21.6	-21.3	-21.0	-20.6
FDI (net)	3.0	0.9	3.3	1.4	1.1	2.5	2.2	2.0	2.0	2.0
Total public and publicly guaranteed external debt	32.4	40.6	38.7	36.2	43.8	44.1	44.2	44.7	45.0	45.3
Exports of goods and services, in millions of U.S. dollars	900	1,125	1,116	1,272	1,158	1,309	1,437	1,546	1,661	1,783
Imports of goods and services, in millions of U.S. dollars	-2,927	-2,764	-3,220	-3,322	-3,227	-3,391	-3,602	-3,800	-4,003	-4,211
Current account balance, in millions of U.S. dollars	-291	159	-378	-271	-622	-378	-393	-392	-398	-409
Total public and publicly guaranteed external debt, in millions of U.S. dollars	2,243	2,815	2,828	2,891	3,388	3,629	3,845	4,076	4,318	4,566
Gross official reserves (in millions of U.S. dollars)	653	1,032	1,160	1,464	1,246	1,235	1,245	1,255	1,277	1,317
In months of next year's imports	2.8	3.8	4.2	5.4	4.4	4.1	3.9	3.8	3.6	3.5
In percent of broad money	34.8	50.5	57.7	64.0	55.4	51.2	48.6	46.1	44.2	43.0
Memorandum items:					0.080					
Nominal GDP (in millions of somoni)	54,471	61,093	68,844	77,292	82,466	91,549	100,714	110,238	120,803	132,469
Nominal GDP (in millions of U.S. dollars)	6,953	7,144	7,520	8,110	8,076	8,396	8,857	9,305	9,783	10,315
Nominal effective exchange rate (Index 2010=100)	67.4	62.4	58.7	59.7	...	...	...	...	...	...
Real effective exchange rate (Index 2010=100)	79.1	76.4	72.4	76.5	...	...	...	...	...	...
Average exchange rate (somoni per U.S. dollar)	7.83	8.55	9.15	9.53	...	...	...	...	...	...

Sources: Data provided by the Tajikistan authorities, and Fund staff estimates.

1/ The 2016 overall balance includes 6.1 percent of GDP for bank recapitalization in addition to regular fiscal operations.

2/ Estimates of the financing gap remain uncertain; staff assumes a 50 percent of quota RCF disbursement for illustrative purposes.

Table 2. Republic of Tajikistan: Balance of Payments, 2016-25 1/

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Proj.									
	(In millions of U.S. dollars, unless otherwise indicated)									
Current account	-291	159	-378	-271	-622	-378	-393	-392	-398	-409
Balance on goods and services	-2,027	-1,639	-2,104	-2,050	-2,068	-2,082	-2,165	-2,254	-2,341	-2,427
Balance on goods	-1,885	-1,517	-1,888	-1,827	-1,851	-1,845	-1,912	-1,985	-2,053	-2,123
Exports	668	873	874	1,006	870	994	1,093	1,171	1,267	1,368
Imports	2,553	2,390	2,762	2,833	2,721	2,839	3,005	3,157	3,320	3,491
Balance on services	-142	-122	-216	-223	-217	-237	-253	-268	-289	-304
Balance on income	1,164	1,215	1,226	1,251	1,022	1,166	1,212	1,265	1,321	1,370
Balance on transfers	572	583	500	528	424	537	560	597	621	648
Capital and financial account	488	515	380	190	142	257	294	291	310	340
Capital transfers	179	135	176	167	233	180	200	239	260	265
FDI	207	63	249	113	93	208	199	187	198	206
Portfolio Investment	0	500	0	0	0	0	0	0	0	0
Other capital flows	103	-183	-44	-90	-184	-131	-105	-135	-148	-131
Errors and omissions	-151	-143	-267	...	...	...	...	...	...	...
Overall balance	46	531	-265	-81	-480	-121	-99	-101	-88	-69
Financing items	-46	-531	265	81	480	121	99	101	88	69
Use of international reserves (- increase)	-46	-531	265	81	321	121	99	101	88	69
Financing gap	0	0	0	0	159	0	0	0	0	0
Use of Fund loans	-20	-25	-30	-25	-18	-9	-4	0	0	0
Disbursements	0	0	0	0	0	0	0	0	0	0
Repayments	20	25	30	25	18	9	4	0	0	0
Exceptional financing 2/	0	0	0	0	177	0	0	0	0	0
	(in percent of GDP, unless otherwise indicated)									
Current account	-4.2	2.2	-5.0	-3.3	-7.7	-4.5	-4.4	-4.2	-4.1	-4.0
Balance on goods and services	-29.2	-22.9	-28.0	-25.3	-25.6	-24.8	-24.4	-24.2	-23.9	-23.5
Balance on goods	-27.1	-21.2	-25.1	-22.5	-22.9	-22.0	-21.6	-21.3	-21.0	-20.6
Exports	9.6	12.2	11.6	12.4	10.8	11.8	12.3	12.6	13.0	13.3
Imports	36.7	33.4	36.7	34.9	33.7	33.8	33.9	33.9	33.9	33.8
Balance on services	-2.0	-1.7	-2.9	-2.7	-2.7	-2.8	-2.9	-2.9	-3.0	-3.0
Balance on income	16.7	17.0	16.3	15.4	12.7	13.9	13.7	13.6	13.5	13.3
Balance on transfers	8.2	8.2	6.6	6.5	5.3	6.4	6.3	6.4	6.4	6.3
Capital and financial account	7.0	7.2	5.1	2.3	1.8	3.1	3.3	3.1	3.2	3.3
Capital transfers	2.6	1.9	2.3	2.1	2.9	2.1	2.3	2.6	2.7	2.6
FDI	3.0	0.9	3.3	1.4	1.1	2.5	2.2	2.0	2.0	2.0
Portfolio Investment	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other capital flows	1.5	-2.6	-0.6	-1.1	-2.3	-1.6	-1.2	-1.4	-1.5	-1.3
Errors and omissions	-2.2	-2.0	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	0.7	7.4	-3.5	-1.0	-5.9	-1.4	-1.1	-1.1	-0.9	-0.7
<i>Memorandum items:</i>										
Nominal GDP (In millions of U.S. dollars)	6,953	7,144	7,520	8,110	8,076	8,396	8,857	9,305	9,783	10,315
Remittances, inflows (In millions of U.S. dollars)	1,867	2,237	2,183	2,305	2,011	2,218	2,312	2,435	2,567	2,679
(in percent of GDP)	26.9	31.3	29.0	28.4	24.9	26.4	26.1	26.2	26.2	26.0
Current account balance (In percent of GDP)	-4.2	2.2	-5.0	-3.3	-7.7	-4.5	-4.4	-4.2	-4.1	-4.0
Net international reserves (In millions of U.S. dollars)	351.6	765.2	997.2	1351.6	1138.7	1136.6	1150.8	1160.1	1182.0	1222.9
Gross reserves 3/	653	1032	1160	1464	1246	1235	1245	1255	1277	1317
(in months of next year's imports of goods and services)	2.8	3.8	4.2	5.4	4.4	4.1	3.9	3.8	3.6	3.5
(in percent of IMF's Reserve Adequacy metric: Fixed)	70.1	90.8	99.8	113.0	99.3	87.8	81.9	76.3	74.4	82.7
(in percent of IMF's Reserve Adequacy metric: Floating)	85.2	111.5	123.5	133.8	122.0	106.0	97.5	89.7	85.8	96.3
Total Public and Publicly Guaranteed (PPG) external debt 4/	2,243	2,815	2,828	2,891	3,388	3,629	3,845	4,076	4,318	4,566
(in percent of GDP)	32.4	40.6	38.7	36.2	43.8	44.1	44.2	44.7	45.0	45.3
Debt service on PPG external debt (In millions of U.S. dollars) 4/	163	171	187	174	705	196	201	183	200	219
(in percent of exports of goods and services)	18.2	15.2	16.8	13.7	60.9	15.0	14.0	11.8	12.1	12.3

Sources: Tajik authorities; and Fund staff estimates.

1/ Based on revised data from authorities.

2/ Estimates of the financing gap remain uncertain; staff assumes a 50 percent of quota RCF disbursement for illustrative purposes.

3/ Excludes 2017 Eurobond proceeds. Projections exclude domestic purchases of monetary gold.

4/ External debt is defined as debt to nonresidents and excludes central bank debt liabilities.

Table 3. Republic of Tajikistan: Debt Service to the IMF, 2020-2022

As of February 29, 2020

(In millions of SDRs; Reporting Year; January to December)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCRT Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (ECF)	25-May-11	31-May-20	2,609,000	2,609,000	1.5	1.5
PRGT Repayment (ECF)	22-Jun-10	30-Jun-20	3,916,500	3,916,500	2.3	3.8
PRGT Repayment (ECF)	17-Jan-12	31-Jul-20	1,304,500	1,304,500	0.7	4.5
PRGT Repayment (ECF)	25-May-11	30-Nov-20	2,609,000	2,609,000	1.5	6.0
PRGT Repayment (ECF)	6-Dec-10	31-Dec-20	1,304,500	1,304,500	0.7	6.7
PRGT Repayment (ECF)	17-Jan-12	31-Jan-21	1,304,500	1,304,500	0.7	7.5
PRGT Repayment (ECF)	25-May-11	31-May-21	2,609,000	2,609,000	1.5	9.0
PRGT Repayment (ECF)	17-Jan-12	31-Jul-21	1,304,500	1,304,500	0.7	9.7
PRGT Repayment (ECF)	9-May-12	30-Nov-21	1,304,500	1,304,500	0.7	10.5
PRGT Repayment (ECF)	17-Jan-12	31-Jan-22	1,304,500	1,304,500	0.7	11.2
PRGT Repayment (ECF)	9-May-12	31-May-22	1,304,500	-	...	...

Source: IMF staff estimates.

Annex 23.B. Letter of Intent—CCRT Request

Republic of Tajikistan

Dushanbe
April 6, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

We in Tajikistan are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the areas of public health and economic activity:

- While there have been no confirmed cases of COVID-19 yet in the country, we are taking necessary measures to prevent an outbreak. The government has activated an Inter-Agency Task Force as technical focal point for formulation and coordination of country's response to COVID-19, including border and sanitary control, quarantine, and treatment facilities. Medical facilities across the country are being prepared to receive coronavirus patients, if needed, and we are aiming to foster the construction of additional medical facilities in Dushanbe and other regions. We have initiated specialized training of medical workers, ensuring preparedness of medical facilities for receiving patients, and bringing in the state-of-the-art medical equipment. We have set up a Crisis Information Center under the Ministry of Health and Social Protection. Over 6,000 Tajik and foreign nationals who arrived in the country over the past month have been quarantined.
- We currently anticipate that due to the impact of COVID-19 on foreign trade, economic activity, and public health measures: (i) real output growth in 2020 will decline to 1 percent, compared with pre-crisis projections of 4.7 percent; (ii) the impact on the budget of rising health and related outlays and a fall-off in tax revenues will widen the fiscal deficit to about -6½-9½ percent of GDP; and (iii) a sizable balance of payments need is emerging resulting from the crisis. We estimate the external financing gap in 2020 ranging between \$150 - \$400 million, 1.8- 4.9 percent of 2019 GDP, and 11 and 17 percent of end-2019 international reserves.

Our response to the crisis has several dimensions:

- We plan to increase health sector and other vulnerable sector outlays by some 1.9 percent of GDP over the course of 2020, with key measures already underway including expenditures of 130 m USD on preparation of health care facilities, disinfection facilities, and procurement of personal protective equipment and medicines. We also plan to increase expenditure on social protection, unemployment benefits, and on support for vulnerable and badly affected sectors, to mitigate the economic impact of the virus.
- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending or sharply curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure), but still expect an increase in the primary budget deficit on the order of 2-5 percent of GDP. We hope that additional development partner support will help meet part of this fiscal financing need. Preliminary discussions on possible support are underway with the World Bank Group, the Eurasian Fund for Stability and Development, and the Asian Development Bank. the remaining financing expected to come from domestic sources.
- We remain vigilant to inflationary and FX pressures and will maintain a tightening bias in the monetary policy. We are monitoring closely our balance of payments position and will allow the exchange rate to adjust to help narrow the financing gap if warranted, while remaining alert to the dangers of possibly destabilizing expectations dynamic and using FX intervention to prevent excessive depreciation.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 or as much as is available from resources. This debt relief will help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period. We are actively seeking additional support from the IMF by accessing the emergency financing under RCF and have submitted a request for support on the order of SDR 140 million (80 percent of quota). Tajikistan's public debt was assessed as unsustainable on current policies during the 2019 Article IV consultation. As such, we are working to identify credible and specific fiscal consolidation measures sufficient to restore a sustainable debt trajectory in support of this emergency financing request. We are confident that strong IMF support for our country will help catalyze wider support from other development partners.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Davlatali Said

First Deputy Prime Minister of the Republic of Tajikistan

Annex 24.A. Togo: Staff Appraisal—CCRT Request

Togo faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. COVID-19 has had a severe economic impact on Togo. The country is highly vulnerable to an outbreak due primarily to its position as a regional logistical hub, its strong trade ties with China and the European Union, and its low preparedness. The outbreak is hindering economic activity from both supply and demand sides. On the supply side, activities related to airport and port will be the most affected. On the demand side, the containment measures and the uncertain business environment are taking a toll on consumption and investment. Economic growth in 2020 is projected to decelerate to 3 percent, compared with a projection of 5.5 percent before COVID-19. The budgetary implications of higher healthcare costs and lower revenue collection are estimated at about 1.7 percent of GDP. The balance of payments financing need is projected at about US\$130 million (or about 2 percent of GDP).

Macroeconomic policies. The authorities plan to increase health sector outlays by about 1.5 percent of GDP over the course of 2020, with key measures already underway. They are also considering reprioritizing spending to address the rapidly raising needs from areas affected by the COVID-19, including supporting hard-hit sectors in the face of income losses. They are contemplating suspending or curtailing outlays not seen as essential to tackling the immediate crisis. The regional central bank (BCEAO) raised the liquidity made available to banks, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor. This was followed by the adoption of a full allotment strategy allowing banks to satisfy their liquidity needs fully at a lower rate. The BCEAO also extended the collateral framework to access central bank refinancing to include bank loans to prequalified private companies. The authorities are also discussing support from other development partners.

IMF program status. A three-year ECF arrangement was approved in May 2017 with total disbursements of SDR 176.16 million (120 percent of quota at the time of approval). The sixth and last review was approved on April 3, 2020, together with an augmentation of access to address the impact of COVID-19 amounting to 48.7 percent of quota or SDR 71.49 million. The authorities expressed interest in discussing a successor IMF-supported program.

Staff appraisal. Staff supports Togo's request for debt relief under the CCRT. Togo meets the income threshold with GNI per capita of US\$650, below the threshold of US\$1,175, and staff assesses that it faces exceptional BOP needs stemming from the impact of COVID-19 and is pursuing appropriate macroeconomic policies to address the disaster.

Upcoming debt service. Togo has debt service of SDR 3.74 million falling due in the initial period of the debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24

CATASTROPHE CONTAINMENT AND RELIEF TRUST

months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 6.93 million.

Table 1. Togo: Selected Economic and Financial Indicators, 2016–25

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	Estimates				Projections						
	(Percentage change, unless otherwise indicated)										
National income, prices, and exchange rates											
Real GDP	5.6	4.4	4.9	5.3	3.0	4.0	5.5	5.5	5.5	5.5	
Real GDP per capita	2.9	1.8	2.3	2.7	0.5	1.4	2.9	2.9	2.9	2.9	
GDP deflator	1.5	0.9	1.7	2.1	4.6	4.4	2.9	2.9	2.9	2.9	
Consumer price index (average)	0.9	-0.2	0.9	0.7	2.0	2.0	2.0	2.0	2.0	2.0	
GDP (CFAF billions)	2,649	2,789	2,975	3,199	3,446	3,742	4,062	4,411	4,789	5,199	
Exchange rate CFAF/US\$ (annual average level)	592.8	580.9	555.2	585.9	...	...	...	...	...	...
Real effective exchange rate (appreciation = -)	-2.3	0.7	-1.3	...	...	...	...	...	...	...
Terms of trade (deterioration = -)	-2.6	26.1	-1.4	-3.0	1.3	0.8	3.7	0.7	1.1	0.4	
	(Percentage change of beginning-of-period broad money)										
Monetary survey											
Net foreign assets	5.8	1.7	0.5	10.1	1.2	1.5	2.0	1.9	1.8	1.8	
Net credit to government	-2.3	9.5	2.7	-9.7	0.6	0.0	0.3	0.6	0.6	0.6	
Credit to nongovernment sector	7.5	1.7	3.1	4.4	10.2	8.3	7.7	7.4	7.8	7.9	
Broad money (M2)	12.6	10.0	9.0	4.5	13.5	9.3	9.3	9.3	9.4	8.6	
Velocity (GDP/end-of-period M2)	1.9	1.8	1.7	1.8	1.7	1.7	1.7	1.7	1.7	1.7	
	(Percent of GDP, unless otherwise indicated)										
Investment and savings											
Gross domestic investment	33.5	25.9	26.8	25.1	26.6	26.0	29.5	33.1	33.3	33.9	
Government	13.9	6.3	6.8	4.1	9.6	9.3	9.5	9.7	9.9	10.5	
Nongovernment	19.6	19.6	20.0	21.0	17.0	16.7	20.0	23.4	23.4	23.4	
Gross national savings	23.7	23.9	23.3	20.8	21.6	21.7	25.0	28.8	29.2	30.0	
Government	4.3	6.0	6.0	6.2	5.9	7.8	8.0	8.3	8.6	9.3	
Nongovernment	19.4	17.9	17.3	14.6	15.7	13.9	17.0	20.5	20.6	20.7	
Government budget											
Total revenue and grants	21.6	21.4	23.9	23.4	23.8	23.9	24.1	24.3	24.5	25.1	
Revenue	18.7	18.2	20.3	19.5	19.7	19.9	20.0	20.3	20.5	21.0	
Tax revenue	16.8	16.1	16.5	17.2	17.5	17.7	17.8	18.0	18.1	18.6	
Total expenditure and net lending ¹	31.1	21.6	24.7	24.5	27.4	25.4	25.5	25.8	25.7	26.2	
Domestic primary balance ¹	-4.5	0.8	2.4	1.5	0.9	2.9	2.9	2.9	2.9	2.9	
Overall primary balance (commitment basis, incl. grants) ¹	-7.2	1.5	1.6	1.5	-0.7	1.0	1.0	1.0	1.0	1.0	
Overall balance (commitment basis, incl. grants) ¹	-9.5	-0.3	-0.8	-1.2	-3.6	-1.5	-1.4	-1.4	-1.3	-1.1	
Overall primary balance (cash basis, incl. grants)	-7.2	-0.3	-1.8	1.5	-0.7	1.0	1.0	1.0	1.0	1.0	
Overall balance (cash basis, incl. grants)	-9.5	-2.1	-4.2	-1.2	-3.6	-1.5	-1.4	-1.4	-1.3	-1.1	
External sector											
Current account balance	-9.8	-2.0	-3.5	-4.2	-4.9	-4.3	-4.4	-4.3	-4.1	-3.9	
Exports (goods and services)	35.3	33.1	31.8	31.3	28.4	28.4	28.5	28.6	28.8	29.0	
Imports (goods and services)	-53.7	-43.5	-43.5	-43.4	-41.3	-40.7	-40.8	-40.8	-40.8	-40.8	
External public debt ^c	20.2	20.1	20.5	23.7	25.2	24.5	23.8	22.9	22.0	21.0	
External public debt service (percent of exports) ^c	4.9	5.9	4.8	4.9	4.8	4.4	5.1	5.8	6.3	6.7	
Domestic public debt ³	61.2	55.8	55.7	47.1	42.0	38.6	35.6	33.0	30.6	28.5	
Total public debt ⁴	81.4	76.0	76.2	70.9	67.1	63.1	59.3	55.9	52.6	49.5	
Total public debt (excluding SOEs) ⁵	78.0	72.7	73.6	68.7	65.3	61.5	58.0	54.8	51.7	48.7	
Memorandum item:											
Private consumption (percent of GDP)	73.7	65.9	66.4	67.7	51.3	57.9	63.8	63.9	63.2	62.8	

Sources: Togolese authorities and IMF staff estimates and projections.

¹ Excluding transaction with the Social Security Fund, CNSS.² Includes state-owned enterprise external debt.³ Includes prefinancing debt, domestic arrears and state-owned enterprise domestic debt.⁴ Includes prefinancing debt, domestic arrears and state-owned enterprise debt.⁵ Includes prefinancing debt and domestic arrears.

Table 2. Togo: Balance of Payments, 2017–25

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Estimates			Projections					
	(Billions of CFA Francs)								
Current account balance	-56.1	-102.7	-135.9	-169.3	-161.6	-179.7	-190.7	-194.4	-200.7
Trade balance on goods	-373.8	-434.6	-479.0	-521.3	-545.5	-595.5	-642.5	-686.8	-736.9
<i>Of which:</i> petroleum products, net	-97.1	-95.5	-95.3	-62.8	-66.6	-76.6	-85.6	-93.9	-101.4
Exports	591.5	600.4	631.9	612.9	665.5	724.0	792.0	868.4	951.2
Imports	965.3	1,035.1	1,110.9	1,134.3	1,211.0	1,319.5	1,434.6	1,555.2	1,688.2
Services, net	82.3	86.9	91.0	77.2	87.1	94.1	103.0	113.8	125.3
Primary income, net	2.9	10.7	12.1	12.5	12.0	12.5	13.1	14.1	15.3
Secondary income, net	232.5	234.3	240.1	262.3	284.8	309.2	335.7	364.5	395.7
Capital account balance	141.4	175.7	162.5	223.6	234.1	245.4	257.4	270.4	284.3
Current and capital account balance	85.3	73.1	26.7	54.3	72.5	65.6	66.7	76.0	83.7
Financial account (- = inflow)	117.8	99.1	95.5	140.3	74.3	49.8	40.3	50.5	59.1
Direct investment, net	-70.3	139.5	114.0	128.3	114.5	81.4	88.4	96.0	104.2
Portfolio investment, net	176.6	91.9	59.0	62.5	58.7	55.3	52.2	49.5	47.0
Other investment, net	11.6	-132.4	-77.5	-50.4	-99.0	-86.9	-100.3	-95.0	-92.1
<i>Of which:</i> general government, net	-79.1	-130.4	-250.9	-174.7	-206.6	-216.4	-225.9	-237.3	-251.0
Errors and omissions	2.2	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Balance	-30.2	-23.0	-68.8	-86.0	-1.8	15.8	26.4	25.5	24.6
Financing	-10.1	-17.0	28.1	3.3	0.4	-15.8	-26.4	-25.5	-24.6
Change NFA ¹	-10.1	-17.0	28.1	3.3	0.4	-15.8	-26.4	-25.5	-24.6
Financing gap	40.3	40.0	40.8	82.7	1.4	0.0	0.0	0.0	0.0
IMF ECF	40.3	40.0	40.8	78.5	0.0	...	...	...	...
CCRT grants ²	...	...	...	4.2	1.4	...	...	...	...
	(Percent of GDP)								
Current account balance	-2.0	-3.5	-4.2	-4.9	-4.3	-4.4	-4.3	-4.1	-3.9
Trade balance on goods	-13.4	-14.6	-15.0	-15.1	-14.6	-14.7	-14.6	-14.3	-14.2
<i>Of which:</i> petroleum products, net	-3.5	-3.2	-3.0	-1.8	-1.8	-1.9	-1.9	-2.0	-2.0
Exports	21.2	20.2	19.8	17.8	17.8	17.8	18.0	18.1	18.3
Imports	34.6	34.8	34.7	32.9	32.4	32.5	32.5	32.5	32.5
Services, net	3.0	2.9	2.8	2.2	2.3	2.3	2.3	2.4	2.4
Primary income, net	0.1	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Secondary income, net	8.3	7.9	7.5	7.6	7.6	7.6	7.6	7.6	7.6
Capital account balance	5.1	5.9	5.1	6.5	6.3	6.0	5.8	5.6	5.5
Current and capital account balance	3.1	2.5	0.8	1.6	1.9	1.6	1.5	1.6	1.6
Financial account (- = inflow)	4.2	3.3	3.0	4.1	2.0	1.2	0.9	1.1	1.1
Direct investment, net	-2.5	4.7	3.6	3.7	3.1	2.0	2.0	2.0	2.0
Portfolio investment, net	6.3	3.1	1.8	1.8	1.6	1.4	1.2	1.0	0.9
<i>Of which:</i> general government, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment, net	0.4	-4.4	-2.4	-1.5	-2.6	-2.1	-2.3	-2.0	-1.8
<i>Of which:</i> general government, net	-2.8	-4.4	-7.8	-5.1	-5.5	-5.3	-5.1	-5.0	-4.8
Errors and omissions	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Balance	-1.1	-0.8	-2.2	-2.5	0.0	0.4	0.6	0.5	0.5
Financing	-0.4	-0.6	0.9	0.1	0.0	-0.4	-0.6	-0.5	-0.5
Change in NFA ¹	-0.4	-0.6	0.9	0.1	0.0	-0.4	-0.6	-0.5	-0.5
Financing gap	1.4	1.3	1.3	2.40	0.04	0.0	0.0	0.0	0.0
IMF ECF	1.4	1.3	1.3	2.28	0.00	...	...	...	...
CCRT grants ²	...	...	...	0.12	0.04	...	...	...	...
<i>Memorandum items:</i>									
BCEAO NFA (in months of next year's WAEMU imports)	4.0	4.4	5.5	...	...	...	...	...	...
BCEAO NFA (in million USD)	12,963	14,858	17,547	...	...	...	...	...	...
BCEAO NFA (in percent of broad money)	29.4	31.1	34.1	...	...	...	...	...	...

Sources: Togolese authorities and IMF staff estimates and projections.

¹In line with WAEMU BoP methodology, includes commercial bank NFA and Togolese public sector NFA holdings at the BCEAO.²The grant for the debt service falling due in the 18 months from October 14, 2020 is subject to the availability of resources under the CCRT.

Table 3. Togo: Debt Service due to the IMF, April 14, 2020-April 14, 2022

Loan type	Original disbursement date	Scheduled due date	Amount		Cumulative amount	
			SDRs	Percent of quota	SDRs	Percent of quota
PRGT Repayment (ECF)	December 22, 2010	June 22, 2020	1,430,000	0.97	1,430,000	0.97
PRGT Repayment (ECF)	July 15, 2010	July 15, 2020	1,430,000	0.97	2,860,000	1.95
PRGT Repayment (ECF)	July 26, 2011	July 24, 2020	880,000	0.60	3,740,000	2.55
PRGT Repayment (ECF)	December 22, 2010	December 22, 2020	1,430,000	0.97	5,170,000	3.52
PRGT Repayment (ECF)	July 26, 2011	January 26, 2021	880,000	0.60	6,050,000	4.12
PRGT Repayment (ECF)	July 26, 2011	July 26, 2021	880,000	0.60	6,930,000	4.72

Source: IMF staff estimates and projections.

Annex 24.B. Letter of Intent—CCRT Request

Togo

Lomé, Togo

April 8, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe. We in Togo are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below.

More generally, we are suffering severe shocks in the area of public health and on economic activity:

- Togo is highly vulnerable to an outbreak given our position as a regional transportation hub, our strong commercial ties with the badly-affected countries and regions (including China and the EU), and the weaknesses in our healthcare system. So far, about forty infected cases have been detected, which will likely worsen.
- We currently anticipate that: i) real output growth in 2020 will decelerate to 3 percent, compared with pre-crisis projections of 5.5 percent; ii) the impact on the budget of rising health and related outlays and a fall in tax revenues will be about 1.7 percentage points of GDP; and iii) the emerging balance of payments need resulting from the crisis on the order of US\$130 million (about 2 percent of GDP).

Our response to the crisis has several dimensions:

- We plan to increase health sector and related outlays by about 1.5 percent of GDP in 2020, with key measures already underway including i) surveillance of entry points, ii) strengthening diagnostic capacity, iii) quarantine of suspect cases, iv) prevention and treatment, and v) renovation of hospitals in several major cities to strengthen resilience. We also considering measures to support workers and companies in sectors hard hit by the economic impact of the virus.
- We are seeking to create budgetary space for these and other outlays to support economic activity, particularly in the poorer areas of the country, by suspending outlays not seen as essential to tackling the immediate crisis but still expect an increase in the primary budget

deficit on the order of 1.7 percent of GDP. We hope that additional donor support will help meet part of this fiscal financing need, with the remaining financing expected to come from domestic sources.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs and support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic. We are grateful for the additional financial support approved by the IMF's Executive Board on April 3, 2020 augmenting access by SDR71.49 million (48.7 percent of quota), in conjunction with the sixth and last review of our program supported by the Extended Credit Facility. We are confident that strong IMF support for our country will help catalyze wider support from other development partners. We will continue strong macroeconomic policies in the post-pandemic recovery period. We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Sani YAYA

(Minister of Finance)

Annex 25.A. Republic of Yemen: Staff Appraisal—CCRT

Request

Yemen faces exceptional balance of payments needs resulting from the impact of COVID-19 and has requested support under the Catastrophe Containment window of the CCRT.

Economic impact. Despite no confirmed cases of COVID-19 from the limited testing available so far, Yemen—a fragile state of more than 30 million people—is already experiencing a severe economic impact. The country’s civil conflict for the past five years had already created a humanitarian catastrophe, before the WHO declared the COVID-19 a pandemic. Yemen is also rated as one of the least prepared for the pandemic (ranked 190 in the Global Health Security Index). Economic activity is expected to contract by 3 percent in 2020, from a previously forecasted positive growth. The economy is expected to be affected by lower domestic demand from the containment measures including school closures, bans on public and religious gatherings, and a shutdown of border points, which bear a heavy cost on the Yemeni economy. The fiscal situation is further exacerbated by the sharp decline in international oil prices which will halve oil revenues, the government’s main revenue source (from 4.7 percent of GDP in 2019 to 2.4 percent in 2020); the fiscal deficit is projected to increase by an additional 1.3 percent of GDP in 2020. The COVID-19 crisis will place additional significant burden on Yemen’s already limited resources available to import essential food and medicines in its conflict environment. Foreign exchange inflows are expected to be severely affected, including as remittances decline as the global economy falls into recession and humanitarian aid contracts. Preliminary estimates of COVID-19-related BOP needs are in the order of at least 2.3 percent of GDP in 2020. A prolonged COVID-19 crisis would compound the already existing financing pressures in the outer years arising from the ongoing humanitarian crisis.

Macroeconomic policies. Despite the woefully inadequate resources and capacity, the government of Yemen (GOY) is committed to take decisive actions and implement appropriate policies to confront the health crisis. Some governorates, in coordination with the Ministry of Health, are taking precautionary measures and establishing emergency facilities, procuring test kits and additional ventilators, increasing ICU capacity, deploying a public campaign on personal hygiene, as well as enlisting healthcare workers and medical students to identify and provide treatment in the event of an outbreak. The GOY has allocated emergency funds to support local quarantine centers with medical equipment. Additional fiscal space would be created for health spending by reallocating outlays deemed non-essential (including other non-health expenditures). Beyond 2020, the GOY is committed to lower the higher inflation resulting from the monetary financing of COVID-19-related expenditure. The debt relief from the Fund will alleviate the pressure on monetary financing.

IMF program status. Yemen is not currently under a Fund-supported program. Obligations with the Fund are current, though it has outstanding arrears to some multilateral creditors.

Staff appraisal. Staff supports Yemen's request for debt relief under the CCRT. Yemen meets the income threshold with GNI per capita of US\$960, below the threshold of US\$1,175, and staff assesses that the country faces exceptional BOP needs stemming from the impact of COVID-19. The authorities are also pursuing appropriate macroeconomic policies within their acute resource constraints to address the disaster.

Upcoming debt service. Yemen has debt service of SDR 14.4 million falling due in the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due in the 24 months from April 14, 2020 (the maximum potential period of debt service relief, subject to availability of resources and decisions of the Executive Board) amounts to SDR 47.3 million.

Table 1. Yemen: Selected Economic Indicators, 2016–22

	2016	2017	2018	2019	2020 Proj.	2021 Proj.	2022 Proj.
Production and prices	(Change in percent, y-o-y, unless otherwise indicated)						
Real GDP at market prices	-9.4	-5.1	0.8	2.1	-3.0	2.0	2.5
Consumer prices (end of period)	11.9	47.0	14.3	6.2	45.4	21.0	23.9
Consumer prices (annual average)	21.3	30.4	27.6	10.0	26.4	31.0	22.6
Government finances	(In percent of GDP)						
Total revenue and grants	7.6	3.5	6.4	8.5	5.6	5.0	5.2
Total expenditure	16.5	8.2	14.3	13.8	14.7	10.9	9.7
Overall fiscal balance (cash basis)	-8.9	-4.7	-7.8	-5.3	-9.0	-5.9	-4.5
	(In millions of US\$)						
External debt	6,584	6,665	6,635	6,658	...	...	...
of which: IDA	1,668	1,695	1,613	1,535	...	...	...
Central Bank liabilities vis-à-vis the IMF	185	177	155	119	...	...	...
External sector	(In millions of US\$, unless otherwise indicated)						
Exports of goods and services	1,146	1,016	1,278	1,474	935	980	1,016
Of which: Hydrocarbon	248	599	915	1,101	476	521	557
Imports of goods and services	7,433	7,826	8,844	10,700	8,433	9,138	9,390
Of which: Hydrocarbon	1,706	1,979	2,427	3,115	1,863	2,397	2,838
Basic food	1,400	1,519	2,139	3,250	3,279	3,279	3,279
Balance of goods and services	-6,287	-6,810	-7,566	-9,226	-7,498	-8,158	-8,373
Income net	0	0	-12	-13	-27	-27	-27
Current transfers net	5,507	6,836	7,070	8,251	6,553	7,000	7,000
Current account	-780	26	-508	-988	-971	-1,185	-1,400
(in percent of GDP)	-2.1	0.1	-2.2	-4.4	-4.6	-6.1	-7.9
Memorandum items							
Gross foreign reserves (Millions of US\$)	1,305	1,305	2,719	1,402	853	853	853
Exchange rate (YER per US\$, average)	287	374	493	559	...	...	...
Exchange rate (YER per U.S. dollar, eop)	313	460	526	591	...	...	...
Nominal GDP at market prices							
In billions of Yemeni rials	8,891	10,006	11,579	12,614	15,467	18,598	21,035
In millions of U.S. dollars	36,437	31,268	23,486	22,581	...	...	...
Per capita GDP (in U.S. dollars)	1,251	1,043	762	713	...	...	...
Population (in thousands)	29,132	29,977	30,822	31,667	32,535	33,426	34,343

Table 2. Yemen: Balance of Payments, 2016–22

(In percent of GDP)

	2016	2017	2018	2019	2020 Proj.	2021 Proj.	2022 Proj.
Exports of goods and services	3.1	3.2	5.4	6.5	4.4	5.0	5.7
Hydrocarbon	0.7	1.9	3.9	4.9	2.2	2.7	3.1
Other exports	2.5	1.3	1.5	1.7	2.2	2.4	2.6
Imports of goods and services	20.4	25.0	37.7	47.4	39.6	46.9	52.9
Hydrocarbon	4.7	6.3	10.3	13.8	8.7	12.3	16.0
Food	3.8	4.9	9.1	14.4	15.4	16.8	18.5
Other imports	11.9	13.8	18.2	19.2	15.4	17.8	18.4
<i>of which</i> COVID-19 needs					2.3	0.0	0.0
Balance of goods and services	-17.3	-21.8	-32.2	-40.9	-35.2	-41.8	-47.1
Balance of incomes and transfers	15.1	21.9	30.1	36.5	30.6	35.8	39.3
Incomes	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.2
Transfers	15.1	21.9	30.1	36.5	30.7	35.9	39.4
Remittances	10.9	14.1	19.2	18.8	16.4	20.5	22.5
Donor financing	4.2	7.8	10.9	17.7	14.3	15.4	16.9
Humanitarian assistance	4.1	7.6	10.7	15.7	14.2	15.4	16.9
Use of donor grants	0.1	0.1	0.3	2.0	0.1	0.0	0.0
Current account	-2.1	0.1	-2.2	-4.4	-4.6	-6.1	-7.9
Capital inflows net	0.0	-0.1	-0.3	-0.3	-0.4	-0.4	-0.4
Errors and omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unidentified financing	0.0	0.0	0.0	0.0	2.3	6.5	8.3
Overall balance	-2.2	0.0	-2.5	-4.7	-2.6	0.0	0.0
Change in gross international reserves	2.2	0.0	2.5	4.7	2.6	0.0	0.0
Central bank net international reserves (- increase)	2.2	0.1	0.1	0.1	0.1	0.2	0.1
Net purchase from IMF	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1
Purchases	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.1	0.1	0.1	0.1	0.2	0.1
Exceptional (Grant-based) financing ¹	0.0	0.0	0.0	0.0	0.1	0.2	0.1
Other sources ²	0.0	0.0	2.5	4.7	2.6	0.0	0.0
Memorandum items:							
Gross international reserves (Millions of US\$)	1,305	1,305	2,719	1,402	853	853	853
in months of imports	2.1	2.0	3.7	1.6	1.2	1.1	1.1
Export oil price (US\$/barrel)	41	53	72	65	36	38	41
Exchange rate (YER per US\$, average)	287	374	493	559	...	...	...
Exchange rate (YER per US\$, eop)	313	460	526	591	...	...	...

Sources: Yemeni authorities; and IMF staff estimates.

¹ Debt relief beyond October 2020 is expected, subject to availability of CCRT resources.² This corresponds to the use of the \$2 billion Saudi deposit and \$200 million Saudi grant to the central bank of Yemen.

Table 3. Yemen: Debt Service to the IMF, 2020–2022

As of April 14, 2020

(In SDR)

Concept	Original Disbursement Date	Due Date	Total Amount	Eligible for CCR Debt Relief	Debt Relief as % of Quota	Debt Relief as Cum. % of Quota
PRGT Repayment (RCF)	17-Apr-12	16-Apr-20	3,730,000	3,730,000	0.8	0.8
PRGT Repayment (RCF)	17-Apr-12	16-Apr-20	2,357,500	2,357,500	0.5	1.3
PRGT Repayment (ECF)	16-Aug-10	13-Aug-20	3,479,000	3,479,000	0.7	2.0
PRGT Repayment (ECF)	10-Sep-14	10-Sep-20	4,875,000	4,875,000	1.0	3.0
PRGT Repayment (RCF)	17-Apr-12	15-Oct-20	3,730,000	3,730,000	0.8	3.7
PRGT Repayment (RCF)	17-Apr-12	15-Oct-20	2,357,500	2,357,500	0.5	4.2
PRGT Repayment (ECF)	10-Sep-14	10-Mar-21	4,875,000	4,875,000	1.0	5.2
PRGT Repayment (RCF)	17-Apr-12	15-Apr-21	3,730,000	3,730,000	0.8	6.0
PRGT Repayment (RCF)	17-Apr-12	15-Apr-21	2,357,500	2,357,500	0.5	6.5
PRGT Repayment (ECF)	10-Sep-14	9-Sep-21	4,875,000	4,875,000	1.0	7.5
PRGT Repayment (RCF)	17-Apr-12	14-Oct-21	3,730,000	3,730,000	0.8	8.2
PRGT Repayment (RCF)	17-Apr-12	14-Oct-21	2,357,500	2,357,500	0.5	8.7
PRGT Repayment (ECF)	10-Sep-14	10-Mar-22	4,875,000	4,875,000	1.0	9.7

Source: IMF.

Annex 25.B. Letter of Intent—CCRT Request

Republic of Yemen

Aden, Yemen

April 7, 2020

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

The Covid-19 pandemic is having severe effects on both the health prospects for the general public and on the level of economic activity across the globe.

In Yemen, we are experiencing an exceptional balance of payments need arising from the pandemic and our response to it, as detailed below. More generally, we are suffering severe shocks in the area of public health and economic activity:

- Five years of conflict and repeated outbreaks of communicable diseases including cholera and dengue fever have left an initially weak public health system on the brink of collapse and devastated communities around Yemen. Healthcare capacity is amongst the weakest in the world with very limited hospital and intensive care unit beds that are markedly insufficient to serve a population of around 32 million. There have been no confirmed cases of COVID-19 from the very limited testing completed so far. However, Yemen is rated as one of the least prepared countries for the pandemic (ranked 190 on the Global Health Security Index) and a large number of COVID-19 cases have been identified in neighboring countries.
- We currently anticipate that: i) real output growth in 2020 will contract to -3 percent, compared with pre-crisis projections of 1 percent; ii) the impact on the budget of rising health and related outlays and a fall-off in revenues will be on the order of 3 percent of GDP; and iii) the emerging balance of payments need resulting from the crisis is projected to be on the order of US\$500 million (2.3 percent of GDP or 36 percent of our end-2019 official external reserves).¹⁰

¹⁰ End-2019 reserves including about 597 million USD in frozen accounts including at the Bank of England and the Bank of International Settlements, which the CBY and the Government have been working to unfreeze.

Our response to the COVID-19 crisis has several dimensions:

- We plan to increase health sector spending and other outlays to mitigate the impact of COVID-19 by some 2 percent of GDP over the course of 2020, with key measures already underway including i) setting PCR testing facilities in Aden, Mukalla, and Taiz and procuring testing kits; ii) procuring additional ventilators, and ambulances, iii) increasing ICU patient capacity; iv) intensifying a public awareness campaign on social distancing and hygiene practices; and v) paying the salaries of public health workers throughout Yemen.
- Our current COVID-19 containment measures include school closures, bans on public and religious gatherings, and a shutdown of border points, which bear a heavy cost on the Yemeni people and economy. We are supplementing our virus containment measures by introducing heat scanners in all ports of entry and setting up new quarantine facilities. Additional measures—including a lockdown if needed—would be followed to mitigate the spread.
- We are seeking to create budgetary space for these and other outlays to support the most vulnerable by suspending or curtailing outlays not seen as essential to tackling the immediate crisis (including non-health capital expenditure). Nevertheless, we expect an increase in the primary budget deficit on the order of 1.3 percent of GDP. Given the scarcity of non-inflationary funding sources, we are urgently seeking donors to help us close the funding gap.

Against this backdrop, and given the large balance of payments need created by the impact of the coronavirus, we hereby request grant assistance under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) to cover our debt service to the IMF falling due in the 24-month period from April 14, 2020 to April 13, 2022 or as much as is available from resources. This debt relief will free up budgetary resources to address public health needs, support economic activity in key sectors; it will also help contain the exceptional balance of payments need resulting from the pandemic.

We authorize the IMF to publish this letter and all staff Board documents related to this request for debt relief from the CCRT.

Sincerely yours,

/s/

Dr. Shakib Hubaishi
Vice Governor of the Central Bank of Yemen

/s/

Dr. Salim bin Bureik
Minister of Finance