



# INTERNATIONAL MONETARY FUND FACTSHEET

## The Catastrophe Containment and Relief Trust

*The Catastrophe Containment and Relief (CCR) Trust allows the IMF to provide grants for debt relief for the poorest and most vulnerable countries hit by catastrophic natural disasters or public health disasters. The relief on debt service payments frees up additional resources to meet exceptional balance of payments needs created by the disaster and for containment and recovery. Established in February 2015, the CCR Trust grants complement donor financing and the IMF concessional lending through the [Poverty Reduction and Growth Trust](#).*

**Purpose of the CCR Trust.** In February 2015, the IMF transformed the Post-Catastrophe Debt Relief Trust to create the Catastrophe Containment and Relief (CCR) Trust, broadening the range of situations covered by IMF disaster assistance to include fast-spreading epidemics. The [new trust](#) allows the IMF to join international debt relief efforts when poor countries are hit by the most catastrophic of natural disasters and to assist poor countries battling public health disasters—such as epidemics of infectious diseases—with grants for debt service relief. The purpose of debt relief under the CCR Trust is to free up resources to meet exceptional balance of payments needs created by the disaster rather than having to assign those resources to debt service.

**Eligibility.** Assistance through the CCR Trust is currently available to low-income countries eligible for concessional borrowing through the Poverty Reduction and Growth Trust and which also have either a per capita income below the International Development Association's (IDA) operational cutoff (currently US\$1,165) or, for small states with a population below 1.5 million and a per capita income below twice the IDA cutoff (currently US\$2,330).

**Structure.** The CCR Trust has two windows: (i) a Post-Catastrophe Relief window, to provide exceptional assistance in the wake of a catastrophic natural disaster; and (ii) a Catastrophe Containment window, to provide assistance in containing a public health disaster. The windows have different purposes, qualification criteria, and assistance terms.

**Post-Catastrophe Relief window.** Support is limited to eligible low-income countries experiencing catastrophic natural disasters. Specifically:

- **Qualification.** A catastrophic natural disaster that has (i) directly affected at least one third of the population; and (ii) destroyed more than a quarter of the country's productive capacity, as estimated by early indications such as destroyed structures and impact on key economic sectors and public institutions or caused damage deemed to exceed 100 percent of GDP.
- **Debt flow relief.** Eligible low-income countries hit by catastrophic disasters as defined above would receive debt flow relief on their debt service to the IMF falling due in the two years following the disaster.
- **Debt stock relief.** Full cancellation of a country's stock of debt to the IMF is also possible in cases where the disaster has created substantial and long-lasting balance of payments needs and where the resources freed up by debt stock relief are critical for meeting these needs. This would typically only be the case if the country faced a very

high debt burden. Debt stock relief would be conditional on concerted debt relief efforts by the country's official creditors and availability of resources in the CCR Trust.

**Catastrophe Containment window.** The window is intended for provision of assistance to eligible low-income countries experiencing a public health disaster:

- **Qualification.** The support is limited to a life-threatening public health disaster that has spread across several areas of the afflicted country, causing significant economic disruption, and has the capacity to spread or is already spreading to other countries. This significant economic disaster is characterized by at least: (i) a cumulative loss of real GDP of 10 percent; or (ii) a cumulative loss of revenue and increase of expenditures equivalent to at least 10 percent of GDP. In addition, to qualify for the support, the afflicted country should put in place appropriate macroeconomic policies to address the balance of payments needs.
- **Debt flow relief.** Eligible low-income countries that are hit by public health disasters as defined above would receive up-front grants to immediately pay off upcoming debt service to the IMF on eligible debt. The amount of grant support is capped at 20 percent of a country's quota. Support could be larger in three exceptional cases: (i) when debt service obligations to the IMF are exceptionally burdensome in the near term; (ii) when there is an international effort to provide debt service flow relief to the afflicted country; and (iii) when the country is rated at high risk of debt distress or in debt distress, under the joint [Bank-Fund Debt Sustainability Framework](#).

**Financing of the CCR Trust.** The CCR Trust was initially financed with the balance of the earlier Post-Catastrophe Debt Relief Trust (about SDR 102 million, equivalent to US\$144 million) and accounts left over from the financing of the [Multilateral Debt Relief Initiative](#) (about SDR 52 million, equivalent to US\$74 million). In addition, the IMF is seeking bilateral grant financing of at least US\$150 million (of which US\$93.3 million in pledges have been received so far) to ensure adequate capitalization of the trust.

**Use of assistance from the CCR Trust.** Three Ebola-afflicted countries (Guinea, Liberia, and Sierra Leone) received assistance from this trust close to US\$100 million in February-March 2015. The earlier Post-Catastrophe Debt Relief Trust was used to provide assistance to Haiti in July 2010 of SDR 178 million (equivalent to US\$268 million), eliminating Haiti's entire outstanding debt to the IMF.