



# IMF POLICY PAPER

October 5, 2020

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

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 October 2, 2020 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on September 17, 2020 for the Executive Board's consideration on October 2, 2020.
- A **Staff Supplement**

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**International Monetary Fund**  
**Washington, D.C.**



## The IMF Executive Board Extends Immediate Debt Service Relief for 28 Eligible Low-Income Countries for Another Six Months

FOR IMMEDIATE RELEASE

**Washington, DC – October 5, 2020:** The Executive Board of the International Monetary Fund (IMF) approved on October 2, 2020 a second six-month tranche of debt service relief for 28 member countries under the Catastrophe Containment and Relief Trust (CCRT). This approval follows the first six-month tranche (April 14 – October 13, 2020) approved on April 13, 2020 ([see Press Release No. 20/151](#)), and enables the disbursement of grants from the CCRT for payment of eligible debt service falling due to the IMF from October 14, 2020 to April 13, 2021, estimated at SDR 161 (US\$227) million. Subject to the availability of sufficient resources in the CCRT, debt service relief could be provided for a total period of two years, through April 13, 2022, estimated at nearly SDR 680 (US\$959) million. Relief on debt service will free up scarce financial resources for vital emergency medical and other relief efforts while these members combat the impact of the COVID-19 pandemic.

In the context of the approval of the first tranche, Managing Director Kristalina Georgieva launched an urgent fundraising effort that would enable the CCRT to provide relief on debt service for up to a maximum of two years, while leaving the CCRT adequately funded for future needs. This will require a commitment of about SDR 1 billion (US\$1.4 billion). Thus far, donors have provided grant contributions totaling about SDR 360 million, including from the UK, Japan, Germany, the Netherlands, Switzerland, Norway, China, Mexico, Sweden, Bulgaria, Luxembourg, and Malta.

### Executive Board Assessment<sup>1</sup>

Executive Directors underscored that the COVID-19 pandemic continues to exact a serious human and economic toll on the Fund membership. In this context, Directors noted that Catastrophe Containment and Relief Trust (CCRT) grants for debt service relief on obligations to the Fund falling due during the April 14 through October 13, 2020 assisted its poorest and most vulnerable members tackle the pandemic and its repercussions.

Directors welcomed the country updates on the policy responses to the pandemic of CCRT beneficiary countries. They underscored the importance of continued follow-through on governance and transparency commitments by beneficiary countries to safeguard priority and COVID-19-related spending. Directors concurred that countries that received the CCRT debt relief are, in the main, pursuing sensible macroeconomic policies to support stability in response to the economic fallout from the pandemic. They also agreed that resources freed

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<sup>1</sup> 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>.

up by the initial tranche of CCRT debt service relief were helping to provide emergency health, social and economic support to mitigate the impact of the pandemic on lives and livelihoods.

Directors agreed that the available resources are sufficient to finance a second six-month tranche of debt service relief under the CCRT. Accordingly, they approved grant assistance for relief for 28 of the 29 eligible members with debt service falling due during October 14, 2020 and April 13, 2021 and looked forward to bringing the proposal for the remaining one member soon.

Directors noted that the Fund has received grant pledges of just over one-third of the SDR 1 billion fundraising target and noted that available resources will need to be boosted to support the approval of future tranches. To this end, Directors welcomed the generous contributions in recent months and stressed the importance of ongoing efforts to secure additional resources for timely grant assistance in the future. Directors agreed that it would be useful to conduct a stocktaking on the CCRT before the end of the second tranche period in April 2021.



September 17, 2020

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

### **EXECUTIVE SUMMARY**

On March 26, 2020, the Executive Board approved changes to the Catastrophe Containment and Relief Trust (CCRT) to enable the Fund to provide debt relief for its poorest and most vulnerable members to assist them in their efforts to tackle the COVID-19 pandemic and its economic repercussions. Support for all 29 CCRT-eligible member countries with eligible debt service has been approved, with 28 countries benefitting from the first tranche of debt relief, covering all debt service to the Fund falling due during the ensuing six months.<sup>1</sup>

This paper proposes that the Executive Board approve the disbursement of a second 6-month tranche of CCRT debt service relief to 28 of the 29 members, covering the period October 14, 2020 through April 13, 2021, given staff's assessment that sufficient financial resources are available.<sup>2</sup> In this context, the paper also provides brief updates for each beneficiary country on its policy responses to the pandemic and staff's assessment of these policies and the use of resources freed up by debt service relief. It also provides an update on the finances of the CCRT and the fundraising efforts to secure adequate resources for grant assistance in the future. Based on grant pledges to date, resources are not sufficient to extend CCRT relief beyond the proposed second sixth-month period.

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<sup>1</sup> Chad did not have eligible debt service falling due during the first period from April 14 to October 13, 2020 (see Table 1).

<sup>2</sup> At the time of issuance of this paper, there is a lack of clarity as to whether the international community recognizes/deals with the current military regime as the government of Mali. Therefore, approval of the second tranche debt relief is not proposed for Mali at this stage. Staff will keep the issue under review and will update the Board when there is greater clarity on this matter. Mali's next payment to the Fund is due on December 9, 2020.

Approved By  
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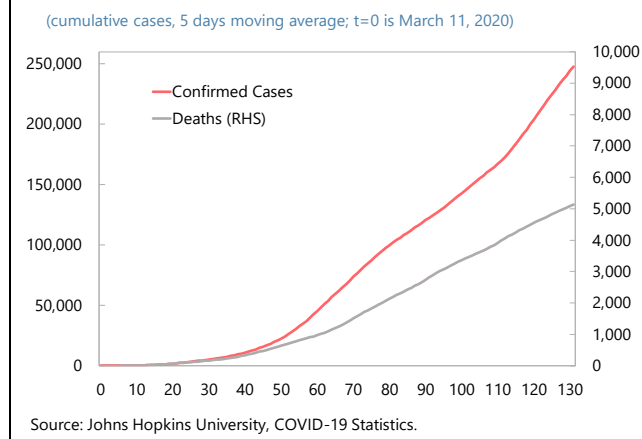
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## RECENT DEVELOPMENTS: COVID-19 PANDEMIC AND CCRT DEBT SERVICE RELIEF

### 1. The COVID-19 pandemic continues to exact a human and economic toll on IMF members eligible for assistance from the Catastrophe Containment and Relief Trust (CCRT).<sup>3</sup>

- *Human toll:* 29 CCRT-eligible members with debt to the Fund continue to experience a high rate of new cases (cumulatively lodged over 254 thousand cases), and associated deaths have risen over 5,209 (see Figure 1).
- *Economic toll:* According to the latest WEO projections, projected growth in CCRT-eligible countries in 2020 has been adjusted downwards from +4.7 percent to -1.4 percent since January.<sup>4</sup>

**Figure 1. Human Toll of COVID-19 in CCRT Countries, September 10, 2020**



**2. On March 26, 2020, the Executive Board approved changes to the CCRT to enable the Fund to provide grant assistance for relief on debt service for its poorest and most vulnerable members in the context of the COVID-19 pandemic.**<sup>5</sup> The Executive Board determined that, effective April 14, 2020, the COVID-19 pandemic constitutes a Qualifying Public Health Disaster (QPHD) under the Catastrophe Containment (CC) Window of the CCRT, pursuant to the new QPHD test,<sup>6</sup> and subsequently approved the qualification for up to 2 years of debt service relief for all 29 CCRT-eligible countries with eligible debt to the Fund, subject to the availability of CCRT resources.

**3. The Executive Board has approved the first tranche of grant-based debt service relief for all CCRT-eligible countries with eligible debt service falling due during the period April 14–October 13, 2020.** The CCRT covered all debt service to the Fund of 28 eligible low-income

<sup>3</sup> To be eligible for assistance from the CCRT, a member country has to be PRGT-eligible and have an annual per capita gross national income level that is less than the IDA operational cut-off level (or less than twice that level for small states); in April 2020, the cut-off level (applied to 2018 national income data) was \$1,175.

<sup>4</sup> January versus June 2020 WEO vintages.

<sup>5</sup> See [Catastrophe Containment and Relief Trust—Policy Proposals and Funding Strategy](#) and associated Decision approved on 03/26/20.

<sup>6</sup> The new alternative test defines a QPHD as a life-threatening global pandemic inflicting severe economic disruption across the Fund's membership and 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. See [Catastrophe Containment and Relief Trust—Approval of Grant Assistance for Debt Service Relief](#) approved on 04/13/20.

countries falling due during April 14 - October 13, 2020, totaling about SDR 183 million (Table 1). This debt relief was supported by generous and timely grant contributions by IMF members (Table 2).

**4. CCRT-eligible members have also benefited from other IMF financial support.** Since the start of the pandemic, the IMF has provided SDR 2.8 billion in concessional lending to 25 CCRT-eligible countries: 23 CCRT-eligible countries have received financial support through the Rapid Credit Facility (RCF), an emergency financing instrument, while three countries (Benin, Sao Tome and Principe, and Togo) received augmented support under existing lending arrangements.<sup>7</sup> Macroeconomic and governance policy commitments made by countries in these contexts support the objectives of providing debt relief via the CCRT.

## CCRT-ELIGIBLE COUNTRIES: POLICY RESPONSE AND STAFF ASSESSMENT

**5. The economic impact of the pandemic on CCRT-eligible countries is set to continue.** Real GDP growth in CCRT-eligible members is now expected to decline by 1.4 percent in 2020, with recovery in 2021 expected to be weak due to substantial uncertainty regarding the duration and depth of the crisis. Current projections for general government revenues (excluding grants) in 2020, have fallen, on average, by some 2.7 percentage points of GDP relative to pre-pandemic projections due to weaker economic activity and other COVID effects.<sup>8</sup> While CCRT-eligible countries have re-prioritized expenditures and reduced interest costs, fiscal deficits are expected, on average, to be some 2.3 percent of GDP higher than in pre-pandemic projections. On the external side, projected gross financing needs (for the two thirds of countries for which GFNs worsen) and external debt in 2020 are estimated to increase by 3.5 and 3.7 percentage points of GDP, respectively.<sup>9</sup>

**6. CCRT-eligible members have moved to meet commitments made to the Fund to enhance governance and transparency arrangements to safeguard priority and COVID-19-related spending.** The most commonly adopted measures included: (i) monthly or quarterly COVID-19 expenditure reporting; (ii) periodic and ex post audit of COVID-19 spending either by an external auditor or by the national audit entity and publication of results; (iii) publication of procurement information, including data on beneficial ownership, of all COVID-19-related contracts above a certain threshold; and, (iv) establishment of oversight committees and dedicated accounts to manage the earmarked funds. Several CCRT-eligible countries use high-level steering committees to monitor the COVID-19 spending and associated budgetary processes from allocation to audit. Many

<sup>7</sup> Sao Tome and Principe received an RCF loan and, later, an augmentation of its ECF arrangement.

<sup>8</sup> Comparing January and June 2020 WEO vintages for revenue and fiscal deficits. Converted to percent of GDP using June WEO 2020 projections of nominal GDP to eliminate the GDP effect.

<sup>9</sup> Gross financing needs calculated as the sum of MLT external debt service and current account deficit in 2020 and short-term debt issued in 2019. External debt ratios for January and June 2020 vintages use respective vintage of nominal GDP projections.



countries are receiving technical assistance to upgrade their emergency spending framework and strengthen their PFM systems.

**7. CCRT-eligible members with eligible debt service for the second tranche continue to implement public health and macroeconomic policy measures in response to the pandemic that are broadly in line with commitments made to the Fund, supported by financial resources freed by the debt relief.**<sup>10</sup> These

members are implementing a broad set of policies to address COVID-19, including ratcheting up containment, social and priority spending, as well as support for households and businesses (see text table). On average, these countries have boosted projected 2020 (fiscal or calendar year) priority spending relative to pre-COVID projections by some 1.2 percentage points of GDP notwithstanding significant loss of budgetary revenues in many cases.<sup>11</sup> Outlays on health and social

protection each increased, on average, by about 0.5 percentage points of GDP. Spending on education notched an increase on average, but only for half of the countries; in other countries, education spending came under pressure as fiscal space tightened. Other COVID-related spending is projected to reach 2.0 percent of GDP, led by support for households.

**8. Staff assesses that CCRT-eligible countries are generally pursuing sensible macroeconomic policies in response to the economic fallout from the global pandemic.** Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT are being used to help provide emergency health, social and economic support to mitigate the impact of the pandemic on life and livelihood of the populations.<sup>12</sup>

Text Table. COVID-19 Related Fiscal Measure by CCRT Countries 1/  
(percent of GDP)

	2019	2020	
	act.	Pre-COVID	Post COVID
Priority & social spending	5.4	5.6	6.7
of which			
Health	1.5	1.8	2.3
Education	3.0	2.8	3.0
Social protection	1.0	1.0	1.5
Other COVID spending 2/	...	...	2.0
of which			
Prevention & containment	...	...	0.8
Support for HH	...	...	0.9
Support for business	...	...	0.7
<i>Memorandum Item</i>			
Percent change in nom. GDP	...	9.7	-3.3

1/ DSSI data and desk data for non-DSSI CCRT countries.

2/ Subcomponents do not add up to total: some items may be missing for some countries.

<sup>10</sup> Separating COVID-19 related spending and priority spending would be operationally difficult. Priority spending may include some (but typically not all) COVID-related expenditure. Its definition varies country by country, making comparisons difficult. Generally, it includes spending on education, health, and social protection/social assistance. COVID-related spending would likely include spending on the prevention, containment, and management of COVID-19 (including medical equipment as well as the direct fiscal cost of organizing and enforcing social distancing) and COVID-19 related support to households, businesses, SOEs, and government entities (the coverage depends on country-specific impacts and policy responses). Thus, not all COVID-19 related spending is included in priority spending, while some COVID-19 spending—for instance, implemented through existing social protection/assistance and health systems—may be included in priority spending.

<sup>11</sup> The analysis compares pre-COVID budgets and post-COVID supplemental budgets or updated staff estimates, with data from 19 and 22 of the 29 CCRT-eligible members for social & priority and other COVID-related spending, respectively.

<sup>12</sup> Staff noted that Tajikistan required technical assistance (delivered in August) to complete the promised quarterly COVID-19 spending reports which are now under preparation, and staff noted that Tanzania could do more to support the critical tourism and hospitality sectors

## FUNDING STATUS OF THE CCRT AND PROPOSAL FOR SECOND TRANCHE OF DEBT RELIEF

**9. The Fund has received grant pledges of just over one third of the SDR 1 billion fundraising target.** So far, thirteen members have pledged about SDR 360 million in grants, of which SDR 235 million had been disbursed as of September 14, 2020 (see Table 2).

- Early grant contributions were critical in unlocking the first tranche of CCRT relief. On March 11, the United Kingdom announced a commitment to provide a total of £150 million (SDR 136.3 million), half of which was disbursed on April 8, and the second installment of £75 million (SDR 68.3 million) is expected in the near term. Japan provided US\$100 million (SDR 73.4 million) in grant support that was immediately available for the first tranche of CCRT relief. The People's Republic of China disbursed SDR 5.6 million in grant support.
- The ongoing fundraising efforts have generated additional generous contributions in recent months. Mexico contributed SDR 2.9 million as part of its original pledge in the context of the 2015 CCRT fund-raising round. Germany pledged EUR 80 million (SDR 66.2 million), half of which was disbursed on June 30, 2020, with a possible second disbursement of equal amount in early 2021 contingent on need. Luxembourg contributed EUR 2 million (SDR 1.7 million). The Netherlands pledged EUR 25 million (SDR 20.9 million), of which SDR 12.5 million was disbursed on July 24, 2020. More recently, Switzerland contributed CHF 25 million (SDR 19.5 million), Sweden contributed SEK 30 million (SDR 2.4 million), Norway disbursed NOK 180 million (SDR 14.5 million), and Bulgaria disbursed SDR 1.9 million.

**10. Staff assesses the available resources and pledges to be sufficient to finance a second six-month tranche of debt service relief.** With total grant pledges (SDR 360 million) already disbursed or about to be disbursed<sup>13</sup> covering both the first and second six-month debt relief period (amounting to SDR 183 million and SDR 168 million respectively), staff considers that overall resources are adequate for the second CCRT tranche, while maintaining a small resource cushion for other potential CCRT-qualifying shocks.<sup>14</sup> *Hence, staff recommends the approval of the second tranche of grant assistance for debt service relief for 28 qualifying member countries in the period covering the six months from October 14, 2020 through April 13, 2021.*

**11. Based on grant pledges to date, resources are not sufficient to extend CCRT relief beyond the proposed second sixth-month period.** Future tranches will be considered by the

<sup>13</sup> Disbursements of SDR 55 million from existing pledges are expected during the second tranche period. The Netherlands and Germany could provide their second disbursement as early as January 2021, while other IMF members have indicated that they are considering further contributions totaling SDR 13 million.

<sup>14</sup> The CCRT's cash balances amounted to SDR 202 million as of September 14, 2020. Barring any additional CCRT requests and assuming full disbursement of all existing pledges, the CCRT's cash balance is projected to be SDR 157 million at the end of a second six-month debt relief period, slightly above the pre-COVID balance of SDR 150 million. This amount remains less than what is needed to address the original (pre-COVID) CCRT underfunding estimated at between SDR 200-275 million.

Executive Board, up to a maximum of two years from the date of the original determination (April 14, 2020), taking into account the availability of CCRT resources and the likely need of other potentially qualifying members. Significant additional grant pledges will be required to move close to the original funding target of SDR 1 billion and unlock a possible third tranche.

**Table 1. Eligible Countries and Eligible Debt Service Relief for the CCRT 2<sup>nd</sup> Tranche, as of end-September 2020 (In SDRs)**

Country	Eligible Debt Service for Relief from the CCRT			
	1st tranche (Apr 14 - Oct 13, 2020)	2nd tranche 1/ 2/ (Oct 14, 2020-Apr 13, 2021)	Remaining period 1/ 3/ (Apr 14, 2021-Apr 13, 2022)	Total 1/ (Apr 14, 2020 - Apr 13, 2022)
Afghanistan, Islamic Republic of	2,400,000	2,400,000	5,250,000	10,050,000
Benin	7,428,000	6,366,000	9,549,000	23,343,000
Burkina Faso	8,737,400	10,295,000	20,512,000	39,544,400
Burundi	5,480,000	4,820,000	7,660,000	17,960,000
Central African Republic	2,955,800	2,924,300	7,101,100	12,981,200
Chad	0	1,997,000	8,124,000	10,121,000
Comoros	969,857	810,173	1,308,475	3,088,505
Congo, Democratic Republic of	14,847,900	9,898,600	4,949,300	29,695,800
Djibouti	1,692,000	1,692,000	2,646,000	6,030,000
Ethiopia	8,560,166	4,489,225	950,816	14,000,207
Gambia, The	2,099,250	2,099,250	3,732,000	7,930,500
Guinea	16,371,000	16,371,000	36,414,000	69,156,000
Guinea-Bissau	1,079,200	1,363,200	2,002,200	4,444,600
Haiti	4,095,000	3,978,000	7,137,000	15,210,000
Liberia	11,632,800	11,188,800	22,522,000	45,343,600
Madagascar	3,055,000	3,055,000	15,362,800	21,472,800
Malawi	7,202,000	7,202,000	18,438,000	32,842,000
Mali	7,300,000	7,500,000	15,200,000	30,000,000
Mozambique	10,886,667	9,466,667	18,933,334	39,286,668
Nepal	2,852,000	3,565,000	7,130,000	13,547,000
Niger	5,640,000	5,640,000	20,315,000	31,595,000
Rwanda	8,010,000	12,015,000	30,037,500	50,062,500
São Tomé and Príncipe	111,000	174,428	412,284	697,712
Sierra Leone	13,364,500	12,220,500	32,664,000	58,249,000
Solomon Islands	59,428	74,285	207,998	341,711
Tajikistan, Republic of	7,830,000	5,218,000	6,522,500	19,570,500
Tanzania	10,277,889	8,288,888	0	18,566,777
Togo	3,740,000	2,310,000	880,000	6,930,000
Yemen, Republic of	14,441,500	10,962,500	21,925,000	47,329,000
<b>Total</b>	<b>183,118,357</b>	<b>168,384,816</b>	<b>327,886,307</b>	<b>679,389,480</b>

1/ Eligible debt service includes estimates for the GRA charges for Ethiopia and Comoros. For the 2nd tranche, principal repayment obligations for Ethiopia and Comoros amount to SDR 4,011,000 and SDR 778,750, respectively.

2/ October 14, 2020 to April 13, 2021 is the maximum period that could be covered under the second tranche of the CCRT in light of available resources.

3/ Subject to sufficient resources being secured.

**Table 2. New Contributions to the CCRT**  
(As of September 14, 2020)

Country	CCRT grants			Current status of contribution
	In millions of SDRs	In millions of original currency (if appl.)	In millions of US\$	
UK	136.3	£150	192.7	Partially disbursed
Japan	73.4	\$100	103.8	Disbursed
Germany	66.2	€ 80	93.5	Partially disbursed
Netherlands	20.9	€ 25	29.5	Partially disbursed
Switzerland	19.5	CHF 25	27.5	Disbursed
Norway	14.5	NOK 180	20.5	Disbursed
China	5.6		7.9	Disbursed
Mexico 1/	2.9	\$4	4.1	Disbursed
Sweden	2.4	SEK 30	3.5	Disbursed
Bulgaria	1.9		2.7	Disbursed
Luxembourg	1.7	€ 2	2.3	Disbursed
Malta	0.6	\$0.8	0.8	Pledge
Other(s) 2/	12.4	\$17.6	17.6	Pledge
<b>Total</b>	<b>358.2</b>		<b>506.5</b>	
<b>Target</b>	<b>SDR 1 billion</b>		<b>US\$1.4 billion</b>	

1/ Disbursed as part of the 2015–17 fundraising campaign.

2/ Subject to domestic approval.

## Annex I. Islamic Republic of Afghanistan: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 has inflicted a heavy economic and social toll on Afghanistan. The pandemic and containment measures, including on-off border closures and the lockdown of major cities, led to a collapse in economic activity in the second quarter. With the easing of containment measures in late May, economic activity is regaining its footing, and, assuming that the resurgence of infections is avoided, it could return close to the pre-pandemic level in the fourth quarter. For the year as a whole, staff expects the output to contract by 5 percent this year, as opposed to 3½ percent growth projected prior to the pandemic.<sup>1</sup> The resulting losses of jobs and income are pushing thousands of Afghan families into poverty and threaten to reverse social gains of the past decade. Inflation spiked in the first half of 2020 due to border closures and panic buying but is expected to moderate to an annual 5 percent by end-year thanks to the re-opening of borders in early June and a good harvest. Tax revenue fell by 18 percent through end-June compared to the same period of 2019 due to the economic downturn and the extension of the first quarter tax filing and payment deadlines. Revenue losses and spending for health and social protection and to support the economy are worsening the fiscal deficit which is expected to widen to 2.8 percent of GDP (compared to a deficit of 0.8 percent of GDP projected pre-COVID). The disruption of exports and projected fall in remittances, as thousands of Afghan migrants returned from neighboring countries, are opening a balance of payments deficit estimated at about US\$570 million (3 percent of GDP) in 2020, below April projections due to a larger decline in imports.

**Public health and macroeconomic policy response.** Given the limited effectiveness of monetary policy, fiscal measures were mobilized to mitigate the social and economic impact of the pandemic. Through June, the authorities had allocated about 1.3 percent of GDP spending for COVID-related needs. In total, COVID-related expenditure in 2020 is expected to amount to 2.9 percent of GDP, including for (i) health package, including building hospitals (0.4 percent of GDP); (ii) social package, including the now concluded bread distribution program and the social distribution program financed by the World Bank (1.6 percent of GDP) approved on August 4; and (iii) package to support agriculture (0.4 percent of GDP) under implementation. The authorities' response to the pandemic has been boosted by substantial support from donors who are providing new and reallocating existing grants expected to amount to 3.2 percent of GDP in 2020.

Islamic Republic of Afghanistan: COVID-Related Fiscal Measures			
	FY2020 projections		Change
	Pre-Covid	Current	
Priority expenditures	6.0	8.0	2.0
of which:			
Health	1.1	1.5	0.4
Education	3.4	3.4	0.0
Social 1/	1.4	3.1	1.6
Other Covid-related spending	-	0.9	0.9
Covid prevention, containment & mgmt	-	0.5	0.5
Support to agriculture and agro-processing	-	0.4	0.4
Memorandum:			
Revenue measures	-	1.8	1.8

1/ Includes social distribution programs to households.

<sup>1</sup> The downward revision since the approval of the disbursement under the Rapid Credit Facility (RCF) in April reflects deeper-than-expected impact of the pandemic and lockdown measures.

**Governance safeguards.** The authorities agree on the importance of ensuring good governance in executing pandemic-related spending. They are commencing the preparation of quarterly reports on pandemic-related spending. Further, and in line with the authorities' commitments at the time of the RCF disbursement, the Supreme Audit Council will undertake audits of selected COVID-19 spending in FY2020 and publish its reports, by a revised deadline of June 2021. As part of their reforms to strengthen transparency in procurement, the authorities are planning to amend procurement procedures to publish beneficial ownership information of all entities contracting with the government on the online portal of the National Procurement Agency which regularly publishes procurement contracts.

**IMF support.** In April, the Executive Board approved a disbursement in the amount of SDR 161.9 million (about US\$220 million; 50 percent of quota) under the RCF. On August 12, 2020, IMF staff reached a staff-level agreement with the Afghanistan authorities on an economic reform program to be supported by a three-and-half year, SDR 259 million (about US\$364 million; 80 percent of quota) Extended Credit Facility arrangement. Executive Board consideration of this request is expected by late October.

**Upcoming CCRT-eligible debt service.** Afghanistan has debt service of SDR 2.4 million falling due during the six-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the second tranche of debt service relief under the CCRT.

**Staff assessment.** The authorities' priorities have been rightly focused on mitigating the social and economic fallout of the pandemic and preparing the ground for a durable recovery. They are appropriately allowing a fiscal loosening this year and have sought donor grants to help accommodate a revenue shortfall and fund critical health and social mitigation spending while putting in place governance safeguards to strengthen its accountability and transparency. They are also curtailing lower priority spending and introducing nontax measures to contain the deficit deterioration. Resources freed by Fund debt service relief under the CCRT and other support from the Fund are helping create room for emergency health, social, and support to the economy to mitigate the impact of the pandemic on the health and livelihood of the population.

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

(Quota: SDR 323.8 million)

(Population: approx. 32.2 million; 2019)

(Per capita GDP: approx. US\$586; 2019)

(Poverty rate: 54.5 percent; 2016–2017)

(Main exports: dried and fresh fruits and vegetables, medical seeds, 2019)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Est.	Pre-Covid proj. 1/	Proj.	Proj.			
Output and prices 2/	(Annual percentage change, unless otherwise indicated)								
Real GDP	2.6	1.2	3.9	3.5	-5.0	4.0	4.5	4.0	4.0
Nominal GDP (in billions of Afghanis)	1,285	1,328	1,470	1,620	1,466	1,598	1,742	1,893	2,215
Nominal GDP (in billions of U.S. dollars)	18.9	18.4	18.9	20.3	19.0	19.7	20.8	22.0	24.4
Consumer prices (period average)	5.0	0.6	2.3	2.8	5.4	4.8	4.3	4.0	4.0
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	4.0	5.0	4.5	4.0	4.0	4.0
Investment and savings	(In percent of GDP)								
Gross domestic investment	18.5	18.0	18.2	17.4	17.0	18.1	18.9	19.8	20.6
Of which: Private	5.8	5.4	6.0	7.0	5.0	6.0	6.5	7.1	7.4
Gross national savings	26.1	30.2	29.9	21.4	26.5	25.9	26.9	27.4	27.9
Of which: Private	14.0	16.0	18.7	11.7	17.3	15.9	15.7	15.2	15.5
Public finances (central government)									
Domestic revenues and grants	27.1	30.6	26.9	25.3	29.9	25.8	26.9	28.6	28.1
Domestic revenues	13.1	14.3	14.1	12.5	11.8	12.0	14.2	16.3	16.4
On-budget grants (excl. donors' direct spending outside the budget)	14.0	16.3	12.9	12.8	18.0	13.8	12.7	12.2	11.7
Expenditures	27.7	28.9	28.0	26.0	32.7	28.0	28.1	29.0	28.8
Operating 3/	19.7	19.4	18.5	17.4	22.3	19.1	18.8	18.5	18.2
Development	8.0	9.5	9.5	8.6	10.3	8.9	9.3	10.5	10.6
Operating balance (excluding grants) 4/	-6.6	-5.1	-4.5	-5.0	-10.5	-7.1	-4.6	-2.2	-1.8
Overall balance (including grants)	-0.7	1.6	-1.1	-0.8	-2.8	-2.2	-1.2	-0.5	-0.7
Public debt 5/ 6/	8.0	7.4	6.1	7.9	7.8	8.9	9.4	9.9	10.4
Monetary sector	(Annual percentage change, end of period, unless otherwise indicated)								
Reserve money	10.2	-2.7	10.6	10.6	12.4	11.5	11.2	10.4	10.3
Currency in circulation	2.2	-0.2	13.6	2.6	14.0	10.0	9.5	9.0	8.0
Broad money	5.9	2.6	5.7	9.0	8.0	10.0	11.0	11.8	12.4
Interest rate, 28-day capital note (in percent)	3.0	3.0	3.0	...	...	...	...	...	...
External sector 2/	(In percent of GDP, unless otherwise indicated)								
Exports of goods (in millions of U.S. dollars)	784	875	864	915	558	747	973	1085	1209
Exports of goods (annual percentage change)	27.6	11.6	-1.3	7.3	-35.4	33.8	30.2	11.5	11.5
Imports of goods (in millions of U.S. dollars)	6,737	6,596	6,158	6,476	6,041	6,272	6,356	6,467	6,573
Imports of goods (annual percentage change)	7.6	-2.1	-6.6	2.7	-1.9	3.8	1.3	1.8	1.6
Merchandise trade balance	-31.5	-31.1	-28.0	-35.0	-28.8	-28.1	-25.8	-24.4	-23.2
Current account balance 8/	-31.9	-31.4	-27.0	-28.2	-30.8	-28.8	-25.4	-23.6	-22.0
Excluding official transfers	7.6	12.2	11.7	4.0	9.5	7.8	7.9	7.7	7.4
Including official transfers	0.2	0.4	0.0	0.5	0.0	0.5	0.5	0.6	0.7
Foreign direct investment	6.8	6.8	6.1	7.9	7.8	8.6	8.8	9.0	9.3
Total external debt 5/	8,139	8,273	8,573	8,499	8,793	8,688	8,586	8,486	8,388
Gross international reserves (in millions of U.S. dollars)	12.2	13.5	14.4	12.3	14.1	13.7	13.3	12.9	12.4
Import coverage of reserves 7/									

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

1/ Pre-Covid refers to end-January 2020 projection.

2/ Excluding the narcotics economy.

3/ Comprising mainly current spending.

4/ Defined as domestic revenues minus operating expenditures.

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

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

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

8/ Current account does not include COVID emergency financing grants (they are included in fiscal accounts).

## Annex II. Benin: Update for CCRT Debt Relief

**Recent Economic Developments and outlook.** The COVID-19 pandemic continues to have a severe impact on the Beninese economy. Its negative ramifications are affecting the country at a time when it is already coping with a prolonged closure of the border with Nigeria—its main trading partner.<sup>1</sup> Global spillovers (lower remittances, trade, transport, and FDI) are expected to significantly impact both domestic and external demand, resulting in lower economic growth. As a result, 2020 and 2021 real GDP growth is estimated at 2 and 5 percent, respectively, down from pre-COVID-19 forecasts of nearly 7 percent. The rebound in growth is expected to be driven by robust primary and secondary sectors growth (cotton, crops, construction) in 2020 and a pick-up in tertiary sector activities (trade, transport) in 2021. On the fiscal front, the COVID-19 shock will lead to a revenue shortfall, higher expenditure from health-related needs and mitigation measures to support economic activity. Preliminary estimates point to an overall fiscal deficit of at least 3.7 percent of GDP in 2020—compared to 1.8 percent of GDP pre-COVID-19. Staff has revised down real GDP growth and increased the projected fiscal deficit and overall balance of payment deficit in 2020 relative to the 1<sup>st</sup> CCRT staff appraisal (April 2020) due to worsening external economic conditions in 2020 and prolonged trade disruptions with Nigeria.

**Public health and macroeconomic policies.** As of September 9<sup>th</sup>, the total confirmed COVID-19 cases reached 2194, including 1793 recoveries, 40 fatalities, and 401 active cases.<sup>2</sup>

The authorities are taking significant measures to contain the economic impact of the pandemic, including a health response plan, social assistance to vulnerable households,

a stimulus package (announced on June 10, 2020)<sup>3</sup>, and a new subsidy fund to support credit access for small and medium companies. Their health response plans remains unchanged since April 8<sup>th</sup>, 2020 when Benin received the 1<sup>st</sup> tranche of the CCRT on April 15, 2020 for an amount of SDR 7.4 million (CFAF 6 billion), about 2 percent of the COVID-19 total response.

### Benin: Response to COVID-19 in 2020<sup>1</sup>

	CFAF billion	Percent of GDP
Health Response Plan for COVID-19	60	0.7
Social assistance to vulnerable households	50	0.5
<i>of which to extremely poor households</i>	30	0.3
Economic stimulus package	68	0.8
Credit access support package	100	1.1

Source: Beninese Authorities and IMF staff estimates

<sup>1</sup> As of July 29, 2020

<sup>1</sup> In August 2019, Nigeria decided to close its land border with neighbors, negatively impacting informal trade and tax revenue collection.

<sup>2</sup> Source is <https://www.gouv.bj/coronavirus/>.

<sup>3</sup> Measures intended to help formal enterprises comprise: i) the coverage of 70 percent of gross salary of all formal sector employees over the period of three months, ii) reimbursement of VAT taxes, iii) exemption from payment of the motor vehicle tax, iv) three month rent, electricity and water tariff subsidies for hotels and travel agencies.



**Governance safeguards.** The authorities are planning to perform a post-crisis audit of the COVID-19 response plan, including the use and effectiveness of the committed funds. This audit will be published by the Accounting Chamber in 2021 in its annual activity report and made available on its website. In addition, the Government will publish, in 2021, the procurement documents and contracts related to the major projects implemented under the response plan, indicating the amounts granted and the names of the beneficiaries. In addition, the Law enacted on April 20, 2020 establishing the High-Commission for the prevention of corruption in Benin will help promote domestic accountability and transparency.

**IMF support status.** Benin's three-year arrangement under the Extended Credit Facility (ECF) concluded on July 31, 2020. The completion of the sixth and final review under the arrangement enabled the disbursement of SDR 91.931 million (about US\$ 125 million), of which SDR 73.013 million (US\$ 103.3 million) were due to an augmentation of access of 61.4 percent of Benin's quota to address the urgent financing needs associated with the pandemic. Benin has not received nor requested emergency support under the Rapid Credit Facility (RCF) as of September 9<sup>th</sup>, 2020. However, the authorities have expressed interest in a successor UCT-quality program. The discussions will continue later this year to identify the most appropriate form of engagement with the Fund.

**Upcoming CCRT-eligible debt service.** Benin has debt service of SDR 6.4 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2nd tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assess that Benin is pursuing appropriate macroeconomic policies to address the global pandemic. Staff also assess that the resources freed by the initial tranche of Fund debt service relief under the CCRT, as well as the augmentation of access under the ECF-supported arrangement, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on the lives and livelihoods of the population.

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

	2018	2019	2020			2021	2022	2023	2024	2025
	Est.	Est.	Pre- COVID-19	6th review	Proj.	Projections				
<b>National income and prices</b>	(Annual percentage change)									
Real GDP	6.7	6.9	6.7	3.2	2.0	5.0	7.0	7.0	7.0	7.0
Nominal GDP	7.3	6.5	8.0	4.2	4.2	6.4	8.7	9.1	9.0	9.0
GDP deflator	0.6	-0.3	1.2	1.0	2.3	1.4	1.6	1.8	1.8	1.8
Consumer price inflation (average)	0.8	-0.9	1.0	0.6	2.5	2.0	2.0	2.0	2.0	2.0
Consumer price inflation (end of period)	-0.1	0.3	1.9	0.6	2.5	2.0	2.0	2.0	2.0	2.0
<b>External sector</b>										
Terms of trade (minus = deterioration)	8.2	-1.8	0.0	0.9	2.8	-2.4	-1.3	-0.2	-0.2	-0.2
Real effective exchange rate (minus = deterioration)	1.9	-3.3	...	...	...	...	...	...	...	...
<b>Money and credit</b>										
Credit to the private sector	8.5	11.9	10.1	2.2	-1.7	5.9				
Broad money (M2)	4.8	6.0	8.0	4.2	4.2	6.4	...	...	...	...
<b>Central government finance</b>	(Percent of GDP, unless otherwise indicated)									
Total revenue	13.0	12.9	13.5	12.4	12.0	12.9	13.2	13.2	13.2	13.2
<i>of which: Tax revenue</i>	<i>10.3</i>	<i>10.6</i>	<i>11.4</i>	<i>10.3</i>	<i>9.9</i>	<i>10.8</i>	<i>11.1</i>	<i>11.1</i>	<i>11.1</i>	<i>11.1</i>
Grants	0.6	1.2	1.0	1.5	1.6	1.1	1.0	0.9	0.9	0.8
Total expenditure and net lending	16.5	14.6	16.3	17.4	17.4	17.4	17.0	16.7	16.3	16.1
Overall balance (commitment basis, including grants)	-2.9	-0.5	-1.8	-3.5	-3.7	-3.4	-2.8	-2.6	-2.2	-2.1
Overall balance (cash basis, including grants)	-3.0	-0.6	-2.0	-3.7	-3.9	-3.6	-2.9	-2.7	-2.3	-2.2
Domestic financing, net	-0.6	-3.6	0.8	1.3	2.3	2.3	1.7	1.6	2.0	1.8
External financing, net	3.6	4.2	1.1	1.2	1.6	1.3	1.2	1.2	0.3	0.4
<b>External sector</b>										
Balance of goods and services <sup>1</sup>	-5.8	-5.2	-6.8	-5.7	-6.2	-5.3	-5.4	-5.1	-5.1	-5.1
Exports of goods and services <sup>1</sup>	27.0	23.8	14.7	21.8	16.5	19.4	22.4	22.5	22.9	23.3
Imports of goods and services <sup>1</sup>	-32.8	-29.0	-20.0	-27.5	-22.6	-24.7	-27.9	-27.7	-28.0	-28.4
Current account balance, including official transfers <sup>1</sup>	-4.6	-4.3	-4.7	-4.6	-5.3	-4.8	-4.8	-4.6	-4.6	-4.6
Overall balance of payments <sup>1 2</sup>	2.5	0.5	3.1	-0.5	-1.3	-0.7	-0.7	-0.7	-1.6	-1.7
<b>Public debt (end period)<sup>3</sup></b>										
Total public debt	41.1	41.2	40.1	43.3	42.7	42.2	40.7	39.1	37.5	35.9
External public debt	19.4	24.0	23.3	25.1	24.5	24.0	23.3	22.6	21.4	20.1
Domestic public debt	21.7	17.3	16.7	18.3	18.2	18.2	17.4	16.5	16.1	15.7
<b>Memorandum items</b>										
Nominal GDP (CFAF billions)	7,916	8,432	9,036	8783.6	8,789	9,354	10,172	11,094	12,092	13,179
Nominal GDP (US\$ billions)	14.3	14.4	15.4	14.9	15.0	...	...	...	...	...
Nominal GDP per capita (US\$)	1,240.8	1,218.2	1,271.0	1228.7	1,236.8	...	...	...	...	...
US\$ exchange rate (average)	555.2	585.9	585.4	588.5	585.1	...	...	...	...	...
International price of cotton (Cotlook "A" Index, U.S. cents a lb.	91.4	77.9	73.3	69.9	70.2	71.5	72.2	72.5	72.5	72.5
International price of oil (U.S. dollars a barrel)	68.3	61.4	55.5	39.1	41.0	43.8	45.6	47.2	48.6	49.7

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

<sup>1</sup> Includes re-exports and imports for re-export, except for EBS/19/398 for which re-export activities are recorded in current transfers.<sup>2</sup> In 2024 and 2025, the decline in the overall balance of payments reflects the first repayment of the 2019 eurobond.<sup>3</sup> The GDP rebasing published in 2019 revised down the public debt ratio by about 15 percentage points (see Annex I of IMF Country Report No. 19/398).

## Annex III. Burkina Faso: Update for CCRT Debt Relief

**Recent economic developments.** The authorities' containment measures helped slow the spread of COVID19 in Burkina Faso but exacted a toll on the economy. Preliminary data show a broad-based contraction in the first half of the year, with substantial output loss in hotels, restaurants, and commerce. Consequently, real GDP is expected to contract by 2.0 percent in 2020 (from a projected pre-pandemic growth of 6 percent). Growth in 2021 (3.9 percent) is also projected lower than the pre-pandemic level (6 percent). The 2020 fiscal deficit is projected to widen to 6.0 percent of GDP, 3.0 percentage points higher than in the pre-COVID19 budget. The growth and fiscal outlook are also worse than projected at the time of the approval of the CCRT<sup>1</sup> in April. External financing needs are also expected to worsen by 2.2 percentage points of GDP compared to pre-COVID levels, essentially due lower private financial inflows.

**The authorities' health and macroeconomic response has been facilitated by their own policy adjustments and substantial external resources, including debt relief under the CCRT.** The

measures and financial support were reflected in the revised 2020 budget approved in July, which made room for COVID19-related priority expenditures (0.8 percent of GDP) and other COVID19- related spending (2.6 percent of GDP) by keeping the wage bill unchanged and cancelling non-priority spending (1.8 percent of GDP). The latter consists mostly of important but non-urgent investments (1.2 percent of GDP). The resulting higher fiscal deficit will be financed to a large extent by higher external support. In addition to the Fund's disbursements (RCF and planned 4th and 5th ECF reviews) and debt relief under the CCRT, other sources of external financing include the World Bank, the African Development Bank, the European Union, and France. Burkina Faso is also expected to receive CFAF 13.9 billion (0.2 percent of GDP) debt service suspension in 2020 from creditors participating in the G-20 debt service suspension initiative (DSSI).

Burkina Faso: COVID Related Fiscal Measures (Percent of GDP) 1/			
	2020 projections		Change
	Pre-COVID	Current	
Priority expenditures	8.7	9.5	0.8
of which			
Health	2.7	3.6	0.8
Education	5.9	5.9	0.0
Social	0.1	0.1	0.0
Other COVID-related spending	0.0	2.6	2.6
COVID prevention, containment & mgmt	0.0	1.0	1.0
Transfers to HHs	0.0	0.7	0.7
Transfers to businesses, SOEs, govt entities	0.0	0.8	0.8
<i>Memorandum</i>			
Total revenue	20.4	18.0	-2.4

Sources: Burkina Faso authorities and IMF staff estimates.  
1/ The definitions of priority and COVID-19 spending and the numbers in this table overlap but are not directly comparable with the attached SEI table.

**Governance safeguards.** An oversight mechanism, with the participation of civil society, is in place to ensure transparency and accountability over COVID19-related spending. Periodic audited reports on this spending are to be published, with the first covering spending through end-June 2020 due to be published by end-October 2020. The World Bank is also helping the authorities adopt a new emergency spending and governance framework for dealing with future crisis.

<sup>1</sup> Catastrophe Containment and Relief Trust.

**IMF support status.** Burkina Faso's three-year ECF arrangement was approved in March 2018 for SDR 108.36 million (90 percent of quota). Because of the COVID19 pandemic and the uncertainty surrounding its duration and macroeconomic effects, the 4th ECF and 5th reviews will be combined, and their completion is expected in the fourth quarter of 2020. A Rapid Credit Facility (RCF) disbursement of SDR 84.28 million (70 percent of quota) was approved in April 2020. Burkina Faso has also benefited from the Board decision of April 13, 2020 to provide debt service relief under the Catastrophe Containment window of the CCRT (SDR 8.7 million, or US\$ 11.9 million).

**Upcoming CCRT-eligible debt service.** Burkina Faso has debt service of SDR 10.3 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2nd tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Burkina Faso is pursuing appropriate macroeconomic policies to address the effects of COVID19. Based on information available to date, staff also assesses that the resources freed by the initial tranche of CCRT debt service relief, and other support from the Fund, are being used to help provide emergency health, social, and economic support to the economy to mitigate the impact of the pandemic on the lives and livelihoods of the population.

**Burkina Faso: Selected Economic Indicators**

	2017	2018	2019	2020	2020	2021
				Pre-COVID	Projected	
<i>(Annual percentage change, unless otherwise indicated)</i>						
<b>GDP and prices</b>						
GDP at constant prices	6.2	6.8	5.7	6.0	-2.0	3.9
GDP deflator	2.0	2.4	-3.0	2.0	2.1	1.9
Consumer prices (end of period)	2.1	0.3	-2.6	2.0	3.5	2.5
<b>Money and credit</b>						
Net domestic assets (banking system) 1/	11.5	8.6	7.6	13.6	10.9	...
Credit to the government (banking system) 1/	5.9	-0.2	2.6	5.1	8.3	...
Credit to the private sector	10.5	12.4	9.4	12.5	6.0	...
Broad money (M3)	21.6	10.4	8.8	15.4	13.8	...
Private sector credit/GDP	27.3	26.6	28.9	32.7	30.6	...
<b>External sector</b>						
Exports (f.o.b.; valued in CFA francs)	19.0	10.1	2.1	11.6	5.7	2.1
Imports (f.o.b.; valued in CFA francs)	12.7	7.7	5.9	5.5	0.0	1.4
Terms of trade	...	...	...	...	...	...
Current account (percent of GDP)	-5.0	-4.1	-4.8	-4.0	-3.5	-3.5
<i>(Percent of GDP, unless otherwise indicated)</i>						
<b>Central government finances</b>						
Current revenue	16.9	17.0	18.9	20.5	17.7	18.5
Total expenditure and net lending	26.1	23.6	23.6	27.0	28.1	25.7
Overall fiscal balance, incl. grants (commitments)	-6.8	-4.2	-3.2	-3.0	-6.0	-4.6
Total Public Debt	33.5	37.7	42.7	42.7	46.6	48.1
Of which: external debt	21.1	21.5	23.7	23.4	25.3	24.0
<b>Memorandum items:</b>						
Nominal GDP (CFAF billion)	8,228	8,998	9,226	9,228	9,228	9,769
Nominal GDP per capita (US\$)	738	821	775	769	769	851

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

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

## Annex IV. Burundi: Update for CCRT Debt Relief

**Recent economic developments.** While the number of officially reported COVID-19 infections and deaths remains low, the pandemic is having a severe adverse economic impact on Burundi. Economic growth projections have been revised down by 5.3 percentage points to -3.2 percent in 2020. The pandemic has created large external financing needs from lower exports, elevated imports in part related to pandemic-related fiscal spending, and reduced remittances inflows. The current account deficit including grants is expected to grow to 20.7 percent of GDP, putting pressure on already low reserves. The pandemic has also created large fiscal financing needs: tax revenue is expected to drop to 17.0 percent of GDP (from 17.4 percent of the higher pre-pandemic GDP projection), spending is projected to rise by 3.4 percent of GDP, and as a result the fiscal deficit including grants is expected to rise to 9.5 percent of GDP. Several adverse pandemic effects are expected to persist in 2021.

**Public health and macroeconomic policy response.** Shortly after the outbreak of the pandemic, the authorities quarantined travelers from affected countries and closed the borders except for merchandise trade, humanitarian, and medical travel and transport. Since July, they have stepped up COVID testing, building on a renewed close collaboration with the WHO. The authorities have also developed a pandemic response plan that focuses on strengthening the health care system, the social safety net, and parts of the road network to facilitate access to sick people, at a cost of US\$150 million (4.7 percent of GDP). Further, the authorities intend to provide targeted support to hard-hit sectors, at a cost of US\$12 million (0.4 percent of GDP). In addition to external support, these measures are to be financed in part by cutting back on public investment. So far, the only COVID-related financial support comes from a US\$5 million grant from the World Bank and IMF CCRT grants. A lack of external support has constrained the implementation of the authorities' COVID response plans.

**Governance safeguards.** The authorities committed in the context of the original CCRT request to making the best possible use of the funds provided in the context of COVID-19. The Court of Auditors, in consultation with the development partners concerned, will undertake and publish an ex post audit of expenses related to COVID-19 on the government's website within 9 months after the end of the fiscal year. With the first tranche of CCRT grants having been provided only in late July 2020, it is too early to assess implementation.

**IMF support status.** The Executive Board approved on July 20, 2020, a grant under the IMF's Catastrophe Containment and Relief Trust (CCRT) to cover Burundi's debt service falling due to the IMF from July 21, 2020 to October 13, 2020, the equivalent of SDR 5.48 million. In April 2020 the authorities requested emergency assistance through the Rapid Credit Facility. Burundi currently has no Fund-supported program.

**Upcoming CCRT-eligible debt service.** Burundi has debt service of SDR 4.82 million falling due to the Fund during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Burundi is pursuing broadly appropriate macroeconomic policies to address the impact of the pandemic. The authorities have appropriately committed to use the resources freed by Fund debt service relief under the CCRT to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

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

	2018	2019	2020		2021	2022	2023	2024	2025
	Est.	Est.	Pre-Covid	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)									
Output, prices, and exchange rate									
Real GDP	1.6	1.8	2.1	-3.2	3.1	2.0	2.1	2.3	2.6
GDP deflator	-2.9	-0.7	5.7	8.0	4.9	3.6	3.7	3.6	3.7
CPI (period average)	-2.8	-0.7	5.6	7.6	5.6	3.6	3.6	3.6	3.6
CPI (end of period)	-5.9	5.1	6.0	8.3	3.4	3.7	3.6	3.6	3.6
Terms of trade ( - =deterioration)	2.1	6.5	5.9	17.6	1.1	-0.2	-0.4	-1.2	-1.5
Money and credit									
Broad Money (M2)	21.0	27.9	20.9	16.4	19.8	15.3	13.2	10.3	8.1
Credit to non-government sector	13.0	11.1	7.8	3.5	7.1	4.7	4.9	5.0	5.4
M2/GDP (percent)	25.6	32.3	37.4	36.0	39.9	43.5	46.5	48.4	49.1
(Percent of GDP, unless otherwise indicated)									
Central government budget									
Revenue and grants	19.0	21.8	21.9	21.9	22.1	22.4	22.4	22.6	22.8
of which: grants <sup>1/</sup>	4.3	4.4	4.5	4.9	5.0	5.3	5.1	5.1	5.1
of which: revenue	14.7	17.4	17.4	17.0	17.1	17.1	17.3	17.5	17.7
Expenditure	25.8	30.0	28.0	31.4	30.7	27.5	27.1	26.2	25.6
Expense	19.0	20.1	18.9	23.0	22.5	18.7	18.3	17.5	16.8
Net acquisition of non-financial assets	6.7	9.9	9.0	8.3	8.2	8.9	8.8	8.8	8.7
Primary balance	-6.1	-7.8	-3.3	-6.6	-5.8	-2.6	-2.5	-1.8	-1.1
Overall balance	-6.8	-8.3	-6.1	-9.5	-8.6	-5.1	-4.7	-3.6	-2.8
Excluding grants	-11.0	-12.7	-10.6	-14.4	-13.6	-10.4	-9.8	-8.8	-7.9
Net domestic borrowing	5.4	6.0	5.5	5.5	5.2	4.8	4.5	3.5	2.6
Net foreign borrowing	0.5	1.8	0.6	1.3	0.6	0.3	0.2	0.1	0.2
Unidentified financing	0.0	0.0	0.0	2.8	2.8	0.0	0.0	0.0	0.0
Public debt									
Public gross nominal debt	50.5	57.4	59.7	65.1	68.7	70.2	71.1	70.9	69.7
of which: external public debt	16.4	17.8	17.5	21.7	23.3	22.4	21.5	20.6	19.9
domestic public debt	34.1	39.6	42.2	43.4	45.3	47.8	49.6	50.3	49.8
Investment and savings									
Investment	18.8	19.3	19.3	17.5	18.5	19.0	19.5	20.0	20.5
Public	5.0	5.0	4.5	4.2	4.1	4.4	4.4	4.4	4.4
Private	13.7	14.3	14.8	13.3	14.4	14.6	15.1	15.6	16.1
Savings	4.3	1.4	2.4	-3.2	-2.3	1.1	1.8	2.3	2.9
Public	-1.7	-3.3	-1.6	-5.3	-4.5	-0.7	-0.3	0.8	1.6
Private	6.0	4.7	4.0	2.1	2.2	1.8	2.1	1.6	1.3
External sector									
Exports (goods and services)	9.0	9.9	9.9	9.5	9.7	10.2	10.4	10.4	10.4
Export volume growth (goods, in percent)	14.2	-3.3	-0.7	-13.4	0.4	11.7	5.8	4.1	4.2
Imports (goods and services)	30.6	36.8	35.6	38.8	39.1	37.3	37.2	37.1	37.0
Import volume growth (goods, in percent)	14.4	19.5	0.5	13.9	1.9	-3.4	1.8	2.2	2.5
Trade Balance (goods and services)	-21.6	-26.8	-25.7	-29.3	-29.5	-27.1	-26.8	-26.7	-26.6
Current account balance (incl. grants)	-14.5	-17.9	-16.9	-20.7	-20.8	-17.9	-17.7	-17.7	-17.6
Current account balance (excl. grants)	-14.5	-17.9	-16.9	-20.7	-20.8	-18.4	-18.2	-18.2	-18.1
Gross international reserves									
In millions of US\$	70.3	113.4	113.4	113.4	113.4	113.4	113.4	113.4	113.4
In months of next year imports	0.7	1.1	1.1	1.1	1.1	1.0	1.0	0.9	0.9
Memorandum items:									
Official Current transfer	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5
Official Capital transfer	4.3	4.4	4.5	4.6	4.6	4.6	4.6	4.6	4.6
GDP at current market prices									
In billions of Burundi Francs	5,679	5,741	6,191	5,999	6,488	6,857	7,262	7,699	8,191
In billions of US\$	3.2	3.1	3.2	3.1	3.3	3.4	3.5	3.7	3.9
GDP per capita (Nominal US\$)	285	270	273	264	267	270	273	277	282
Population (million)	11.2	11.5	11.9	11.9	12.2	12.6	13.0	13.4	13.8
Sources: Burundi authorities; and IMF staff estimates and projections.									
1/ Includes the grant for the debt service falling due in the 18 months from October 14, 2020, which is subject to the availability of resources under the CCRT.									



## Annex V. Central African Republic: Update for CCRT Debt Relief

**Recent Economic Developments.** The number of new confirmed COVID-19 cases has recently declined, reflecting in part the discontinuation of widespread testing, and containment measures are progressively being relaxed. The pandemic has had a severe impact on economic activity, trade, and government revenue. Activity in trade, transportation, tourism and hospitality was significantly affected by low external demand and containment measures (travel bans and closure of non-essential stores). As a result, growth projections for 2020 and 2021 have been revised down to -1 and 3 percent, respectively (from 4½ and 5 percent pre-pandemic). For 2020, a sharp decline in exports (from lower external demand and commodity prices), along with lower financial flows, have contributed to a significant increase in external financing needs to 9.3 percent of GDP from 5.0 percent projected pre-pandemic. The impact of containment measures on economic activity, imports, and tax administration (less controls) is projected to result in a domestic revenue shortfall of close to 2 percent of GDP. This, along with a lower nominal GDP and Covid-related spending, would bring the domestic primary fiscal deficit-to-GDP ratio to around 6 percent, compared with the less than 3 percent projected pre-pandemic.

**Public health and macroeconomic policy response.** The government's COVID-19 health response plan was prepared in collaboration with the WHO and aims at containing the pandemic and strengthening the country's capacity to cope with its impact. As envisaged under the RCF approved in April, the supplementary budget law adopted in early July 2020 channels the additional external budget support provided by the Fund and other donors to contribute to the financing of this response plan and of other measures to alleviate the economic impact of the pandemic. Overall, it provides for about 1.2 percent of GDP in Covid-related spending, including 0.9 percent for prevention and containment and 0.2 percent of GDP in transfers to vulnerable household and enterprises. Consequently, priority expenditures are projected at 2.9 percent of GDP in 2020, compared to 2.2 percent of GDP before the pandemic.

COVID Related Fiscal Measures (in percent of GDP)			
	FY2020 projections		Change
	Pre-Covid	Current	
Priority expenditures /1	2.19	2.86	0.67
of which			
Health	0.75	1.37	0.62
Education	0.85	0.85	-0.01
Social	0.13	0.16	0.03
Other Covid-related expenditures		1.16	
Covid prevention, containment and mgmt		0.87	
Transfers to HHs		0.04	
Transfers to businesses, SOEs, govt entities		0.19	
<i>Memorandum:</i> tax relief to HHs/businesses	n.a.	n.a.	

/1 The increase in "priority expenditures" is entirely COVID-related.

**Governance safeguards.** A committee, composed of representatives of the government and the donor community, was established in July 2020 to monitor Covid-related expenditures and the emergency financial assistance provided by donors, including from the CCRT and DSSI. It had its inaugural meeting on August 14 and will meet monthly to monitor the expenditures executed by the government and by donors and will make recommendations to improve their efficiency and transparency. In addition, the Procurement Directorate will publish all related tenders, the criteria for selection, as well as the selected enterprises, while an ex-post audit will be conducted and published.

**IMF support status.** On December 20, 2019, the Executive Board approved a three-year SDR 83.55 million (75 percent of quota) arrangement under the Extended Credit Facility (ECF). It also approved an SDR 27.85 million (25 percent of quota) disbursement under the RCF on April 20, 2020. A virtual mission to discuss the first and second reviews under the ECF is tentatively scheduled for late September-early October 2020. The first tranche of the CCRT debt relief, covering April 14–October 13, 2020 amounts to SDR 2.956 million.

**Upcoming CCRT-eligible debt service.** C.A.R has debt service of SDR 2.9 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that C.A.R is pursuing appropriate macroeconomic policies to address the global pandemic. Referencing the public health and governance paragraphs above, staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

**Table 1. Central African Republic: Selected Economic and Financial Indicators, 2018–2025**

	2018	2019	2020		2021	2022	2023	2024	2025
	Est.	Est.	pre-COVID <sup>1</sup>	Proj.			Proj.		
(Annual percentage change; unless otherwise indicated)									
National income and prices									
GDP at constant prices	3.8	3.0	5.0	-1.0	3.0	5.0	5.0	5.0	5.0
GDP per capita at constant prices	2.3	1.3	3.2	-2.7	1.0	3.0	3.0	3.0	3.0
GDP at current prices	5.2	5.4	7.6	1.8	5.6	7.6	7.6	7.6	7.6
GDP deflator	1.3	2.4	2.5	2.8	2.5	2.5	2.5	2.5	2.5
CPI (annual average)	1.6	2.7	2.5	2.9	2.5	2.5	2.5	2.5	2.5
CPI (end-of-period)	4.6	-2.8	2.5	4.6	2.5	2.5	2.5	2.5	2.5
Money and credit									
Broad money	14.0	8.9	14.9	9.7	2.6	5.4	5.7	6.3	7.7
Credit to the economy	11.5	-1.0	5.0	-3.0	8.3	7.2	7.7	7.5	7.4
External sector									
Export volume of goods	10.3	-6.7	14.9	-10.0	13.5	14.9	11.8	10.7	10.5
Import volume of goods	-0.8	11.3	7.8	-5.5	4.2	5.2	9.3	7.9	6.2
Terms of trade	-12.5	14.7	3.5	-3.3	0.9	3.8	1.7	2.0	2.1
(Percent of GDP; unless otherwise indicated)									
Gross national savings	8.4	9.7	10.6	10.8	10.6	11.2	11.4	12.0	12.6
Of which: current official transfers	3.0	6.0	3.7	5.3	3.8	2.9	2.3	2.1	1.8
Gross domestic savings	-1.4	-3.7	0.3	-0.7	-0.3	1.4	2.4	3.3	4.3
Government	-1.2	-2.5	-1.3	-4.6	-1.4	-0.6	-0.5	-0.3	-0.1
Private sector	-0.2	-1.2	1.6	3.8	1.1	2.0	2.8	3.6	4.4
Consumption	101.4	103.7	99.7	100.7	100.3	98.6	97.6	96.7	95.7
Government	7.7	8.0	7.5	9.0	7.8	7.7	7.7	7.7	7.7
Private sector	93.7	95.6	92.3	91.7	92.4	91.0	89.9	89.0	88.0
Gross investment	16.4	14.7	16.9	16.3	15.6	16.2	16.8	17.5	18.1
Government	7.4	5.6	7.9	8.8	7.3	7.3	7.3	7.5	7.6
Private sector	9.0	9.0	9.0	7.5	8.3	8.9	9.5	10.0	10.5
External current account balance									
with grants	-8.0	-4.9	-6.3	-5.5	-5.0	-5.0	-5.5	-5.5	-5.5
without grants	-12.3	-12.3	-11.6	-12.5	-10.6	-9.9	-9.7	-9.6	-9.4
Overall balance of payments	-1.7	-1.1	1.3	-0.7	0.1	0.7	1.9	2.3	2.7
Central government finance									
Total revenue (including grants)	16.6	18.3	18.6	19.7	18.5	18.4	17.7	17.6	17.4
of which: domestic revenue	8.9	8.7	9.7	8.5	9.8	10.6	10.7	11.0	11.1
Total expenditure <sup>2</sup>	17.6	16.9	19.0	22.0	18.6	18.6	18.6	18.8	18.9
of which: capital spending	7.4	5.6	7.9	8.8	7.3	7.3	7.3	7.5	7.6
Overall balance									
Excluding grants	-8.7	-8.2	-9.3	-13.5	-8.8	-8.0	-7.9	-7.8	-7.8
Including grants	-1.0	1.4	-0.4	-2.3	0.0	-0.3	-0.9	-1.1	-1.5
Domestic primary balance <sup>3</sup>	-1.7	-3.5	-2.7	-6.1	-3.0	-2.5	-2.5	-2.5	-2.5
Public sector debt	50.0	47.2	42.6	46.6	44.0	41.0	38.9	37.1	35.9
Of which: domestic debt <sup>4</sup>	13.9	10.4	7.8	8.4	7.6	6.5	5.6	4.8	4.5
Of which: external debt	36.1	36.8	34.8	38.2	36.4	34.5	33.3	32.4	31.4
Memorandum items:									
GDP per capita (US dollars)	489	480	534	480	522	554	586	618	650
Nominal GDP (CFAF billions)	1,266	1,334	1,464	1,358	1,434	1,543	1,660	1,786	1,921

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

<sup>1</sup> Corresponds to IMF staff projections from the ECF request in December 2019.<sup>2</sup> Expenditure is on a cash basis.<sup>3</sup> Excludes grants, interest payments, and externally-financed capital expenditures.<sup>4</sup> Comprises government debt to BEAC (including on-lending of IMF resources), commercial banks, and government arrears.

## Annex VI. Chad— Update for CCRT Debt Relief

**Recent economic developments.** COVID-19 continues to have a severe economic impact on Chad. A national lockdown to contain the spread of the virus remains in place, disruptions in supply chains, and a drop in international oil prices are curtailing economic activity and weakening the outlook. Real GDP is expected to decline by 0.8 percent in 2020 against a 3 percent growth originally predicted. The non-oil primary (NOP) deficit is expected to widen to 9.1 percent of non-oil GDP compared to 4.9 percent projected in the 2020 budget, while the overall 3.0 percent of non-oil GDP surplus will now turn into a deficit of 1.9 percent. The current account is expected to widen to 18 percent of non-oil GDP against 8 percent originally projected.

**Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.** The authorities adopted, in the context of the revised budget, a COVID-19 fiscal package equivalent to about 3.8 percent of GDP which includes:

- COVID-19 containment and prevention measures estimated at 0.7 percent of GDP.
- Measures to help households (0.9 percent of GDP): The following measures were taken before April 8: (i) temporary suspension of payments of electricity and water bills, and (ii) clearance of arrears on death benefits due to deceased civil and military agents, indemnities and ancillary wages owed to retirees, and medical expenses for civilian agents and defense and security forces. Since April 8, the authorities adopted the following measures (i)

COVID Related Fiscal Measures (Percent of GDP)			
	FY 2020 projections		change
	Pre-Covid	Current	
Priority expenditures	3.6%	4.1%	0.5%
Of which			
Health	0.9%	1.1%	0.1%
Education	1.6%	1.8%	0.2%
Social	1.1%	1.2%	0.1%
Other Covid-related spending			
Covid prevention, containment & mgmt		0.7%	
Transfers to HHs		0.9%	
Transfers to Businesses, SOEs, gov't entities		2.2%	

Sources: Chadian authorities; and IMF staff estimates

introduction of a food distribution program with the help of UN agencies, (ii) tax exemptions and simplification of the import process for food and necessity items, including health equipment, and (iii) establishment of a Youth Entrepreneurship Fund. The authorities committed also to the creation of a solidarity fund for the vulnerable population amounting to CFAF 100 billion.

- Measures to help small and medium-sized businesses (2.2 percent of GDP): The following measures were taken before April 8: (i) reduction in business license fees and the presumptive tax by 50 percent, and (ii) tax breaks, such as carryforward losses and delays in tax payments, which will be considered on a case-by case basis. Since April 8, the authorities adopted the following measures: (i) clearance of arrears to suppliers, and (ii) subsidies to agriculture.

**Governance safeguards.** Commitments made by the authorities to insure a transparent use of COVID-19 resources in the context of the second Rapid Credit Facility (RCF) include the following: (i) all COVID-19 related spending will be reflected in a revised budget and will be committed in line with the CEMAC PFM directives, and (ii) All emergency spending will be subject to an ex-post compliance audit by a reputable international auditing firm, which will be completed with the support of the Inspectorate of Public Finances within six months of the end of the fiscal year and will be published within a month upon completion on the website of the Ministry of Finance and Budget.

**IMF support status.** On July 22, the Executive Board approved a disbursement under the Rapid Credit Facility (RCF) for SDR 49.07 million (about 35 percent of quota). This follows the Board approval on April 14, 2020 of the authorities' request for SDR 84.12 million (60 percent of quota) under the first RCF. The authorities also requested the cancellation the Extended Credit Facility (ECF) arrangement due to the high degree of uncertainty regarding the duration and scale of the pandemic. The authorities also expressed an interest in a successor ECF arrangement.

**Upcoming CCRT-eligible debt service.** Chad has debt service of SDR 2 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.<sup>1</sup>

**Staff assessment.** Staff assesses that Chad is pursuing appropriate macroeconomic policies to address the global pandemic. Referencing the public health and governance paragraphs above, staff also assesses that the resources received from the Fund are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

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<sup>1</sup> Please use [the Financial Data Query Tool](#) to obtain projected debt service for the specified time period.

**Table 1. Chad: Selected Economic and Financial Indicators, 2017–2025**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Prel.	Prel.	Est.	Pre-COVID19 Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)									
<b>Real economy</b>									
GDP at constant prices	-2.4	2.3	3.0	3.9	-0.7	6.1	4.8	3.9	3.8
Oil GDP	-11.2	12.7	7.6	7.5	2.4	19.2	10.6	4.4	2.8
Non-oil GDP	-0.5	0.3	2.0	3.0	-1.3	3.0	3.2	3.8	4.1
GDP deflator	-0.8	2.3	1.5	2.8	-3.2	3.6	2.8	2.8	2.8
Consumer price index (annual average)	-0.9	4.0	-1.0	3.0	2.8	3.0	3.1	3.0	3.0
<b>Oil prices</b>									
Brent (US\$/barrel) <sup>1</sup>	54.4	71.1	64.0	60.5	42.8	48.0	49.6	50.9	52.0
Chadian price (US\$/barrel) <sup>2</sup>	49.4	65.1	61.0	57.5	40.8	46.0	46.6	47.9	49.0
Oil production for exportation (millions of barrels)	36.0	42.2	47.0	51.1	48.3	58.9	65.9	69.1	71.3
Exchange rate CFA franc per US\$ (period average)	580.9	555.2	585.9	...	...	...	...	...	...
<b>Money and credit</b>									
Net foreign assets	0.5	11.3	6.9	11.2	-8.6	0.7	1.0	1.8	5.0
Net domestic assets	-4.8	-10.8	14.5	1.2	9.1	3.7	5.4	5.1	1.0
Of which: net claims on central government	-4.5	-6.9	10.2	-1.1	9.9	1.0	0.9	-1.8	-4.7
Of which: credit to private sector	11.5	0.6	1.0	2.3	0.8	2.7	4.6	4.5	5.8
Broad money	-2.9	1.9	19.7	12.4	1.9	4.4	6.4	6.9	6.1
Velocity (non-oil GDP/broad money) <sup>3</sup>	5.4	5.4	4.7	4.8	4.7	4.8	4.7	4.8	4.9
<b>External sector (valued in US dollar)</b>									
Exports of goods and services, f.o.b.	14.5	37.6	3.1	3.0	-21.8	29.8	12.0	7.1	6.4
Imports of goods and services, f.o.b.	5.4	10.3	4.5	4.1	5.0	14.2	4.1	6.8	5.7
Export volume	-12.2	11.1	9.6	8.5	10.7	19.4	9.8	4.2	3.3
Import volume	5.2	8.3	4.0	3.8	8.5	15.8	3.2	5.5	3.5
Overall balance of payments (percent of GDP)	-1.4	2.7	0.0	1.1	-4.7	-4.7	-3.0	-2.5	-3.0
Current account balance, including official transfers (percent of GDP)	-7.1	-1.4	-4.9	-6.2	-13.3	-9.7	-6.7	-7.0	-7.0
Terms of trade	30.2	21.4	-6.4	-5.4	-27.0	10.1	1.1	1.5	0.7
External debt (percent of GDP) <sup>4</sup>	25.6	25.8	24.6	23.2	29.6	30.1	29.0	27.6	27.3
NPV of external debt (percent of exports of goods and services)	94.1	64.2	58.8	59.1	90.4	77.8	71.9	67.9	66.6
(Percent of non-oil GDP, unless otherwise indicated)									
<b>Government finance</b>									
Revenue and grants	17.1	18.3	17.3	22.5	21.5	19.6	21.7	22.7	20.5
Of which: oil revenue	4.1	6.7	6.4	9.7	8.8	7.3	8.5	9.0	6.2
Of which: non-oil revenue	8.7	8.1	9.4	9.4	7.8	8.5	9.4	9.9	10.6
Expenditure	18.0	16.5	18.0	19.5	22.8	21.2	20.6	20.1	19.9
Current	13.7	12.0	12.5	13.1	15.2	14.3	13.7	13.1	12.8
Capital	4.4	4.5	5.6	6.4	7.6	7.0	6.9	7.0	7.1
Non-oil primary balance (commitment basis, excl. grants) <sup>5</sup>	-3.8	-4.2	-4.8	-4.9	-9.0	-7.2	-5.7	-4.6	-3.8
Overall fiscal balance (incl. grants, commitments basis)	-0.9	1.9	-0.8	3.0	-1.3	-1.6	1.1	2.6	0.6
CEMAC reference fiscal balance (in percent of GDP) <sup>6</sup>	0.5	-0.8	-2.1	-1.1	-4.3	-2.1	-0.7	0.0	-4.2
Total debt (in percent of GDP) <sup>4</sup>	50.3	49.1	44.3	39.7	45.0	42.2	39.1	36.1	34.8
Of which: domestic debt	24.7	23.2	19.7	16.6	15.5	12.1	10.1	8.5	7.5
<b>Memorandum items:</b>									
Nominal GDP (billions of CFA francs)	5,855	6,127	6,406	6,880	6,162	6,777	7,300	7,797	8,317
Of which: non-oil GDP	4,830	4,961	5,130	5,466	5,202	5,522	5,876	6,279	6,730
Nominal GDP (billions of US\$)	10.1	11.0	10.9	11.8	10.7	12.7	13.8	14.8	15.9

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

1 WEO projections for Brent crude oil price.

2 Chadian oil price is Brent price minus quality discount.

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

4 Central government, including government-guaranteed debt.

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

6 The 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.

## Annex VII. Union of the Comoros: Update for CCRT Debt Relief

**Recent Economic Developments.** While the numbers of officially reported infections and deaths remain low, the COVID-19 pandemic continues to have a severe economic impact on Comoros. Since approval of the CCRT grants in April, staff has lowered growth projections for 2020 slightly (to -1.8 percent from -1.2 percent) on account of a longer-than-anticipated closure of the airport and associated impacts from a reduced number of visitor arrivals. Fiscal projections have remained largely unchanged, however, taking account of revenue performance so far and the fact that the authorities have so far maintained earlier spending plans. Projections for financial support from donors have been maintained as well. On the external side, staff projects a smaller current account deficit on account of better than anticipated terms of trade and remittances inflows.

**Public health and macroeconomic policy response.** In the area of mitigating impacts on public health, the authorities have closed the airport and ordered various forms of social distancing. The authorities intend to use the financing provided by the Fund under the RCF and RFI in April 2020 to boost health, social and economic support to those most impacted by the pandemic. They have not, however, yet raised health spending in a substantial way, reflecting in part the small number of COVID-19 cases and receipt of in-kind donations for COVID-19 testing. As concerns mitigating macroeconomic impacts, the fiscal authorities have lowered customs duties for certain imports and delayed certain tax filing deadlines, and the central bank has addressed liquidity tensions by lowering obligatory reserve requirements.

**Governance safeguards.** In their request for Fund financial support under the RCF and RFI, the authorities committed to (i) report quarterly on pandemic-related spending; (ii) commission an independent and robust third-party audit of this spending in about a year's time and publish its results; and (iii) publish regularly on the government's website public procurement documentation on large public procurement projects, together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owner(s). To support implementation of their RFI commitments, the authorities are receiving capacity development to enhance the accounting and recording of fiscal spending and are preparing a supplementary budget to strengthen transparency.

**IMF support status.** The Executive Board approved emergency support on April 22, 2020 under the Rapid Credit Facility equivalent to SDR2.97 million (16.7 percent of quota) and a purchase under the Rapid Financing Instrument equivalent to SDR5.93 million (33.3 percent of quota) to meet Comoros' urgent balance of payment needs from the COVID-19 pandemic. The authorities recently expressed interest in resuming discussions interrupted by the pandemic towards a deeper engagement with the IMF.

**Upcoming CCRT-eligible debt service.** Comoros has debt service of SDR 0.8 million, which includes estimates for the GRA charges on the CCRT-eligible debt, falling due to the Fund during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses, based on available information, that Comoros is pursuing broadly appropriate macroeconomic policies to address the impact of the pandemic. With the resources freed by the initial tranche of Fund debt service relief and other Fund support, they stand ready to provide emergency health, social and economic support to mitigate the impact of the pandemic in the face of lower revenues, including shortfalls resulting from measures they have taken to mitigate the impact of the crisis on the economy.



## Comoros: Selected Economic and Financial Indicators, 2018–25

	2018	2019	2020		2021	2022	2023	2024	2025
		Est.	Pre-Covid <sup>1</sup>	April <sup>2</sup>	Proj.		Proj.		
(Annual percentage change, unless otherwise indicated)									
Real GDP	3.6	1.9	4.4	-1.2	-1.8	2.9	3.6	3.7	3.8
GDP deflator	1.0	4.6	1.2	2.5	2.0	2.0	1.9	1.9	1.9
Consumer price index (annual average)	1.7	3.7	1.4	3.0	2.5	2.1	2.0	2.0	2.0
Money and credit									
Net foreign assets	4.2	-5.6	1.6	-14.4	-3.7	-3.0	2.7	6.9	11.4
Domestic credit	4.9	7.5	0.5	2.9	1.6	3.8	3.8	2.8	3.1
Credit to the private sector	1.2	-1.6	2.0	-1.7	-1.1	5.1	5.0	4.9	4.8
Broad money	8.5	5.5	4.6	0.3	-0.9	4.1	5.6	5.7	5.8
Velocity (GDP/end-year broad money)	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
External sector									
Exports, f.o.b.	5.5	2.4	-0.9	0.0	-1.0	5.0	5.4	6.2	6.6
Imports, f.o.b.	11.1	7.5	12.7	-0.2	0.3	2.0	1.5	2.5	5.1
Export volume	2.9	4.7	-0.1	-0.6	-0.6	5.5	6.0	6.3	6.4
Import volume	11.1	1.0	10.3	-0.3	2.5	8.4	5.8	5.3	5.2
Terms of trade	-0.3	-3.4	-2.8	2.4	3.7	4.1	2.8	2.0	0.5
(In percent of GDP, unless otherwise indicated)									
Investment and savings									
Gross fixed capital formation	15.8	16.0	16.0	15.8	14.2	15.7	15.6	15.5	15.8
Gross national savings	13.2	12.2	10.5	11.5	10.3	10.7	11.1	11.6	12.4
Total revenue and grants									
Total revenue	11.3	8.7	9.1	7.2	7.2	9.3	9.4	9.6	9.9
Tax Revenue	8.3	7.0	7.8	6.0	6.0	7.8	8.0	8.1	8.3
Non-tax Revenue	3.0	1.7	1.3	1.3	1.2	1.4	1.5	1.5	1.6
Total grants	2.5	7.5	8.5	12.2	12.2	9.2	7.3	7.2	6.8
Total expenditure and net lending	14.9	18.3	19.7	23.3	23.3	21.0	19.1	19.0	18.7
Current expenditure	11.3	10.5	11.1	13.5	13.5	12.4	12.5	12.5	12.5
Capital expenditure	3.6	7.8	8.7	9.7	9.8	8.6	6.6	6.5	6.2
Domestic primary balance	-1.2	-2.5	-2.7	-7.0	-7.3	-3.4	-2.5	-2.4	-2.1
Overall balance (cash basis)	-0.4	-2.2	-2.2	-3.8	-3.9	-2.6	-2.3	-2.2	-2.0
Excluding grants	-2.9	-9.7	-10.7	-16.0	-16.1	-11.8	-9.7	-9.4	-8.8
Net Financing	0.7	2.2	2.2	3.8	3.9	2.6	2.3	2.2	2.0
Foreign (Including IMF)	0.2	2.1	2.3	3.9	4.0	2.6	2.3	2.2	2.0
Domestic	0.5	0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
Financing gap/errors and omissions	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External sector									
Exports of goods and services	12.9	12.3	12.4	11.2	11.2	11.5	11.8	12.0	12.3
Imports of goods and services	30.0	30.0	31.8	29.3	30.1	29.3	28.2	27.4	27.1
Current account balance	-2.8	-3.8	-5.5	-5.7	-3.8	-5.0	-4.5	-3.9	-3.4
Excl. official and private transfers	-16.6	-17.3	-19.0	-17.8	-18.3	-17.5	-16.3	-15.2	-14.5
Private remittances, net	12.3	12.1	12.1	9.0	11.2	10.8	10.3	9.9	10.0
External debt	19.6	23.7	27.0	29.7	27.8	29.8	30.4	30.9	31.2
Official grants and loans	3.1	10.5	11.6	17.0	16.9	12.2	10.3	10.1	9.7
Gross international reserves (end of period)									
In millions of U.S. dollars	198.4	196.4	197.7	182.2	221.7	222.4	226.8	229.4	236.7
In months of imports of goods & services	6.7	6.6	5.9	6.2	7.3	6.6	6.6	6.5	6.4
Exchange rate CF/US\$ (period average)	416.4	439.4	439.2	441.4	430.4				
Memorandum items:									
Public sector debt (in Percent of GDP)	19.6	23.9	27.1	30.1	30.1	32.8	33.5	34.0	34.8
GDP (nominal, in billions of CF)	491.0	523.1	550.4	527.9	523.7	549.5	580.2	613.0	648.3
GDP per capita (nominal, in US Dollars)	1,386	1,362	1,397	1,333	1,356	1,491	1,533	1,570	1,604

Sources: Comorian authorities and IMF staff estimates and projections.

1. 2019 Art. IV vintage.

2. CCRT request in April 2020

## Annex VIII. Democratic Republic of the Congo: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on the Democratic Republic of Congo (DRC), mostly due to some containment measures. By contrast, no major mine has shut down in the context of a limited spread of COVID to the mining regions. A rebound in copper prices and a sharp increase in gold prices have led to higher mineral production than projected at the start of the pandemic. Overall, real GDP is projected to contract by 2.2 percent in 2020 and to expand by 3.6 percent in 2021, compared to growth rates of 3.2 and 3.5 percent, respectively, in the pre-virus baseline. Non-extractive GDP is projected to contract by 2.6 percent in 2020, reflecting a weaker services sector and lower public investment. On the fiscal front, weak tax revenues and increased social spending led to a sizable fiscal deficit in the first semester of 2020 mostly financed by advances from the central bank. For the year, the fiscal cost of the pandemic would amount to about 2 percent of GDP, including revenue losses of 1.7 percent of GDP and higher public health outlays of 0.2 percent of GDP. The net shock to the BOP (financing gap) was estimated in turn at about US\$ 631 million, or 1.4 percent of GDP.

**Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.** The government adopted a COVID-19 national response plan with an estimated cost of US\$138 million (0.3 percent of GDP), including some off-budget outlays. The following fiscal measures were taken in that context: i) a three-month VAT exemption on pharmaceutical products and basic goods, ii) suspension of tax audits for companies, iii) a grace period for businesses on tax arrears, iv) full tax deductibility of any donations made to the COVID relief fund, and (v) free provision of water and electricity for two months to households and hospitals. So far, COVID-related spending in priority areas (through the budget) has amounted to 0.03 percent of GDP and consisted mostly of health-related spending in Kinshasa and transfers to provinces. Some additional marginal amounts were spent on confinement and security measures. Rapid Credit Facility (RCF) financing and debt relief are projected to cover mostly government revenue losses.

**Governance safeguards.** The authorities produced and published a revised 2020 treasury plan reflecting the expected impact of the

pandemic and additional support from development partners. They have committed to publish online monthly budget execution data, including COVID-19 related expenditures and all COVID-19 related procurement contracts that exceed a certain value (and disclose beneficial ownership information for

COVID Related Fiscal Measures (Percent of GDP)				
	FY2020 projections			As of July 2020
	Pre-COVID	Current	Change	
Priority expenditures	2.2	2.4	0.2	0.032
<i>of which</i>				0.030
Health				
Education				
Social				
Other COVID-related spending (confinement)				0.001
<i>Memorandum</i>				
Non Payment of utilities for 2 months for HH and hospitals		0.1		0.1

contracts exceeding US\$1 million). The General Finance Inspectorate is undertaking a specific audit of COVID-19 related expenditures, which will be published upon completion.

**IMF support status.** On April 22, 2020 the Board approved a Rapid Credit Facility (RCF) of SDR 266.5 million, or 25 percent of quota. This disbursement followed a first RCF disbursement approved in December 2019, which was coupled with a Staff-Monitored Program (SMP) through end-May 2020. The authorities intend to request an Extended Credit Facility (ECF) in the near future: tangible political commitment to implementation of sound economic policies and governance and structural reforms are prerequisites for a Fund-supported program.

**Upcoming CCRT-eligible debt service.** DRC has an SDR 9.9 million debt service falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** DRC authorities have sought, with reasonable success, to maintain macroeconomic stability under very challenging circumstances. Monetary policy was tightened substantially in the face of increased inflation and exchange rate depreciation, while budget execution has been aligned to available funding to avoid recourse to central bank advances. Data support the view that resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

**Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2017–2021**

	2017	2018	2019	2020		2021
				Projections		
	Act.	Prel.	Proj.	Pre-COVID	Current	Proj.
(Annual percentage change, unless otherwise indicated)						
<b>GDP and prices</b>						
Real GDP	3.7	5.8	4.4	3.2	-2.2	3.6
Extractive GDP	7.8	16.9	1.0	-2.4	-0.9	3.7
Non-Extractive GDP	2.4	1.9	5.7	5.4	-2.6	3.6
GDP deflator	43.1	29.8	2.9	5.7	11.2	11.3
Consumer prices, period average	35.8	29.3	4.7	5.0	11.5	12.1
Consumer prices, end of period	54.7	7.2	4.6	5.0	17.1	8.0
<b>External sector</b>						
Exports, f.o.b. (U.S. dollars)	-2.8	38.3	-19.5	-5.4	-5.0	9.5
Imports, f.o.b. (U.S. dollars)	-6.7	32.0	-15.5	0.1	-2.6	6.8
Exports volume	9.7	22.2	-2.5	-5.4	0.9	3.2
Import volume	-12.1	30.0	-14.7	-0.3	3.6	6.3
Terms of trade	15.9	5.9	-9.1	-1.2	-1.4	4.8
(Annual change in percent of beginning-of-period broad money)						
<b>Money and credit</b>						
Net foreign assets	29.2	10.1	15.9	6.2	8.2	7.5
Net domestic assets	13.6	20.2	13.5	0.5	11.4	9.4
Domestic credit	3.5	18.5	16.7	0.3	14.2	5.9
Of which: net credit to government	0.1	1.4	5.4	3.2	3.9	0.0
credit to the private sector	0.6	20.0	6.7	-2.9	10.3	5.9
Broad money	42.8	30.1	28.9	6.6	19.7	16.9
(Percent of GDP, unless otherwise indicated)						
<b>Central government finance</b>						
Revenue and grants	11.7	11.1	10.9	12.7	10.3	13.7
Revenue	9.8	10.0	10.1	11.3	8.7	10.4
Grants	2.0	1.1	0.8	1.4	1.7	3.3
Expenditures	10.4	11.1	12.9	13.3	12.0	13.7
Overall fiscal balance (commitment basis)	1.4	0.0	-2.1	-0.6	-1.6	0.0
Non-natural resource overall fiscal balance	-0.9	-3.2	-4.1	-2.7	-3.7	-4.6
<b>Investment and saving</b>						
Gross national saving	8.9	8.1	8.4	9.2	6.5	9.6
Government	0.8	-1.0	-4.1	-1.3	-2.7	-2.0
Non-government	8.1	9.1	12.5	10.6	9.2	11.6
Investment	12.1	11.7	12.6	13.5	11.2	13.0
Government	2.3	1.7	2.2	3.0	2.3	3.1
Non-government	9.7	10.0	10.4	10.5	8.9	9.9
<b>Balance of payments</b>						
Exports of goods and services	31.0	34.1	26.1	23.5	26.8	27.2
Imports of goods and services	34.7	37.7	29.9	26.9	31.5	31.4
Current account balance, incl. transfers	-3.3	-3.6	-3.8	-4.3	-5.0	-4.2
Current account balance, excl. transfers	-5.2	-5.3	-4.6	-5.6	-6.3	-7.0
Overall balance	0.2	0.2	-1.5	0.6	0.0	0.0
Gross official reserves (millions of U.S. dollars)	601	657	1,064	1,078	925	979
Gross official reserves (weeks of imports)	1.8	2.4	4.4	4.2	3.6	3.4
(Percent of GDP, unless otherwise indicated)						
<b>External public debt</b>						
Total stock, including IMF	16.9	13.7	13.1	13.8	15.9	15.1
Scheduled debt service (millions of U.S. dollars)	212	224	637	632	704	725
Percent of exports of goods and services	1.8	1.4	4.9	5.1	5.7	5.4
Percent of government revenue	5.8	4.8	11.8	10.6	15.9	13.0
<b>Exchange rate (CDF per U.S. dollars)</b>						
Period average	1,480	1,624	1,650	...	...	...
End-of-period	1,592	1,636	1,673	...	...	...
<b>Memorandum items:</b>						
Nominal GDP (billions of CDF)	55,676	76,496	82,196	89,806	89,442	103,119
Nominal GDP (millions of U.S. dollars)	37,615	47,099	49,816	52,591	46,062	49,624

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

## Annex IX. Djibouti: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Djibouti. The economy is projected to contract by 1 percent in 2020, an 8 percentage point downward revision from the pre-COVID forecast. The impact is also expected to be more protracted than envisaged at the time of the original CCRT request, warranting a 3 percentage point downward revision to 2021 growth. The shocks to external and domestic demand are weighing on transport, hospitality, construction, and small business activities in particular. Revenues (excluding grants) are expected to fall by 0.6 percent of GDP, while COVID-related spending is expected to reach 2.6 percent of GDP. External support, including from the IMF, has greatly reduced residual financing needs for 2020, but the outlook for 2021 remains highly uncertain.

**Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.** The authorities have responded swiftly and allocated US\$88.3 million or 2.6 percent of GDP towards COVID-related expenditures through a supplementary budget, of which 0.8 percent of GDP has been spent through June 2020. They put in place strict containment and mitigation measures such as travel bans, school and restaurant closures, and confinement of non-essential employees. They also implemented a national response plan, including measures to protect jobs, cash transfers, deferral of social and corporate tax contributions, and deferral of loan repayments. Support to businesses and SOEs has also been provided. As the number of new cases has declined, containment measures have begun to be lifted, with an intensified awareness drive.

COVID Related Fiscal Measures (Percent of GDP)	
	FY2020 Projections
COVID-related spending	2.6
Covid prevention, containment and mgmt	0.8
Transfers to HH	0.7
Transfers to business, SOEs, govt entities	0.6
other	0.5

**Governance safeguards.** COVID-related spending has been accounted through a supplementary budget to ensure transparent resource allocation. The authorities have also committed to publish the public procurement contracts related to COVID-19 expenditure of more than US\$100,000 and the beneficial ownership of companies on the Ministry of the Budget's website. They agreed to undertake an independent ex-post audit of COVID-related expenditure in early 2021 and publish the results to promote transparency.

**IMF support status.** On May 8, 2020, the Board approved disbursements under the RCF for SDR 31.8 million (US\$43.4 million, 100 percent of quota) and the CCRT for SDR 1.692 million (US\$2.3 million). Djibouti is also a beneficiary of the Debt Service Suspension Initiative (DSSI).

**Upcoming CCRT-eligible debt service.** Djibouti has debt service of SDR 1.692 million falling due to the IMF during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Djibouti is pursuing appropriate macroeconomic policies to address the global pandemic. In light of the authorities staunch commitment and progress on mitigating the negative impact of the crisis in a transparent manner, staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

Table 1. Djibouti: Selected Economic and Financial Indicators, 2018–25

	Est.		2020		2021	2022	2023	2024	2025
	2018	2019	Pre-COVID	Current					
<b>National accounts</b>									
			(Annual percentage change)						
Real GDP	8.4	7.5	7.0	-1.0	7.0	6.5	6.5	6.0	6.0
Consumer prices (annual average)	0.1	3.3	2.9	2.9	2.4	2.1	2.0	2.0	2.0
Consumer prices (end of period)	2.0	3.3	3.5	2.5	2.2	2.0	2.0	2.0	2.0
<b>Central government</b>									
			(In percent of GDP)						
Revenues and grants	23.1	21.7	19.6	21.2	19.0	18.7	18.2	17.9	17.5
Tax revenues	12.9	12.0	11.7	10.7	10.8	10.8	10.8	10.9	10.9
Nontax revenue	7.0	6.4	6.2	6.6	6.3	6.1	5.7	5.5	5.2
Grants	3.3	3.3	1.7	3.8	1.9	1.8	1.6	1.5	1.4
Expenditure	25.9	22.5	21.8	22.7	22.0	21.3	20.8	20.2	19.6
Current expenditure	17.2	15.5	14.7	14.3	14.9	14.5	14.1	14.2	14.3
Capital expenditure	8.8	7.1	7.1	5.8	5.9	6.8	6.7	6.0	5.4
Domestically financed	3.2	3.8	2.8	2.3	2.2	2.2	2.3	2.3	2.3
Foreign-financed	5.6	3.2	4.4	3.5	3.6	4.5	4.5	3.7	3.0
Covid-19 related expenditures	...	...	...	2.6	1.2	0.0	0.0	0.0	0.0
Overall balance (commitment basis)	-2.8	-0.8	-2.3	-1.5	-3.0	-2.6	-2.7	-2.4	-2.1
Change in arrears	0.4	0.5	-0.3	-1.2	-0.3	-0.2	-0.2	-0.2	-0.2
Overall balance (cash basis)	-2.4	-0.4	-2.5	-2.7	-3.2	-2.9	-2.9	-2.6	-2.3
Memo: Overall balance, excluding large projects	-1.5	-0.4	-2.1	-2.7	-3.1	-2.4	-2.5	-2.6	-2.3
<b>Monetary sector</b>									
			(Annual change in percent of broad money)						
Broad money	-5.6	8.8	13.4	-5.8	4.2	5.0	2.0	2.1	2.2
Net foreign assets	-6.2	0.5	16.0	-8.8	2.1	2.0	2.0	2.1	2.4
Net domestic assets	0.6	8.3	-2.7	3.1	2.0	3.0	0.0	0.0	-0.1
Of which: Claims on government (net)	0.5	1.0	-0.4	1.8	-0.2	-0.1	0.0	0.0	-0.2
Of which: Claims on non-government sector	3.7	3.7	4.6	-0.4	5.6	5.8	4.0	4.0	4.2
Credit to non-government (in percent of GDP)	23.8	23.5	24.2	22.9	23.9	25.0	25.0	25.0	25.0
<b>External sector</b>									
			(In millions of US dollars)						
Current account balance	429	435	1	-108	-93	-46	-19	1	2
(In percent of GDP)	14.2	13.0	0.0	-3.2	-2.5	-1.1	-0.4	0.0	0.0
Underlying current account balance 1/	-34.5	83.8	1.4	-107.8	-93.5	-45.8	-18.8	1.0	2.4
(In percent of GDP)	-1.1	2.5	0.0	-3.2	-2.5	-1.1	-0.4	0.0	0.0
External public and publicly guaranteed debt	2,085	2,209	2,342	2,392	2,548	2,709	2,859	2,960	2,983
(In percent of GDP)	69.2	66.0	64.1	70.2	68.3	66.7	64.8	62.1	57.9
Foreign direct investment	170	175	219	130	205	244	287	310	335
(In percent of GDP)	5.6	5.2	6.0	3.8	5.5	6.0	6.5	6.5	6.5
Exports of goods and services (percent change)	10.0	12.9	8.6	-20.4	9.8	7.3	7.9	8.2	5.5
Imports of goods and services (percent change)	-2.7	13.7	26.8	-10.4	7.5	6.3	7.3	7.7	5.3
Gross official reserves	445	494	529	419	438	459	484	512	541
(In months of next year's imports of goods and services, exc. re-exports)	3.3	3.8	4.2	3.1	3.1	3.1	3.1	3.1	3.1
Gross foreign assets of commercial banks	1,345	1,408	1,499	1,328	1,348	1,368	1,388	1,408	1,428
(In months of next year's imports of goods and services, exc. re-exports)	10.1	10.9	11.8	9.8	9.5	9.2	8.9	8.5	8.2
Exchange rate (DF/US\$, end of period) 2/	177.7	177.7	...	...	...	...	...	...	...
Real effective exchange rate (yearly average, 2005=100) 2/	105.3	109.5	...	...	...	...	...	...	...
(Change in percent; depreciation -)	-3.1	4.0	...	...	...	...	...	...	...
<b>Memorandum items</b>									
Nominal GDP (in millions of Djibouti francs)	535,438	594,692	649,205	605,692	663,321	721,272	783,517	847,139	915,927
Nominal GDP (in millions of US dollars) 2/	3,013	3,346	3,653	3,408	3,732	4,058	4,409	4,767	5,154
Nominal GDP per capita (US dollars) 2/	2,872	3,103.0	3,295.2	3,074.3	...	...	...	...	...
Population (million)	1.049	1.078	1.109	1.109	1.138	1.167	1.196	1.226	1.226

Sources: Djibouti authorities and IMF staff estimates and projections.

1/ Current account balance excluding imports and exports associated with re-export activities.

2/ Latest available.

## Annex X. The Federal Democratic Republic of Ethiopia: Update for CCRT Debt Relief

**Recent Economic Developments.** Real GDP growth has been revised down from around 6 percent for both 2019/20 and 2020/21<sup>1</sup> prior to the crisis, to 1.9 percent and zero respectively on the back of containment measures to address the spread of the virus and the adverse impact of the pandemic on external demand and financial inflows. The fiscal deficit in FY2019/20 is estimated to have widened mainly driven by underperformance in tax revenues and higher COVID-19 related expenditures (mainly on health and emergency social assistance), the latter amounting to 1.6 percent of GDP. Sharply lower imports and higher-than-projected merchandise exports offset a decline in services exports, primarily from air travel and tourism, and remittances, leading to a narrower-than-projected current account deficit of around 4 percent of GDP. However, shortfalls in foreign direct investment, including due to a delay in the privatization of the Ethio-Telecom, led to an underperformance in reserve accumulation.

### Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.

In May 2020, the authorities approved supplementary budget allocations of around 0.5 percent of GDP to cover COVID-related healthcare spending needs, and 1 percent of GDP to meet humanitarian needs accentuated by the crisis (primarily emergency food distribution and sanitation). In addition, the authorities introduced a number of temporary tax relief measures aimed at alleviating pressures on businesses,

mainly in the form of deferral of tax liabilities. These measures led to only a 1 percent of GDP widening of the deficit relative to pre-pandemic projections, amid significant scaling back of planned capital expenditure and modest external COVID-related grant financing of 0.1 percent of GDP. Net monetary financing of the general government deficit exceeded the pre-pandemic target, largely due to the on-lending of the RFI disbursement for budget support, as intended. For 2020/21, the authorities have approved a budget that envisages a modestly larger 3.1 percent-of-GDP deficit (relative to the ECF-EFF program approval deficit target of 2.5 percent) as COVID-related spending needs are expected to remain significant through the first half of the fiscal year.

**Governance safeguards.** All tenders for public contracts (primarily for healthcare supplies and humanitarian support goods) have been carried out through a competitive bidding process, in accordance with national procurement law, and bidding documents are published online.<sup>2</sup> The

Ethiopia: COVID-Related Fiscal Measures (Percent of GDP)			
	FY 2020 Projections		Change
	Pre-COVID	Current	
Priority COVID-related expenditures	0.99	2.52	1.53
of which			
Health	0.87	1.35	0.48
Social spending	0.12	1.17	1.05
Other COVID-related spending			
COVID-19 prevention, containment & management	0.000	0.005	0.005
Transfers to households	0.12	0.19	0.07
Transfers to state-owned enterprises, businesses, government entities	-	-	-
Memorandum item: Tax relief and other revenue measures		n.a.	

Sources: Ethiopian authorities and IMF staff estimates.

<sup>1</sup> Ethiopia's fiscal years run July 8 – July 7.

<sup>2</sup> See the website for the Ethiopian Public Procurement and Property Administration Agency, [www.ppa.gov.et](http://www.ppa.gov.et).



limited tax relief provided to businesses during the crisis was enacted transparently through a published regulation by the Council of Ministers and a directive by the Ministry of Finance, with the impact of the measures fully reflected in the budget. All funds secured from donors in 2019/20 were included in the approved supplementary budget, and a directive was issued to ensure that all mobilized resources (including the government's own sources) are accounted for and managed transparently. Monitoring of COVID-19 spending is led by a steering committee chaired by the deputy Prime Minister, while a technical committee chaired by Ministry of Finance has been established to monitor all budgetary processes from allocation to audit. The authorities committed under the RFI to provide information on how emergency relief funds are spent to internal auditors and to use independent auditors to conduct an ex-post audit.

**IMF support status.** Ethiopia's 3-year program under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements, with a total access of 700 percent of quota, was approved by the Board on December 20, 2019. Ethiopia's request for assistance from the Fund under the RFI in the amount of 100 percent of quota (SDR 300.7 million or about US\$411 million) and debt relief under the CCRT were approved by the Board on April 30, along with a reduction in EFF access by 50 percent of quota to comply with then applicable annual access limit policies. The first review under the ECF/EFF arrangements is scheduled to be discussed at the Board in the coming weeks.

**Upcoming CCRT-eligible debt service.** Ethiopia has debt service of SDR 4.489 million, which includes estimates for the GRA charges on the CCRT-eligible debt, falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Ethiopia is pursuing appropriate macroeconomic policies as it responds to the health and economic impacts of the global pandemic. As discussed in the public health and governance paragraphs above, staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

**Table 1. Ethiopia: Selected Economic and Financial Indicators, 2017/18–2024/25**

GDP		Poverty indicators in 2015/16 (national definitions)									
Nominal GDP (2019, billions of U.S. dollars)	96.1	Poverty headcount ratio (percent of population)									23.5
GNI per capita, Atlas method (2019, current US\$)	850	Food poverty (percent of population)									24.8
Population characteristics		Income distribution, 2015									
Total (2019, million)	96.6	Income shared by highest 10 percent of population									28.5
Urban population (2015)	19.5	Income shared by lowest 20 percent of population									7.3
Life expectancy at birth (2018, years)	66.2	GINI index									35.0
Economic Indicators											
	2017/18	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25	
	Act.	Act.	Prog.	Est.	Prog.	Rev. proj.	Prog.	Rev. proj.	IMF Staff Proj.	IMF Staff Proj.	IMF Staff Proj.
(Annual percentage change)											
National income and prices											
GDP at constant prices (at factor cost)	7.7	9.0	6.2	1.9	6.1	0.0	7.0	8.9	8.8	8.6	8.0
GDP deflator	12.4	13.2	19.4	22.8	12.3	18.3	8.8	8.6	8.0	7.9	7.8
Consumer prices (period average) <sup>1</sup>	14.5	12.6	19.4	19.9	11.1	16.7	8.1	8.4	8.0	8.0	8.0
Consumer prices (end period) <sup>1</sup>	16.8	15.3	18.1	21.6	9.4	12.2	8.0	8.0	8.0	8.0	8.0
External sector											
Exports of goods and services (U.S. dollars, f.o.b.)	13.1	7.9	12.8	0.2	12.7	4.2	14.0	17.6	15.4	12.7	9.7
Imports of goods and services (U.S. dollars, c.i.f.)	0.2	4.1	11.3	-9.0	9.4	-1.8	8.5	8.9	10.9	9.9	8.5
Terms of trade (goods, deterioration – )	-6.8	-2.5	4.1	15.5	5.6	6.2	3.2	0.8	-0.1	-0.6	-1.1
Nominal effective exchange rate (end of period, depreciation –)	-16.3	-1.5	...	-13.9	...	...	...	...	...	...	...
Real effective exchange rate (end of period, depreciation –)	-5.1	10.2	...	2.4	...	...	...	...	...	...	...
(Annual percentage change, unless otherwise indicated)											
Money and credit											
Change in net foreign assets	3.5	-63.2	83.9	-132.3	222.1	-633.8	95.2	298.8	112.7	44.8	30.7
Change in net domestic assets (including other items net)	31.0	24.4	16.9	19.5	13.9	17.7	14.4	10.3	9.6	13.8	18.0
Broad money	29.2	19.7	18.0	17.0	19.2	20.7	19.9	16.0	16.7	17.7	20.0
Base money	19.1	15.3	12.5	22.8	13.0	12.0	13.0	10.5	10.5	11.0	11.0
Velocity (GDP/broad money)	2.97	3.04	3.24	3.22	3.28	3.19	3.23	3.31	3.36	3.36	3.26
(Percent of GDP, unless otherwise indicated)											
Financial balances <sup>2</sup>											
Gross domestic savings	24.1	22.3	25.2	23.5	25.0	24.4	26.7	23.6	24.3	26.0	27.5
Public savings	1.3	1.7	2.6	-0.2	3.6	0.7	4.7	3.6	4.3	4.6	4.8
Private savings	22.8	20.6	22.6	23.7	21.4	23.7	22.0	20.0	20.0	21.3	22.7
Gross domestic investment	34.2	35.2	34.3	33.4	36.3	34.2	38.1	33.6	34.6	36.1	37.3
Public investment	11.6	11.2	10.0	8.4	10.3	8.2	10.3	8.7	8.7	8.8	7.3
Private investment	22.5	24.0	24.3	25.0	26.0	26.0	27.8	24.9	25.9	27.3	30.0
Resource gap	-10.1	-12.9	-9.1	-9.9	-11.4	-9.8	-11.4	-10.0	-10.3	-10.1	-9.8
External current account balance, including official transfers	-6.2	-5.1	-5.5	-4.0	-4.6	-4.2	-4.6	-3.2	-3.2	-3.2	-3.2
Government finances											
Revenue	12.3	11.5	11.7	10.1	13.0	10.7	14.2	13.1	13.8	14.4	14.5
Tax revenue	10.7	10.0	10.1	8.6	11.5	9.2	12.7	11.6	12.3	13.0	13.0
Nontax revenue	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
External grants	0.8	1.2	0.9	1.4	0.8	1.3	0.6	0.9	0.9	0.7	0.7
Expenditure and net lending	16.1	15.3	15.0	15.0	16.0	15.0	16.8	15.9	16.7	17.1	17.1
Fiscal balance, excluding grants (cash basis)	-3.8	-3.8	-3.4	-4.9	-3.0	-4.3	-2.6	-2.8	-2.9	-2.7	-2.6
Fiscal balance, including grants (cash basis)	-3.0	-2.5	-2.5	-3.5	-2.2	-3.1	-1.9	-1.9	-1.9	-1.9	-1.9
Total financing (including residuals)	3.0	2.5	2.5	3.5	2.2	3.1	1.9	1.9	1.9	1.9	1.9
External financing	1.3	1.3	1.2	1.8	1.0	1.5	1.7	1.2	1.3	1.0	0.0
Domestic financing	2.7	1.3	1.3	1.8	1.2	1.6	0.3	0.8	0.6	1.0	1.9
Public debt <sup>3</sup>	59.6	57.2	53.4	56.8	52.7	57.9	52.0	55.8	52.6	47.6	43.5
Domestic debt	29.2	28.9	25.4	27.6	22.6	25.1	19.1	21.6	18.8	17.0	16.3
External debt (including to the IMF)	30.4	28.3	28.0	29.2	30.1	32.8	32.8	34.1	33.8	30.7	27.2
Overall balance of payments (in millions of U.S. dollars)	-202	558	-346	-1,332	22	-1,593	-547	-408	-114	438	639
Gross official reserves (in millions of U.S. dollars)	2,847	3,415	4,031	3,110	5,661	4,340	7,441	6,235	8,037	8,721	9,421
(months of prospective imports of goods and nonfactor service)	1.7	2.2	2.0	2.1	2.6	2.7	3.2	3.5	4.1	4.1	4.1
GDP at current market prices (billions of birr)	2,200	2,696	3,391	3,345	4,094	3,990	4,828	4,812	5,694	6,709	7,805

Sources: Ethiopian authorities and IMF staff estimates and projections.

<sup>1</sup> The base is December 2016.<sup>2</sup> Based on data from Central Statistical Agency (CSA), except for the current account balance, which is based on balance of payments (BOP) data from National Bank of Ethiopia.<sup>3</sup> Public and publicly guaranteed external debt, which includes long-term foreign liabilities of NBE and external debt of Ethio-Telecom.

## Annex XI. The Gambia: Update for CCRT Debt Relief

**Recent Economic Developments.** Early containment measures helped arrest the local spread of the pandemic during March–June. However, signs of economic stress during the first half of the year were evident in a decline in tourist arrivals, stagnated private credit, and lower tax collections. Monetary policy was further eased, while private remittances helped in FX availability. Since July, reported cases have surged, leading to the reintroduction of strict containment measures in early August and delaying the anticipated recovery in tourism. Consequently, GDP in 2020 is projected to decline by 1.8 percent (compared to 2.5 percent growth projected in April 2020 RCF request), mitigated somewhat by favorable weather conditions, and growth in 2021 is also revised downwards. The fiscal policy response crystallized in a supplementary appropriation bill (SAP), approved in July 2020 and equivalent to 3 percent of GDP, focusing on health and socioeconomic response and measures to stimulate the economic recovery. An anticipated continuation of fiscal pressures through mid-2021 amid depressed revenues and no expected budget support in the initial months of 2021 will contribute to a widening of the BOP gap over the next year, calling for additional external support from the IMF.

**Public health and macroeconomic policies.** The immediate interventions, committed by the time of the CCRT request in April, included an emergency health plan (0.5 percent of GDP) implemented by the authorities with their own resources and a grant from the World Bank (0.5 percent of GDP) for the procurement of health supplies. These interventions were supplemented by a 0.9 percent of GDP food distribution program (which was largely RCF-financed). Subsequently, the SAP included an additional 0.5 percent of GDP for health and a WFP-led food distribution program, although with the recent surge in COVID-19 cases, this envelope may be augmented. The bulk of the SAP is dedicated to supporting tourism sector, SOEs, and infrastructure projects. In parallel, most donor partners stepped up their interventions in the social area. Most notably, the World Bank allocated 0.7 percent of GDP in 2020 for social safety net and the education sector to help cope with the impact of the pandemic. Overall, priority expenditures on health, education, and social support (including World Bank support) have increased by 3.2 percent of GDP relative to the original budget. As of end-June 2020, 53 percent of the so far authorized COVID-19-related spending has been implemented.

**Governance safeguards.** A dedicated account for COVID-19-related spending was opened. Its usage through June has been itemized in the expenditure report published on the finance ministry website. Spending decisions to address the emergency were taken by a committee comprising all actors involved in the budget execution process. All subsequent emergency appropriations have been included in the SAP. The National Assembly held several televised hearings on the handling of the pandemic-related expenses. The internal audit at the Ministry of Health has been strengthened and an independent audit of all COVID-19-related spending will be performed by the National Audit Office (NAO). The earlier LOI commitments in this regard will be updated at the forthcoming first ECF review to clarify that the NAO will publish the audit of pandemic-related spending online within 9 months of the end of the fiscal year and that all pandemic-related procurement contracts will be subject to an ex-post validation of delivery and published within three months of contract signing, together with the names of the companies awarded and their beneficial owners.

**IMF support status.** The IMF Executive Board approved on March 23, 2020 a 39-month ECF arrangement in the amount of SDR 35 million (56.3 percent of quota), which was followed on April 15, 2020 by the approval of a COVID-19 emergency support under the RCF in the amount of SDR 15.55 million (25 percent of quota). The discussions for the first ECF review are scheduled for September 2020; all end-June performance criteria and structural benchmarks were met. The review will also assess the authorities' request

COVID Related Fiscal Measures (Percent of GDP)			
	FY 2020 projections		Change
	Pre-Covid	Current	
Priority expenditures	4.2	7.4	3.2
Health	1.5	2.9	1.4
Education	2.6	2.9	0.3
Social	0.1	1.5	1.5
<i>Memorandum Items:</i>			
Supplementary Appropriation (SAP)	...	3.0	3.0
Covid-related spending	...	3.4	3.4
World Bank Support: health social transfer and educ.	...	1.1	1.1
Health Emergency Plan	...	0.5	0.5
Food distribution program	...	0.9	0.9
Covid-related SAP	...	0.8	0.8
<i>of which:</i>			
Covid prevention, containment & mgmt	...	0.3	0.3
Transfers to HHs	...	0.3	0.3
Transfers to businesses, SOEs, govt entities	...	0.3	0.3
Source: Gambian authorities and IMF staff estimates.			

for the augmentation of access under the ECF arrangement by SDR 20 million (32.2 percent of quota), with the two forthcoming augmented disbursements to be on-lent to the budget to help address the additional financing needs stemming from the recent surge in COVID-19 cases.

**Upcoming CCRT-eligible debt service.** The Gambia has debt service of SDR 2.1 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that The Gambia is pursuing appropriate macroeconomic policies to address the immediate impact of the global pandemic. Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

## The Gambia: Selected Economic Indicators, 2018–25

	2018	2019	2020			2021			2022	2023	2024	2025
	Act.	Prel.	EBS/20/13	EBS/20/43	Proj.	EBS/20/13	EBS/20/43	Proj.	Projections			
(Percent change; unless otherwise indicated)												
National account and prices												
GDP at constant prices	7.2	6.1	6.3	2.5	-1.8	5.8	6.5	6.0	6.8	7.0	6.5	5.8
GDP deflator	7.0	7.1	6.3	6.2	4.5	5.5	5.9	4.4	6.1	5.9	5.9	5.6
Consumer prices (average)	6.5	7.1	6.7	6.7	6.1	6.0	6.0	6.0	5.5	5.1	5.0	5.0
Consumer prices (end of period)	6.4	7.7	6.2	6.2	6.5	5.8	5.8	5.8	5.2	5.0	5.0	5.0
External sector												
Exports, f.o.b (US\$ values)	-0.9	24.1	6.0	-11.3	-20.2	7.9	29.1	33.5	12.6	14.5	8.3	5.9
Imports, f.o.b (US\$ values)	11.9	14.7	13.6	-0.1	-9.2	8.3	20.5	14.7	13.8	9.9	7.8	4.9
Terms of trade (deterioration = -)	-3.3	-4.8	-3.3	-3.4	-2.0	-2.9	-3.2	-1.7	-2.2	-1.7	-1.7	2.6
Real effective exchange rate (depreciation = -)	-1.5	4.4	...	...	...	...	...	...	...	...	...	...
(Contributions to broad money growth; percent)												
Money and credit												
Broad money	20.0	27.1	15.5	12.8	10.1	11.5	12.5	10.9	...	...	...	...
Net foreign assets	14.0	18.7	9.2	5.4	3.5	9.2	8.7	3.8	...	...	...	...
Net domestic assets	6.0	8.4	6.3	7.4	6.6	2.3	3.9	7.1	...	...	...	...
Of which:												
Credit to central government (net)	7.1	3.9	1.2	3.7	6.5	0.0	0.0	4.2	...	...	...	...
Credit to the private sector (net)	5.0	6.0	3.4	1.5	0.2	2.3	3.9	2.9	...	...	...	...
Velocity (GDP/broad money)	2.4	2.1	2.0	2.0	2.0	2.0	2.0	2.1	...	...	...	...
(Percent of GDP; unless otherwise indicated)												
Central government finances												
Domestic revenue (taxes and other revenues)	11.8	13.9	13.7	13.1	13.1	14.0	13.8	13.3	14.0	14.3	14.5	14.7
Grants	3.3	7.1	9.3	9.3	10.6	8.5	8.2	7.2	7.8	7.1	6.2	5.9
Total expenditures and net acquisition of financial assets	21.2	23.2	24.4	24.8	27.3	24.2	23.9	23.3	23.8	22.5	21.5	20.9
Of which: Interest (percent of government revenue)	26.1	22.3	19.9	22.4	23.9	18.1	18.7	21.7	18.3	17.2	14.8	13.6
Net lending (+)/borrowing (-)	-6.1	-2.5	-1.7	-2.6	-3.8	-1.8	-1.8	-3.2	-2.2	-1.2	-0.8	-0.3
Net incurrence of liabilities	5.5	3.1	2.0	2.6	3.7	1.8	1.6	3.4	2.3	1.4	0.8	0.3
Foreign	2.5	2.6	2.0	1.6	1.1	1.8	1.6	1.8	1.9	1.4	0.8	0.3
Domestic	3.0	0.5	0.0	1.1	2.6	0.0	0.0	1.6	0.4	0.0	0.0	0.0
Primary balance	-3.0	0.6	1.0	0.3	-0.7	0.8	0.8	-0.4	0.4	1.2	1.3	1.7
Public debt	84.6	80.0	76.8	80.3	83.1	71.7	74.1	77.0	73.9	67.8	61.9	57.0
Domestic public debt	38.3	35.5	32.9	34.1	35.0	29.5	30.3	31.7	29.3	25.9	23.1	20.8
External public debt	46.3	44.5	43.9	46.2	48.1	42.3	43.8	45.3	44.6	41.9	38.9	36.2
External public debt (millions of US\$)	756.6	796.3	836.0	847.4	858.2	876.7	883.4	905.1	952.7	992.4	1014.9	1022.7
External current account balance												
Excluding official transfers	-10.4	-8.4	-11.9	-13.6	-13.6	-12.4	-12.6	-12.9	-12.7	-11.2	-9.9	-8.9
Including official transfers	-9.5	-5.3	-8.7	-9.8	-8.6	-9.9	-10.0	-10.7	-10.3	-9.2	-8.3	-7.4
Gross official reserves (millions of US\$)	157.0	225.0	268.0	258.0	316.0	313.4	303.4	347.2	375.5	401.9	426.2	451.7
(months of next year's imports of goods and services)	2.7	4.2	3.7	3.7	4.9	4.1	4.1	4.6	4.6	4.6	4.6	4.7
Savings and investment												
Gross investment	17.5	19.7	20.5	17.1	16.7	20.0	18.5	18.9	19.6	18.8	18.4	18.8
Of which: Central government	7.5	9.0	10.3	9.1	8.6	10.2	9.7	9.4	10.3	9.5	8.6	8.4
Gross savings	8.0	14.4	11.8	7.3	8.1	10.1	8.4	8.2	9.3	9.6	10.1	11.4
Memorandum items:												
Nominal GDP (billions of dalasi)	80.4	91.4	100.2	96.5	94.1	111.9	108.8	108.0	118.3	133.8	150.4	166.5
GDP per capita (US\$)	729.0	774.2	795.8	766.7	746.3	840.0	817.1	808.6	841.9	905.6	968.3	1019.3
Use of Fund resources (millions of SDRs)												
Disbursements	0	0	10.0	25.6	40.6	10.0	10.0	15.0	10.0	5.0	0.0	0.0
Of which: 2020 RCF	...	...	...	15.6	15.6	...	...	...	...	...	...	...
Of which: Proposed ECF Augmentation	...	...	...	...	15.0	...	...	5.0	...	...	...	...
Repayments	-5.5	-4.3	-3.6	-3.6	-3.6	-4.0	-4.0	-4.0	-2.8	-4.1	-3.9	-5.2
CCRT debt relief <sup>1</sup>	0	0	...	3.2	3.2	...	4.0	4.0	0.8	...	...	...
PV of overall debt-to-GDP ratio	...	69.4	65.6	68.5	71.7	61.5	63.4	66.4	63.5	57.0	52.3	48.3

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

<sup>1</sup>The grant for debt service falling due in the 12 months from April 13, 2021 is subject to the availability of resources under the CCRT.

## Annex XII. Guinea: Update for CCRT Debt Relief

**Recent Economic Developments.** The COVID-19 pandemic has deteriorated Guinea's growth outlook since the approval of the first tranche of CCRT debt service relief in April 2020. Economic growth in 2020 is expected to decelerate to 1.4 percent, compared to 2.9 percent projected at the time of the CCRT request, and 5.8 percent expected before the pandemic. A more severe local outbreak has led to a more pronounced slowdown in non-mining growth, with commerce, services, and transport activities particularly affected by border closures, social distancing and reduction in labor supply.<sup>1</sup> Developments in global commodity markets have strained the balance of payments, but a large increase in external financial support from the international community has reduced residual financing needs to about US\$36 million in 2020 (over 0.2 percent of GDP). Tax revenues are projected to be 1.9 percent of GDP lower than anticipated before the pandemic, and health-related spending to increase by 0.8 percent of GDP in 2020. Growth is projected to recover to 6.6 percent in 2021, supported by a resilient mining sector and a recovery in the services sector. The fiscal outlook will remain influenced by the pandemic, with the overall fiscal deficit projected at 3.1 percent of GDP in 2021.

**Public health and macroeconomic policy response.** The authorities are implementing a comprehensive plan to respond to the health emergency and mitigate the impact of the crisis (Text Table). Key measures focus on scaling-up health spending, protecting the most vulnerable from the impact of the crisis, and supporting the private sector. The budgetary cost of the plan is estimated at US\$203 million (about 1.5 percent of GDP). A second phase of the response plan estimated at about US\$50 million (0.34 percent of GDP) was announced in June, extending the measures until end-September 2020.

Guinea: COVID-19 Response plan (Percent of GDP)		
	Initial Response Plan	Additional measures
<b>Health spending</b>	<b>0.81</b>	<b>0.02</b>
<i>Of which:</i>		
Health Infrastructure	0.26	
Operational Costs	0.22	
Medical Equipment	0.14	
Medical Treatment & Diagnostics	0.09	
Surveillance	0.08	
<b>Protecting the Most Vulnerable</b>	<b>0.42</b>	<b>0.22</b>
<i>Of which:</i>		
Cash Transfers and High-intensity Works	0.21	0.01
Payment of Electricity Bills for Social Tariff Consumers	0.09	0.09
Food Stock Reserve	0.08	0.06
<b>Supporting the Private Sector</b>	<b>0.27</b>	<b>0.10</b>
<i>Of which:</i>		
Tax Relief to firms in tourism and hotels and SMEs	0.19	0.05
Support to the agricultural sector (cotton and cashew nut)		0.02
<b>Total</b>	<b>1.50</b>	<b>0.34</b>

Sources: Guinean authorities; and IMF staff estimates.

**Governance safeguards.** The authorities are preparing a supplementary budget that identifies COVID-related financing and expenditure. They also created a budgetary fund to account for all earmarked external and domestic resources to address the pandemic and ensure traceability of spending and established a dedicated account at the central bank to receive and disburse COVID-19 funds. The authorities also agreed to publish monthly reports on the execution of COVID-19, publish all procurement contracts awarded for COVID-19 related projects and conduct ex-post control of

<sup>1</sup> As of 8 September, 9,816 people have been reported infected (75 per 100,000 people) and there are 62 reported deaths (0.63% of the infected population). New cases have been relatively stable in recent months, with daily new cases oscillating between 50 and 100.

high-risk expenditures. A third-party audit of the use of COVID-19 spending will also be conducted and published online by June 2021. The authorities are also receiving technical assistance to enhance the management of the COVID-19 response funds.

**IMF support 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 completed on April 1, 2020. On June 19, 2020, the IMF Executive Board approved a disbursement of SDR 107.1 million (about US\$148 million) under the Rapid Credit Facility. The authorities have expressed interest in completing the ECF program, and discussions for the fifth and sixth reviews are expected to begin remotely in end-September.

**Upcoming CCRT-eligible debt service.** Guinea has eligible debt service of SDR 16.4 million falling due in the second period of debt service relief from October 14, 2020 to April 13, 2021.

**Staff appraisal.** Staff assesses that Guinea is pursuing adequate macroeconomic policies to address the effects of COVID-19. Based on information available, Staff believes that the resources freed by the initial tranche of CCRT debt service relief are being used to respond to the health and socio-economic crisis by mitigating the impact of the pandemic on the lives and livelihoods of the population.

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

	2017	2018	2019	2020		2021	2022	2023	2024	2025
	Act.	Act.	Prel.	pre-COVID proj.	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	5.8	1.4	6.6	7.0	5.2	5.0	5.0
Mining	55.5	8.7	8.0	8.6	-3.5	14.5	15.6	6.5	5.3	5.1
Non-mining	4.1	5.7	5.1	5.1	2.5	5.0	5.1	4.9	4.9	4.9
GDP deflator	10.4	10.0	9.3	8.2	8.5	8.2	8.1	8.1	7.8	7.8
GDP at market prices	21.9	16.8	15.4	14.4	10.1	15.4	15.7	13.8	13.2	13.1
Consumer prices (average)										
Average	8.9	9.8	9.5	8.5	9.1	8.0	7.9	7.8	7.8	7.8
End of period	9.5	9.9	9.1	8.1	8.7	8.0	7.9	7.8	7.8	7.8
External sector										
Exports, f.o.b. (US\$ terms)	68.7	-4.3	3.1	17.2	-1.2	20.3	10.3	14.3	8.2	5.8
Imports, f.o.b. (US\$ terms)	-6.6	18.5	-5.5	33.4	13.7	8.9	4.2	4.2	3.2	4.7
Average effective exchange rate (depreciation -)										
Nominal index	-1.4	0.2	2.4	...	...	...	...	...	...	...
Real index	4.9	7.2	9.3	...	...	...	...	...	...	...
Terms of trade	-6.9	-0.3	-9.6	13.0	24.3	-0.2	0.3	8.9	5.9	0.6
Money and credit										
Net foreign assets <sup>1</sup>	9.6	8.3	12.1	1.8	2.5	6.1	6.6	4.0	4.2	4.6
Net domestic assets <sup>1</sup>	6.2	1.9	10.8	3.6	6.1	0.3	0.3	0.8	1.8	1.4
Net claims on government <sup>1</sup>	5.0	10.0	6.1	1.6	2.4	1.3	1.1	0.6	0.8	0.4
Net claims on government <sup>1</sup> , excl. recapitalizati	5.0	-4.2	3.9	0.7	1.4	0.3	0.1	-0.4	-0.2	-0.6
Credit to non-government sector <sup>1</sup>	0.9	6.2	9.9	2.3	0.7	1.0	1.7	1.6	2.0	2.1
Reserve money	10.3	6.3	16.8	3.0	6.3	10.1	8.3	5.0	5.4	6.2
Broad money (M2)	15.8	10.2	23.0	21.7	8.5	6.4	7.0	4.8	6.0	6.1
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	15.2	13.6	14.9	15.6	16.3	16.8	16.9
Revenue	13.7	13.1	13.7	14.1	12.3	13.8	14.7	15.4	15.9	16.0
Of which: Non-mining revenue	11.4	10.6	11.8	11.7	10.9	11.7	12.3	12.9	13.3	13.4
Grants	1.5	1.4	0.5	1.1	1.3	1.0	0.9	0.9	0.8	0.9
Total expenditure and net lending	17.3	15.6	14.6	18.2	17.3	18.0	18.0	18.2	18.9	19.0
Current expenditure	11.5	10.6	10.9	11.3	12.4	11.2	11.3	11.3	11.4	11.4
Of which: Interest payments	0.9	0.8	0.5	0.7	0.7	0.9	1.0	1.0	1.0	1.0
Capital expenditure and net lending	5.7	4.9	3.6	6.8	4.9	6.7	6.6	6.8	7.4	7.5
Overall budget balance										
Including grants	-2.1	-1.1	-0.5	-3.0	-3.7	-3.1	-2.4	-1.9	-2.1	-2.2
Excluding grants	-3.6	-2.5	-0.9	-4.1	-5.0	-4.1	-3.2	-2.8	-3.0	-3.1
Basic fiscal balance	-1.1	0.8	0.6	0.6	-2.0	0.9	0.9	0.9	0.8	0.7
Current account balance										
Including official transfers	-6.7	-18.7	-13.7	-21.9	-20.5	-15.7	-13.1	-11.3	-10.3	-10.1
Excluding official transfers	-7.2	-19.1	-13.9	-22.3	-21.1	-16.1	-13.5	-11.8	-10.7	-10.6
Overall balance of payments	0.7	1.7	2.2	-0.4	-2.7	1.0	1.2	1.0	1.0	0.7
Memorandum items:										
Exports, goods and services (US\$ millions)	4,125.0	4,001.7	4,214.7	4,818.5	4,051.2	4,861.1	5,354.1	6,109.9	6,608.8	6,987.2
Imports, goods and services (US\$ millions)	4,894.2	5,695.9	5,432.9	7,254.3	6,189.3	6,711.7	6,967.0	7,262.0	7,492.2	7,891.9
Overall balance of payments (US\$ millions)	72.0	210.7	303.4	-62.7	-383.2	147.4	192.7	185.5	198.3	149.7
Net foreign assets of the central bank (US\$ million)	322.1	547.0	868.5	918.8	949.9	1,151.5	1,328.5	1,453.0	1,591.3	1,753.1
Gross available reserves (months of imports) <sup>2</sup>	2.5	3.2	4.7	3.8	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	28.5	30.8	33.7	33.3	33.0	32.8	32.8
Total public debt, incl. IMF (percent of GDP)	39.5	37.4	34.2	43.1	45.0	45.7	43.9	42.5	41.5	40.6
Nominal GDP (GNF billions)	93,942	109,761	126,707	144,980	139,446	160,903	186,117	211,726	239,668	271,180

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

<sup>1</sup> In percent of the broad money stock at the beginning of the period.<sup>2</sup> In months of the following year's imports excluding imports for large foreign-financed mining projects.



## Annex XIII. Guinea-Bissau: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Guinea-Bissau. 2020 growth projections have been revised down from 4.9 percent pre-virus to -2.9 percent due to the collapse of exports (-42.8 annual percent change, mostly cashew nuts) as well as lower consumption and investment following the nationwide lockdown. Staff projects a current account deficit of 12.1 percent of GDP (a deterioration of 7.6 percentage points of GDP relative to pre-shock estimates) and a balance of payments financing needs of 11.3 percent of GDP. Fiscal financing needs are estimated at 11.5 percent of GDP, of which 2.3 percent of GDP will be covered by additional grants. The budget deficit on a commitment basis is projected to widen to 8.3 percent of GDP compared to the pre-COVID 5.1 percent projection. The CCRT second tranche of debt service relief will contribute 0.1 percent of GDP to close these gaps.

**Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.** The state of emergency has been extended eight times and will remain in effect until September 8. Total priority spending and on-lending in response to COVID-19 amount to 2.3 percent of GDP since the start of the pandemic. The 2020 projected health budget (2.8 percent of GDP) is 1.3 percent of GDP above pre-shock estimates due to the COVID-related planned measures. So far, monthly health expenditures have increased by CFAF 222 million to purchase medicine, food, services, and equipment for hospitals. Other emergency health-related measures already taken amount to 0.3 percent of GDP. The government has assisted households by distributing 20,000 bags of rice and 10,000 bags of sugar (0.07 percent of GDP). Additional transfers to families, included in social expenditures are projected to reach 0.3 percent of GDP in 2020. The revised 2020 draft budget has been approved by the government and submitted to Parliament. The authorities are seeking additional international donor support. The regional central bank (BCEAO) has taken steps to satisfy banks' demand for liquidity and launched a refinancing window to help members meet immediate funding needs.

**Guinea-Bissau: COVID Related Fiscal Measures**  
(percent of GDP)

	FY2020 projections		Change
	Pre-Covid	Current	
Priority expenditures	4.2	6.2	2.0
<i>of which</i>			
Health	1.4	2.8	1.3
Education	2.6	2.8	0.2
Social	0.2	0.5	0.3
Other Covid-related spending			
Covid prevention, containment & mgmt	n.a.	n.a.	n.a.
Transfers to HHs	n.a.	n.a.	n.a.
Transfers to businesses, SOEs, govt entities	n.a.	n.a.	n.a.

**Governance safeguards.** The authorities agreed to publish the 2019 IMF Report on Governance and Anti-corruption and implemented several of its recommendations (approval of COVID-19 related expenditure by a reestablished Treasury Committee and curtailment of undue wage incentives). COVID-19 related funds are managed using a dedicated account at the BCEAO to facilitate traceability and accountability and will be subject to an ex-post independent audit.

**IMF support status.** Guinea Bissau's previous Extended Credit Facility (ECF) arrangement expired in July 2019 without concluding the last two reviews given political uncertainty (now resolved). The authorities have requested support under a Rapid Credit Facility (RCF) for SDR 14.2 million (50 percent of quota) -timing is currently under discussion, and an Extended Credit Facility (ECF). However, the latter will likely require a transition through a Staff-Monitored Program (SMP).

**Upcoming CCRT-eligible debt service.** Guinea-Bissau has debt service of SDR 1.363 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Guinea-Bissau is pursuing appropriate macroeconomic policies to address the global pandemic. The resources freed by the Fund debt service relief under the CCRT, and other support from the Fund, have been used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic.

**Table 1. Guinea-Bissau: Selected Economic Indicators, 2017–25**

	2017	2018	2019	2020		2021	2022	2023	2024	2025
			Prel.	Pre-Covid	Proj.			Proj.		
(Annual percent change, unless otherwise indicated)										
<b>National accounts and prices</b>										
Real GDP at market prices	4.8	3.4	4.5	4.9	-2.9	3.0	4.0	5.0	5.0	5.0
Real GDP per capita	2.5	1.1	2.3	2.6	-5.0	0.8	1.7	2.8	2.8	2.9
GDP deflator	10.4	-5.2	-3.5	2.1	-0.6	4.2	2.8	2.9	2.9	2.9
Consumer price index (annual average)	-0.2	0.4	0.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>External sector</b>										
Exports, f.o.b. (based on US\$ values)	22.9	-0.1	-28.4	9.2	-42.8	77.0	2.6	7.6	7.6	7.6
Imports, f.o.b. (based on US\$ values)	26.5	0.7	21.3	6.6	-19.9	4.6	5.5	8.3	8.0	7.4
Terms of trade (deterioration = -)	32.0	-21.4	-31.4	0.9	-11.6	13.8	2.8	3.0	2.7	2.9
Real effective exchange rate (depreciation = -)	0.5	2.3	2.2	...	...	...	...	...	...	...
Exchange rate (CFAF per US\$; average)	580.9	555.2	585.9	...	...	...	...	...	...	...
<b>Government finances</b>										
Revenue excluding grants	19.1	-3.7	9.2	5.3	-16.1	23.1	9.1	9.3	9.8	8.4
Expenditure	2.1	8.8	0.5	1.9	21.2	-6.2	1.3	5.0	7.2	8.2
Current expenditure	-3.5	7.2	18.2	-0.6	18.1	-11.8	3.3	4.6	6.5	7.7
Capital expenditure	13.7	11.5	-29.3	6.1	30.0	8.2	-3.0	5.8	8.8	9.1
<b>Money and credit</b>										
Net domestic assets	-2.9	2.6	4.3	4.5	-0.8	3.4	6.1	7.2	6.8	6.7
Of which:										
Credit to government	-14.1	-3.6	2.0	-0.5	-3.1	-0.4	-0.5	-0.7	-0.7	-0.6
Credit to the economy	15.0	4.4	4.6	2.7	1.6	3.0	5.9	6.7	6.7	6.6
Velocity (GDP/broad money)	2.4	2.3	2.3	2.3	2.2	2.2	2.3	2.3	2.3	2.3
(Percent of GDP, unless otherwise indicated)										
<b>Investments and savings</b>										
Gross investment	18.1	14.7	15.9	23.1	19.7	20.0	18.7	18.4	18.4	18.6
Of which: government investment	12.1	13.8	9.7	16.1	13.0	13.1	11.9	11.7	11.7	11.9
Gross domestic savings	14.3	11.5	1.2	13.8	0.9	9.4	8.1	7.9	8.0	8.5
Of which: government savings	6.1	5.3	2.4	5.7	-0.1	3.8	3.9	4.3	4.8	4.9
Gross national savings	18.4	11.1	7.4	18.6	7.6	15.8	14.3	14.1	14.2	14.7
<b>Government finances</b>										
Revenue excluding grants	11.8	11.6	12.5	12.2	10.9	12.5	12.7	12.9	13.1	13.1
Domestic primary expenditure	11.3	12.2	13.9	13.1	17.2	12.9	12.2	11.7	11.5	11.6
Domestic primary balance	0.5	-0.7	-1.4	-0.9	-6.3	-0.4	0.6	1.2	1.6	1.6
Overall balance (commitment basis)										
Including grants	-1.3	-4.9	-4.6	-5.1	-8.3	-5.2	-4.0	-3.3	-3.0	-3.0
Excluding grants	-6.3	-8.5	-7.5	-10.4	-14.3	-9.5	-8.1	-7.4	-7.0	-7.0
<b>External current account</b>										
	0.3	-3.6	-8.5	-4.5	-12.1	-4.2	-4.5	-4.3	-4.2	-4.0
Excluding official current transfers	-0.9	-4.8	-9.7	-5.8	-15.5	-6.6	-6.6	-6.3	-6.2	-6.0
<b>Stock of public and publicly guaranteed debt</b>										
	50.7	60.2	67.6	71.5	79.8	79.0	77.8	75.3	72.7	70.2
Of which: external debt	17.3	21.8	25.2	23.3	29.3	27.9	26.6	25.0	23.7	22.6
<b>Memorandum items:</b>										
Nominal GDP at market prices (CFAF billions)	853.6	836.0	843.5	892.9	814.3	873.9	934.7	1010.0	1091.2	1178.9
WAEMU gross official reserves (billions of US\$)	13.0	14.9	17.5	...	...	...	...	...	...	...
(percent of broad money)	29.4	31.1	34.1	...	...	...	...	...	...	...

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

## Annex XIV. Haiti: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a major economic and humanitarian impact on Haiti. There have been more than 8,200 confirmed COVID cases resulting in an estimated 200 deaths. GDP is forecast to contract by 4 percent in FY2020 (ending September 30) versus 0.4 percent in the pre-COVID baseline, before recovering by 1.2 percent in FY2021 (0.9 percent pre-COVID). This outlook has not changed since May. The fiscal deficit is projected to jump to 6.3 percent of GDP in FY2020, up by some 3 percent of GDP from the pre-COVID baseline: higher health and social expenditures and a drop in revenues by 0.6 percent of GDP would more than offset lower fuel subsidies and an almost tripling of external grants. Following a significant rebound in remittances in May and June, external financing needs are expected to reach 3.1 percent of GDP, below the level projected in May but still well above pre-COVID projections of 0.2 percent.

**Public health and macroeconomic policy response.** The authorities launched a public health preparedness plan for containment and treatment in March 2020, adopted solid measures to prevent the virus from spreading, and plan to spend 2.1 percent of GDP in FY2020 to respond to the Covid-19 pandemic, about 36 percent more in nominal terms than envisaged in May. The latest available data on COVID-related expenditures is May 2020. The authorities also relaxed some tax measures, including extending filing and payment deadlines for income and real estate taxes and prolonging the validity of fiscal compliance certificates to facilitate the smooth continuation of business operations.

**Annex. Consolidated DSSI Data Template for CCRT Assessment 1/**  
Central government unless otherwise noted  
(in millions LCU)

	end-2019	2020 (proj)	
		pre-COVID	most recent
Total revenue	99,931	116,654	118,919
<i>Total revenue gen. gov't (if available)</i>			
Grants	20,864	29,469	31,237
Priority spending	18,386	-	20,819
Health	4,950	-	5,688
Education	12,394	-	13,732
Social protection/assistance	1,042	-	1,399
Other COVID spending	-	-	18,174
COVID prevention/management	-	-	15,138
Support for HH	-	-	3,036
Support of business	-	-	-
<b>Memo items</b>			
Nominal GDP	732,313	868,582	860,465
USD-LCU p.a. exchange rate	84.1	101.8	103.1
Non-COVID revenue effects (est.)	-	-	-

1/ Intended for use by non-DSSI participating country teams to provide necessary data for staff to conduct the country assessment for the 2nd Tranche of the CCRT.

**Governance safeguards.** The authorities published the main COVID-related expenditures for April and May 2020. They are expected to release further monthly reports, including with greater detail, and also committed in April to undertake an *ex post* financial and operational audit of all COVID-19 related operations. An IMF technical assistance mission is planned for end-October to help with budget monitoring, including COVID-19-related fiscal operations.

**IMF relations.** Haiti does not currently have an IMF arrangement and has outstanding debt to the IMF of SDR 132.2 million. The country received emergency financing support in April under the RCF of SDR 81.9 million, raising amounts due to the Fund to 81 percent of quota (July 2020) from 33 percent in March 2020. A Staff Monitored Program (SMP) was negotiated *ad referendum* in May but has stalled pending implementation of two prior actions related to governance.

**Upcoming CCRT-eligible debt service.** Haiti has debt service of SDR 4.0 million falling due during the 6-month period from October 14, 2020 to April 13, 2021, the maximum period covered by the second tranche of debt service relief under the CCRT.

**Staff assessment.** As noted above in the public health and governance paragraphs, staff assess that the resources freed by the initial tranche of Fund debt service relief under the CCRT were used to help provide emergency health, social, and economic support to mitigate the impact of the pandemic on the population.

**Table 1. Haiti: Selected Economic and Financial Indicators, FY2018-22**  
(Fiscal year ending September 30)

Nominal GDP (2018): US\$9.7 billion	GDP per capita (2018): \$869						
Population (2018): 11.1 million	Percent of population below poverty line (2012): 58						
	FY2018	FY2019	FY 2020	FY2021	FY2022		
		Est.	Pre COVID-19 proj.	Current Proj.	Pre COVID-19 proj.	Current Proj.	Current Proj.
(Change over previous year; unless otherwise indicated)							
<b>National income and prices</b>							
GDP at constant prices	1.5	-1.2	-0.4	-4.0	0.9	1.2	1.0
GDP deflator	12.8	17.3	19.0	22.4	15.9	23.8	20.3
Consumer prices (period average)	12.9	17.3	19.0	22.4	15.9	23.8	20.3
Consumer prices (end-of-period)	13.3	19.7	17.5	25.0	14.5	22.0	19.0
<b>External Sector</b>							
Exports (goods, valued in U.S. dollars, f.o.b.)	8.8	11.4	3.7	-31.3	2.2	2.5	1.1
Imports (goods, valued in U.S. dollars, f.o.b.)	24.0	-6.4	-2.3	-10.8	1.7	-0.3	4.0
Remittances (valued in U.S. dollars)	21.1	8.5	6.2	-6.5	3.7	4.8	7.7
Real effective exchange rate (eop; + appreciation)	2.9	-10.9	...	...	...	...	...
<b>Money and credit</b> (valued in gourdes)							
Credit to private sector (in U.S. dollars and gourdes)	12.5	22.6	14.6	13.5	17.0	25.3	21.5
Base money (currency in circulation and gourde deposits)	25.8	19.4	18.6	25.5	17.0	25.3	21.5
Broad money (excl. foreign currency deposits)	13.7	22.0	18.6	25.8	17.0	25.5	21.5
(In percent of GDP; unless otherwise indicated)							
<b>Central government</b>							
Overall balance (including grants)	-1.7	-2.3	-2.2	-5.9	-2.0	-4.7	-2.1
Domestic revenue	13.0	10.8	10.0	10.2	11.1	11.2	12.9
Grants	4.3	1.4	3.4	3.6	3.0	6.0	3.7
Expenditures	19.0	14.4	15.6	19.7	16.2	21.9	18.6
Current expenditures	12.7	12.3	11.5	15.1	11.4	13.9	13.0
Capital expenditures	6.2	2.1	4.1	4.5	4.8	8.0	5.6
Overall balance of the nonfinancial public sector <sup>1/</sup>	-2.9	-3.6	-3.4	-6.3	-3.1	-5.0	-2.4
<b>Savings and investment</b>							
Gross investment	29.0	29.9	28.5	24.3	28.9	31.7	29.7
Of which: public investment	6.2	2.1	4.1	4.5	4.8	8.0	5.6
Gross national savings	25.1	28.5	27.7	21.8	27.8	31.3	29.2
Of which: central government savings	0.7	0.9	2.0	2.0	2.8	2.6	3.1
External current account balance (incl. official grants)	-3.9	-1.4	-0.9	-2.5	-1.1	-0.4	-0.5
External current account balance (excl. official grants)	-7.9	-3.5	-3.2	-6.0	-4.1	-6.3	-4.1
Net fuel exports	-10.1	-12.8	-12.5	-8.7	-11.6	-10.2	-10.3
<b>Public debt</b>							
External public debt (medium and long-term, eop)	23.5	27.4	25.4	30.6	24.2	28.4	26.5
Total public sector debt (end-of-period)	39.9	47.7	46.1	54.9	44.9	53.3	49.9
External public debt service <sup>2/</sup>	6.1	7.3	7.9	11.0	7.9	10.8	10.5
<b>Memorandum items:</b>	(In millions of dollars, unless otherwise indicated)						
Overall balance of payments	-51	-190	-21	-255	73	5	103
Net international reserves (program definition)	761	720	541	457	569	425	518
Gross international reserves	2,086	2,100	2,145	2,050	2,207	2,054	2,150
In months of imports of the following year	4.8	5.5	4.8	5.3	4.8	5.1	5.1
Nominal GDP (millions of gourdes)	631,829	732,313	868,582	860,465	1,015,809	1,078,043	1,310,067
Nominal GDP (millions of U.S. dollars)	9,658	8,705	8,533	8,347	8,842	8,050	8,323
Output gap (% of potential)	0.1	-0.6	-5.2	-3.2	-4.4	-2.1	-1.2

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

Note: Pre COVID-19 projections are from the 2019 Article IV Consultation.

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

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

## Annex XV. Liberia: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have an adverse economic impact on Liberia. The growth forecast for 2020 has been revised down from 1.4 percent at the time of the ECF approval in December 2019 to -3.0 percent, and from 3.4 percent to 3.2 percent in 2021. FY2019/20 domestic revenue ended in June at 13.6 percent of GDP, a decline from the pre-COVID projection of 14.9 percent of GDP, which, together with higher government spending needs and lower net private capital flows, have contributed to a projected balance of payments need of US\$150 million (5.1 percent of GDP) for 2020.

**Public health and macroeconomic policy response.** The authorities' efforts to fight the pandemic include gathering of all available resources and increasing and prioritizing expenditure: the authorities have introduced an excise tax on fuel to increase tax revenue by

1.2 percent of GDP in FY2021; COVID-19 related expenditure is set to increase by 5.1 percent of GDP in 2020 and is highly prioritized. For example, 3.1 percent of GDP is allocated to emergency food aid and cash transfers (Text Table). The authorities are also working with development partners to finalize the comprehensive off-budget COVID-19 response plan. Thus far, about 20 percent of the planned spending has been executed. Liberia has not participated in the G20 Debt Service Suspension Initiative.

COVID-19 Related Fiscal Measures (Percent of GDP)			
	2020 projections		Change
	Pre-COVID-19	Current	
Priority expenditures	16.5	20.4	3.9
<i>of which</i>	0.0	0.0	0.0
Health	9.1	10.0	0.9
Education	4.2	4.0	-0.1
Social	3.3	6.4	3.1
Other COVID-19-related spending		1.2	1.2
COVID prevention, containment & mgmt		0.7	0.7
Transfers to HHS		0.1	0.1
Transfers to businesses, SOEs, govt. entities		0.4	0.4

Sources: Liberian authorities, and IMF staff calculations.

**Governance safeguards.** The authorities have taken a strong step to improve fiscal transparency by publishing weekly fiscal reports starting in June 2020 on their website. Furthermore, starting from FY2020/21, the authorities are: i) requiring all institutions use the Integrated Financial Management Information System for all purchases under the central government's budget; ii) publishing all procurement contracts paid from the budget above specified thresholds; and iii) committing for the General Audit Commission to conduct a postcrisis audit of all crisis-related spending by June 2021 and to publish the results of the audit online within two weeks of its finalization.

**IMF support status.** On December 11, 2019, the Executive Board approved a four-year arrangement under the Extended Credit Facility for Liberia in an amount equivalent to SDR 155 million (60 percent of quota or about US\$ 213.6 million). Preparations for the first and second reviews are underway. In addition, on June 5, 2020, the Executive Board approved the disbursement of SDR36.176 million (US\$50 million) under the Rapid Credit Facility to support the authorities' response to the COVID-19 pandemic.

**Upcoming CCRT-eligible debt service.** Liberia has debt service of SDR 11.19 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Liberia is pursuing appropriate macroeconomic policies to address the global pandemic. Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.



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

	2018	2019	2020			2021			2022	2023	2024	2025
	Act.	Est.	ECF Approval	RCF	Proj.	ECF Approval	RCF	Proj.	Proj.	Proj.	Proj.	Proj.
(Annual percentage change)												
Real sector												
Real GDP	1.2	-2.5	1.4	-2.5	-3.0	3.4	4.0	3.2	4.1	4.9	5.3	5.4
<i>of which</i> , Mining & panning	24.3	13.2	9.7	8.6	1.7	6.8	6.8	1.9	4.2	5.2	5.3	5.3
<i>of which</i> , Non-mining	-1.3	-4.7	0.0	-3.5	-3.8	2.7	3.5	3.5	4.1	4.8	5.3	5.4
Nominal non-mining per capita GDP (U.S. dollars)	620	574	621	553	535	528	542	528	538	550	566	615
Nominal GDP (millions of U.S. dollars)	3264	3176	3099	2928	3068	3131	2954	3110	3250	3415	3604	3830
Inflation												
Consumer prices (annual average)	21.2	24.4	21.3	17.6	15.6	13.5	13.5	9.5	7.0	5.5	5.0	5.0
Consumer prices (end of period)	28.5	20.3	15.0	15.0	11.0	12.0	12.0	8.0	6.0	5.0	5.0	5.0
Population (millions)	4.5	4.6	4.7	4.7	4.7	4.8	4.8	4.8	4.9	5.1	5.2	5.3
(Percent of GDP, fiscal year)												
Central government operations <sup>1</sup>												
Total revenue and grants	25.9	28.0	29.9	27.6	28.3	29.8	27.7	28.2	28.6	28.4	27.9	27.0
Total revenue	12.9	14.2	14.9	13.1	13.6	15.9	13.7	13.7	15.9	16.7	17.2	17.5
Grants	13.0	13.8	15.1	14.5	14.7	13.9	14.0	14.5	12.7	11.6	10.6	9.5
Total expenditure	30.8	34.2	34.6	33.6	32.1	33.5	33.2	32.0	31.3	30.5	29.9	29.3
Current expenditure	21.3	23.2	22.7	22.6	22.1	22.0	22.0	21.2	20.2	19.2	19.0	18.7
Capital expenditure	9.5	11.0	11.9	11.0	10.0	11.5	11.2	10.7	11.1	11.3	10.8	10.6
Overall fiscal balance, including grants	-4.8	-6.2	-4.7	-6.0	-3.8	-3.7	-5.6	-3.8	-2.7	-2.1	-2.0	-2.3
Overall fiscal balance, excluding grants	-17.8	-19.9	-19.7	-20.5	-18.5	-17.6	-19.5	-18.3	-15.4	-13.8	-12.6	-11.7
Financing gap / unidentified financing	0.0	0.0	0.0	-2.4	0.0	-2.4	0.0	-1.2	0.0	0.0	0.0	0.0
Public external debt <sup>2</sup>	25.9	31.5	38.0	39.2	37.2	42.7	45.4	42.3	45.0	45.9	46.5	46.4
Public domestic debt <sup>3</sup>	10.2	18.8	19.1	20.3	20.5	18.4	20.2	20.6	19.9	18.7	17.5	15.4
(Percent, unless otherwise indicated)												
M2/GDP	19.6	20.3	16.7	22.0	21.2	16.3	22.3	21.2	21.2	21.2	21.2	21.2
Credit to private sector (percent of GDP)	16.3	14.8	17.3	15.9	15.3	17.8	16.5	15.3	15.2	15.3	15.5	15.6
Credit to private sector (annual percent change)	4.1	-11.3	1.3	-1.1	-0.4	3.7	4.6	1.1	3.9	6.3	6.7	6.9
Velocity (GDP-to-M2)	5.1	5.1	6.0	4.5	4.7	6.2	4.5	4.7	4.7	4.7	4.7	4.7
Money multiplier (M2/M0)	2.7	3.0	2.9	3.0	3.0	2.9	3.1	3.0	3.2	3.3	3.5	3.8
(Percent of GDP, unless otherwise indicated)												
External sector												
Current account balance												
including grants	-23.1	-24.4	-21.4	-22.8	-24.4	-21.9	-20.2	-25.0	-23.4	-22.9	-21.3	-20.1
excluding grants	-37.8	-38.6	-35.9	-37.3	-39.1	-35.5	-33.8	-38.7	-35.6	-34.1	-31.4	-29.7
Trade balance	-22.3	-19.2	-13.4	-18.5	-18.4	-12.3	-16.4	-21.1	-19.1	-18.1	-16.5	-15.4
Exports	12.8	13.4	20.3	15.6	16.2	21.9	15.7	15.4	15.0	14.7	14.8	14.9
Imports	-35.0	-32.5	-33.7	-34.0	-34.6	-34.2	-32.1	-36.5	-34.2	-32.8	-31.3	-30.2
Grants (donor transfers, net)	14.7	14.2	14.6	14.4	14.7	13.5	13.6	13.7	12.2	11.2	10.1	9.6
Financing gap ( - deficit / + surplus)	0.0	0.0	0.0	-5.1	-1.5	-4.8	0.0	-1.5	-1.4	-1.5	0.0	0.0
Gross official reserves (millions of U.S. dollars) <sup>4</sup>	297	292	308	336	316	333	401	380	413	439	429	434
<i>Months of next years imports</i>	2.2	2.3	2.3	2.7	2.3	2.4	3.2	2.7	2.9	3.1	2.9	2.6
CBL's net int'l reserves (millions of U.S. dollars) <sup>4</sup>	70	27	54	-16	4	63	28	52	64	78	101	131

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

<sup>1</sup> 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 1 to June 30.<sup>2</sup> 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.<sup>3</sup> Including the central government debts from the Central Bank of Liberia.<sup>4</sup> Projections for reserves assume that the remaining financing gap will be filled by donor financing, including possibly from the RCF, and other sources.

## Annex XVI. Republic of Madagascar: Update for CCRT Debt Relief

**Recent economic developments.** COVID-19 continues to have a severe economic impact on Madagascar. Since April, the macroeconomic outlook has weakened further, and real GDP is expected to contract by at least 1 percent in 2020, compared to an increase of 0.8 percent forecasted in April and a revision of more than 6 percentage points compared to pre-COVID forecast of 5.2 percent growth. With an expected decline of more than 1.5 percentage points of GDP in tax revenue compared to 2019, the domestic primary balance is expected to show a deficit of about 3.4 percent of GDP in 2020. On the external side, the current account deficit is expected to widen to 3.6 percent of GDP owing to lower external demand, the suspension since late March of the production and exportation of nickel and cobalt by the largest mining company, and a decline in tourism receipts to about half of 2019 level. These developments resulted in an estimated external financing gap in 2020 of 4.2 percent of GDP (before accounting for IMF emergency financing, the CCRT, the Debt Service Suspension Initiative, supported by the G-20 and Paris Club, reserve drawdowns, and other partners' additional budget support in response to the impact of the pandemic). Under current macro-economic assumptions, we anticipate a gradual growth recovery next year of 4.2 percent but subject to a high degree of uncertainty, and with the 2021 budget law still under preparation, an additional financing gap of between 1 and 2 percent of GDP is expected in 2021.

**Policy response.** The authorities have continued to implement mitigation measures to

accommodate the impact of the pandemic. To strengthen and coordinate mitigation measures, a Multisectoral Response Plan has been developed and has started to be implemented, including several social safety net measures to support vulnerable households; support to the private sector through tax relief measures and temporary salary subsidies; and provision of liquidity to the financial system. In total, the support to social sectors and the private sector mitigation plan is estimated at respectively 1.1 and 1.6 percent of GDP. A revised budget law for 2020 has been adopted in June, with

main priorities on social sectors (health, education, water and sanitation, and transfers to the most vulnerable), and on supporting economic activity, in particular, by pursuing an ambitious investment program. While IMF staff questioned the prioritization of some investments in the context of critical social needs, the authorities stressed that social infrastructure is a key priority, including the construction and equipment of hospitals, basic health centers, and of university campuses and classrooms. Since the adoption of the revised budget law, social spending has accelerated, including additional government in kind donations to the poorest and the disbursement of a second tranche of unconditional cash transfers.

### Madagascar: COVID Related Fiscal Measures (Percent of GDP)

	FY2020 projections		Change
	Pre-Covid <sup>1</sup>	Current <sup>2</sup>	
Priority expenditures	3.8	4.4	0.6
of which:			
Health	1.2	1.3	0.2
Education	2.3	2.8	0.5
Social	0.1	0.1	0.0
Water and sanitation	0.2	0.2	0.0

Source: Malagasy authorities.

<sup>1</sup>Initial budget law for 2020

<sup>2</sup>Revised budget law for 2020

**Governance safeguards.** The authorities have committed to strengthening transparency to ensure that funds received are used appropriately and for their intended purpose. These include the publication of the list of financial transfers, procurement contracts related to the response to the pandemic, and post-crisis audits. To improve the transparency and traceability of COVID-19-related spending, the government adopted a decree on July 1 (prepared with support of Fund technical assistance) establishing a dedicated COVID-19 Pandemic Response Fund and defining the associated control and accountability framework. Beyond a first allocation of about 0.5 percent of GDP, this fund will receive the contributions of Technical and Financial Partners supporting Madagascar in the fight against the impact of the pandemic. Development partners are working closely with the authorities to further improve the monitoring of all COVID-19-related spending, including through additional technical assistance requested by the authorities to assist in conducting a detailed analysis of the transparency of all COVID-19 spending and the implementation mechanism of the Multisectoral Response Plan.

**IMF support status.** On July 30, 2020, the Executive Board approved an additional US\$171.9 million disbursement (50 percent of quota) under the RCF following a first disbursement of US\$165.99 million in April 3, 2020 (another 50 percent of the quota). Beyond the emergency support under the two RCF disbursements, the authorities have expressed their interest in initiating discussions for a new arrangement to support their development strategy.

**Upcoming CCRT-eligible debt service.** Madagascar has debt service of SDR 3.055 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Madagascar is pursuing appropriate macroeconomic policies to address the global pandemic. Ongoing efforts to enhance transparency provide assurances that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

**Table 1. Madagascar: Selected Economic Indicators, 2017–25**

	2017	2018	2019	2020		2021	2022	2023	2024	2025
	Actuals	Est.	Prel. Est	Art IV <sup>1</sup>	Proj. <sup>2</sup>	Projections <sup>2</sup>				
(Percent change; unless otherwise indicated)										
National account and prices										
GDP at constant prices	3.9	4.6	4.8	5.2	-1.0	4.2	5.8	5.7	5.6	5.5
GDP deflator	8.6	8.6	5.6	7.2	4.6	6.0	5.7	5.5	5.5	5.4
Consumer prices (end of period)	10.6	6.9	4.0	6.2	5.5	5.9	5.6	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	11.0	10.9	8.7
Broad money (M3)	17.8	11.2	7.3	16.2	14.9	9.5	11.0	15.3	14.3	10.2
(Growth in percent of beginning of period money stock (M3))										
Net foreign assets	9.2	4.8	-2.6	6.9	-13.2	5.3	8.5	7.1	7.0	7.7
Net domestic assets	8.6	6.4	9.9	9.3	28.1	4.2	2.6	8.2	7.2	2.5
of which: Credit to the private sector	8.4	8.7	10.3	7.3	3.6	4.3	9.1	7.4	6.4	4.7
(Percent of GDP)										
Public finance										
Total revenue (excluding grants)	10.3	10.5	10.8	11.2	9.2	10.0	10.7	11.1	11.5	11.9
of which: Tax revenue	10.0	10.2	10.5	10.9	9.0	9.7	10.4	10.8	11.2	11.6
Grants	2.5	2.5	3.1	2.5	3.4	1.6	1.2	0.8	0.5	0.3
of which: budget grants	0.7	0.9	0.7	0.7	1.2	0.1	0.0	0.0	0.0	0.0
Total expenditures	14.9	14.3	15.3	16.4	17.9	16.4	16.8	16.4	16.5	16.3
Current expenditure	10.2	9.3	9.5	8.9	11.4	9.5	9.4	9.5	9.6	9.7
Capital expenditure	4.7	5.0	5.8	7.6	6.5	6.9	7.4	6.9	6.9	6.6
Overall balance (commitment basis)	-2.1	-1.3	-1.4	-2.7	-5.3	-4.8	-4.8	-4.5	-4.4	-4.1
Float (variation of accounts payable, + = increase)	0.6	-0.2	0.3	0.1	0.0	-0.1	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	-5.4	-4.9	-4.8	-4.5	-4.4	-4.1
Domestic primary balance <sup>3</sup>	-0.9	0.1	0.3	0.0	-3.4	-1.0	-0.5	-0.2	-0.2	0.0
Total financing	2.0	2.0	1.3	2.7	5.4	3.7	3.6	3.2	3.2	3.0
Foreign borrowing (net)	1.2	1.5	1.3	2.2	2.3	3.3	3.2	2.8	2.9	2.7
Domestic financing	0.8	0.5	0.0	0.5	3.0	0.4	0.4	0.4	0.3	0.3
of which: exceptional financing-RCF <sup>4</sup>					2.3					
Fiscal financing need <sup>5</sup>	0.0	0.0	0.0	0.0	0.0	-1.2	-1.2	-1.3	-1.2	-1.1
Savings and investment										
Investment	18.1	18.8	19.8	22.0	18.3	20.5	21.9	22.0	22.3	22.1
Government	4.7	5.0	5.8	7.6	6.5	6.9	7.4	6.9	6.9	6.6
Nongovernment	13.4	13.9	14.0	14.4	11.8	13.5	14.5	15.1	15.4	15.5
Gross national savings	15.4	20.3	17.3	20.5	14.7	17.4	18.8	18.7	18.9	18.7
External sector										
Exports of goods, f.o.b.	21.3	21.9	18.5	19.0	13.4	16.2	16.3	16.7	17.4	18.3
Imports of goods, c.i.f.	27.4	27.6	26.8	27.0	20.4	22.9	24.2	25.0	25.9	27.1
Current account balance (inc. grants)	-0.4	0.7	-2.5	-1.5	-3.6	-3.1	-3.1	-3.3	-3.3	-3.3
Public debt	40.0	39.9	38.7	39.8	44.8	44.3	45.7	47.0	48.2	49.3
External Public Debt	25.7	26.7	27.3	27.6	32.6	32.7	34.5	36.1	37.7	38.9
Domestic Public Debt	14.4	13.2	11.4	12.2	12.2	11.7	11.2	10.9	10.6	10.4
(Units as indicated)										
Gross official reserves (millions of SDRs)	1086	1221	1194	1390	1113	1290	1513	1677	1853	2053
Months of imports of goods and services	4.0	4.3	4.2	4.4	4.8	4.5	4.5	4.5	4.5	4.5
Memorandum items										
GDP per capita (U.S. dollars)	516	528	525	557	518	558	611	644	678	713
Nominal GDP at market prices (billions of ariary)	41,059	46,189	51,107	57,786	52,913	58,439	65,381	72,936	81,223	90,298

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

<sup>1</sup> Pre-Covid projections for 2020 (EBS/20/3, 2019 Article IV; Board meeting on January 31, 2020).<sup>2</sup> Post-Covid projections (EBS/20/124, Request for RCF disbursement; Board meeting on July 30, 2020).<sup>3</sup> Primary balance excl. foreign-financed investment and grants. Commitment basis.<sup>4</sup> RCF disbursement onlent by the central bank to the Treasury.<sup>5</sup> A negative value indicates a financing gap to be filled by budget support or other financing still to be committed or identified.

## Annex XXVII. Malawi: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Malawi. Since end-April, confirmed cases have accelerated and the partial lockdown and substantial drops in remittances, exports of goods, and tourism—in line with a worsened global outlook—are weighing on economic activity. As a result of these worsened conditions (relative to April), real GDP growth is expected to fall to 0.6 percent in 2020 (4.5 and 1.4 pps below pre-COVID and April 2020 projections)—a strong agricultural season prevented a larger decline—and improve to 2.2 percent in 2021; and the current account deficit for 2020 has widened to 19.9 percent of GDP (2.7 and 2.1 pps below pre-COVID and April 2020 projections). The FY 2019/20 domestic primary deficit reached 2.5 percent of GDP—an improvement relative to April projections of 3.4 percent of GDP deficit due to stronger than expected revenues (largely non-tax revenues)—which was substantially worse than pre-pandemic expectations of a 0.9 percent of GDP surplus due to revenue shortfalls and additional health and social spending to address the pandemic. These effects gain momentum in FY 2020/21, with even larger revenue shortfalls and higher spending needs, resulting in a projected deficit of 3.4 percent of GDP (2.2 pps higher than April 2020 projections). The new government (following July Presidential elections) is drafting the FY 2020/21 budget, which will be presented to Parliament in mid-September. Essential spending continues under a provisional budget. External financing needs are projected at 4.8 and 2.7 percent of GDP in 2020 and 2021 (2.7 and 1.9 pps higher than in April 2020).

**Policy Response.** With the help of development partners and resources freed by the CCRT,

government health care spending was increased 0.2 percent of GDP in FY19/20 (relative to budget), and another 0.4 percent of GDP in FY20/21 (relative to pre-pandemic projections) to develop testing capabilities and isolation centers, import medical equipment, hire 2000 medical staff, and raise public awareness; social assistance spending has been increased by 0.7 percent of GDP in FY20/21 (all except 0.1 percent of GDP financed by development partners), expanding the program to urban areas and increasing transfers for all beneficiaries. Select tax waivers, restructuring of loans, and a moratorium on debt service until end-2020 are supporting SMEs. The Reserve Bank of Malawi has reduced the domestic currency Liquidity Reserve Requirement (LRR) by 125 basis points to 3.75 percent (aligned with the foreign currency LRR); and introduced an Emergency Liquidity Assistance (ELA) framework.

### COVID Related Fiscal Measures (Percent of GDP)

	FY 2020/21 projections		
	Pre-Covid	Current	Change
Priority Expenditures			
<i>of which</i>			
Health	0.8	1.3	0.4
Education	0.5	0.4	-0.1
Social	0.6	1.0	0.4
Other Covid-related spending			
Protective personal equipment	0.0	0.4	0.4
Social cash transfers (government-financed)	0.0	0.1	0.1
Agricultural input program	0.0	0.1	0.1
Tax waivers	0.0	0.1	0.1

**Governance safeguards.** To ensure an effective and transparent use of financing related to COVID-19, the authorities are publishing procurement documentation (<https://www.ppda.mw/#>)—tenders, bids, and names of awarded companies and legal arrangements, products or services procured and their costs, beneficial owners, and ex-post validation of delivery on contract-by-contract basis; publishing quarterly statements on commitments and payments of COVID-19 related activities; and specifying COVID-19 related costs in published monthly salary report, budget funding, and cash management analysis. The National Audit Office will submit quarterly audits of COVID-19 related spending to the Minister of Finance and, once the pandemic abates, will publish and submit to Parliament a comprehensive audit of COVID-19-related spending.

**IMF support 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. In response to the pandemic, on May 1, 2020 the request for a disbursement of 47.9 percent of quota under the Rapid Credit Facility (RCF, no budget support) was approved and the request for a second disbursement under the RCF of 52.1 percent of quota (30 percent of which is proposed as budget support) is scheduled to be discussed by the Board on October 2. The authorities have cancelled the current ECF arrangement and plan to transition to a new one that is aligned with their new medium-term development strategy which will be finalized by end-2020.

**Upcoming CCRT-eligible debt service.** Malawi has debt service of SDR 7.202 million falling due to the Fund during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Malawi is pursuing appropriate macroeconomic policies to address the global pandemic. Ongoing efforts to enhance transparency provide assurances that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

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

	2018	2019	2020 <sup>3</sup>			2021			2022	2023	2024	2025
	Est.	Est.	2nd & 3rd Review	RCF I	RCF II	2nd & 3rd Review	RCF I	RCF II		Proj.		
<b>National accounts and prices</b> (percent change, unless otherwise indicated)												
GDP at constant market prices	3.2	4.5	5.1	1.0	0.6	5.5	2.5	2.2	6.5	6.5	6.3	6.3
Nominal GDP (billions of Kwacha)	5,060	5,711	6,466	6,528	6,252	7,279	7,326	6,933	7,884	8,816	9,790	10,856
GDP deflator	7.8	8.0	7.9	13.2	8.8	6.7	9.5	8.5	6.8	5.0	4.5	4.4
Consumer prices (end of period)	9.9	11.5	7.9	15.7	9.0	7.0	7.8	9.5	6.6	5.0	5.0	5.0
Consumer prices (annual average)	9.2	9.4	8.7	14.0	9.1	7.4	10.7	9.5	7.7	5.5	5.0	5.0
<b>Investment and savings</b> (percent of GDP)												
National savings	-7.2	-4.7	-4.6	-6.2	-8.6	-3.6	-4.3	-5.9	-4.6	-3.3	-2.5	-1.9
Gross investment	13.3	12.4	12.6	11.6	11.3	13.3	13.7	14.4	14.3	15.0	15.1	15.0
Government	5.0	5.6	5.8	5.4	5.3	6.3	7.5	8.0	7.6	8.1	8.0	7.9
Private	8.3	6.8	6.8	6.2	6.0	6.9	6.2	6.4	6.7	6.9	7.1	7.1
Saving-investment balance	-20.5	-17.1	-17.2	-17.8	-19.9	-16.8	-18.0	-20.3	-18.9	-18.3	-17.6	-16.8
<b>Central government</b> (percent of GDP on a fiscal year basis) <sup>1</sup>												
Revenue	21.0	21.1	22.0	20.4	21.2	22.5	20.4	20.0	21.3	22.9	24.1	25.5
Tax and nontax revenue	19.6	19.1	19.8	18.2	19.1	20.3	18.2	17.4	18.6	20.2	21.3	22.9
Grants	1.5	2.0	2.2	2.3	2.1	2.2	2.2	2.6	2.6	2.8	2.7	2.6
Expenditure and net lending	28.9	28.2	26.8	29.7	30.6	25.7	27.7	32.0	31.8	31.4	31.6	30.8
Overall balance (excluding grants)	-9.3	-9.1	-7.0	-11.6	-11.5	-5.4	-9.5	-14.6	-13.2	-11.2	-10.2	-7.9
Overall balance (including grants)	-7.9	-7.0	-4.9	-9.3	-9.4	-3.2	-7.3	-12.0	-10.5	-8.4	-7.5	-5.3
Foreign financing	2.6	1.5	0.9	1.3	1.2	1.1	1.4	2.9	1.8	1.7	1.6	1.6
Total domestic financing	7.8	6.8	4.3	8.3	7.4	2.1	5.9	9.0	8.8	6.8	5.9	3.6
Discrepancy	-0.4	0.1	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance	-4.3	-2.7	-0.8	-5.0	-3.9	0.2	-3.3	-6.2	-5.3	-4.7	-3.5	-1.9
Domestic primary balance <sup>2</sup>	-2.6	-1.2	0.9	-3.4	-2.5	2.0	-1.3	-3.4	-2.8	-2.2	-1.0	0.6
<b>Money and credit</b> (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	14.3	9.5	12.8	12.2	10.9	13.7	11.8	11.1	10.9
Net foreign assets	-11.6	5.8	10.1	-2.2	-12.4	10.8	5.9	4.6	4.7	4.8	6.3	8.9
Net domestic assets	22.9	2.3	3.3	16.5	21.8	2.0	6.3	6.3	9.0	7.0	4.7	2.0
Credit to the government	7.3	1.8	2.3	9.0	25.8	1.8	5.7	13.1	7.3	5.8	5.0	3.6
Credit to the private sector (percent change)	11.5	21.3	14.8	7.8	6.0	15.2	7.2	11.7	10.0	9.5	8.7	8.0
<b>External sector</b> (US\$ millions, unless otherwise indicated)												
Exports (goods and services)	1,112	1,250	1,365	1,167	1,132	1,482	1,264	1,245	1,331	1,438	1,563	1,694
Imports (goods and services)	2,927	3,014	3,270	3,075	3,204	3,486	3,205	3,402	3,460	3,606	3,759	3,921
Gross official reserves	750	815	950	861	855	1,097	900	940	982	1,041	1,118	1,214
(months of imports)	3.0	3.1	3.3	3.2	3.0	3.6	3.3	3.3	3.3	3.3	3.4	3.5
Current account (percent of GDP)	-20.5	-17.1	-17.2	-17.8	-19.9	-16.8	-18.0	-20.3	-18.9	-18.3	-17.6	-16.8
Current account, excl. official transfers (percent of GDP)	-20.5	-17.6	-17.2	-18.1	-20.5	-16.8	-18.0	-20.3	-18.9	-18.3	-17.6	-16.8
Current account, excl. project related imports (percent of GDP)	-18.6	-14.6	-14.9	-15.5	-17.3	-14.3	-15.0	-16.9	-15.6	-15.0	-14.3	-13.7
Current account, excl. official transfers and project related imports (percent of GDP)	-18.6	-15.1	-14.9	-15.8	-17.9	-14.3	-15.0	-16.8	-15.6	-15.0	-14.3	-13.7
Current account (percent of GDP, assuming financing gap is not closed)	-20.5	-17.1	...	-18.1	-20.5	-16.8	-18.0	-20.3	-18.9	-18.3	-17.6	-16.8
Real effective exchange rate (percent change)	7.6	13.9	...	...	...	...	...	...	...	...	...	...
Overall balance (percent of GDP)	-0.2	0.6	1.7	-2.0	-4.5	1.8	-0.1	-1.4	0.4	0.6	1.0	1.4
<b>Financing gap</b>												
Of which: Grants for debt relief under IMF CCRT	...	...	...	...	4.5	...	...	5.5	...	...	...	...
Prospective grants for debt relief under IMF CCRT	...	...	...	...	4.5	...	26.1	20.6	5.3	...	...	...
Financial support from other donors (incl. AfDB, WB, EU, UN, GAVI, DFID, Irish Aid, GIZ, Kf)	...	...	...	...	43.4	203.6	...	...	...	...	...	...
Of which: African Development Bank	...	...	...	...	45.1	...	...	...	...	...	...	...
Of which: World Bank	...	...	...	37.0	76.0	...	...	23.0	...	...	...	...
Of which: EU	...	...	...	...	60.8	...	...	...	...	...	...	...
Disbursement under IMF RCF I	...	...	...	93.0	91.0	...	...	...	...	...	...	...
Disbursement under IMF RCF II	...	...	...	...	101.8	...	...	...	...	...	...	...
Residual gap	...	...	...	35.0	0.0	...	40.0	187.5	43.5	37.0	18.7	...
Terms of trade (percent change)	-4.9	0.3	0.5	6.3	7.0	0.6	-1.8	-1.0	-2.8	-1.5	-1.7	-1.0
<b>Debt stock and service</b> (percent of GDP, unless otherwise indicated)												
External debt (public sector)	31.2	29.5	29.5	31.4	31.6	29.1	33.0	34.3	34.6	34.9	34.9	34.8
NPV of public external debt (percent of exports)	123.3	117.4	110.8	136.3	148.7	107.7	132.1	146.9	144.4	140.6	152.7	145.9
Domestic public debt	28.2	30.0	30.5	35.1	37.0	29.0	36.8	42.7	44.8	46.0	46.5	45.6
Total public debt	59.4	59.5	60.0	66.5	68.7	58.1	69.9	77.0	79.4	80.8	81.4	80.4
External debt service (percent of exports)	9.8	6.5	6.9	8.3	8.4	7.2	8.8	8.8	9.9	9.2	9.1	8.8
External debt service (percent of revenue excl. grants)	9.7	5.7	5.5	6.6	6.6	5.9	6.9	6.6	7.5	6.9	6.6	6.5
91-day treasury bill rate (end of period)	11.4	6.2	...	...	...	...	...	...	...	...	...	...

Sources: Malawian authorities and IMF staff estimates and projections.

<sup>1</sup>The fiscal year starts in July and ends in June. The current financial year, 2020, runs from July 1, 2019 to June 30, 2020.<sup>2</sup>Domestic primary balance is calculated by subtracting current expenditures (except interest payment) and domestically-financed development expenditures from tax and nontax revenues.<sup>3</sup>The 2nd and 3rd Reviews under the Extended Credit Facility (ECF) Review was completed on November 22, 2019. The first Rapid Credit Facility (RCF) disbursement was approved by the Board on May 1, 2020; and the second disbursement is scheduled for Board discussion on October 2, 2020.

## Annex XVIII. Republic of Mozambique: Update for CCRT Debt Relief

**Recent economic developments.** The outlook has deteriorated since April 2020, with real GDP falling 3.3 percent year-on-year in the second quarter, as lockdown measures and weaker external demand weighed on activity despite the support of a good agricultural harvest. Real GDP growth is expected to slow further to -0.5 percent in 2020, recovering to 2.1 percent in 2021 (6.5 and 1.9 percentage points below the pre-virus baseline of October 2019 respectively). The primary deficit is projected to widen to 3.8 percent of GDP due to lower revenue and higher crisis spending, and the current account deficit to widen to 60 of GDP owing mainly to a decline in commodities export receipts of 8.6 percentage points. On current expectations, US\$700 million in external financing needs this year will be covered with international support and a decline in international reserves. Downside risks to these projections are significant.

**Policy response.** The authorities are implementing measures to limit the economic impact of the pandemic and preserve macroeconomic stability. A fiscal package equivalent to 3.5 percent of GDP was announced, with spending focused on health (0.7 percent of GDP), transfers to the poorest households (1.6 percent of GDP), and support for small and micro-enterprises (1.1 percent of GDP), part of which has been executed. The authorities have received 54 percent of their requested US\$700 million (4.8 percent of GDP) in grants and concessional financing from development partners. Since April the central bank reduced the policy rate by 250 basis points to 10.25 percent, while the metical has depreciated by almost 10 percent against the U.S. dollar.

### Governance safeguards.

The authorities are committed to reforms to strengthen governance, transparency and accountability in line with recommendations of the Government's diagnostic report published in August 2019. With respect to crisis mitigation measures, the government has committed

to publishing an independent audit of spending and procurement processes once the crisis abates, and to publishing on the government's website large public procurement contracts including the names and beneficial owners of the companies awarded contracts, and ex-post validation of delivery, which has not started yet. The authorities plan to submit a revised budget to parliament in September to fully account for COVID measures and financing, have put in place monthly reporting

COVID Related Fiscal Measures (In percent of GDP)			
	2020 projections		Change
	Pre-Covid	Current	
Priority expenditure			
<i>of which</i>			
Health	2.6	3.2	0.7
Education	6.6	6.6	0.0
Social	0.9	0.9	0.0
Other Covid-related spending			
Covid prevention, containment and management	-	-	-
Cash transfers to at-risk poor families	-	1.6	-
Support to microbusinesses and SMEs	-	1.1	-
Memorandum			
Revenue losses	-	1.4	-



by the Health Ministry of funds received and their allocation, and have opened earmarked accounts at the central bank for spending on health and support to households.

**IMF program status.** The IMF Executive Board approved a US\$309 million disbursement (100 percent of quota) under the Rapid Credit Facility to address the pandemic on April 24, 2020. The authorities have requested an ECF, and discussions are expected to start later in the year.

**Upcoming CCRT-eligible debt service.** Mozambique has debt service of SDR 9.5 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2nd tranche of debt service relief under the CCRT.

**Staff appraisal.** Staff assesses that Mozambique is pursuing appropriate macroeconomic policies to address the global pandemic. Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

**Table1. Mozambique: Selected Economic and Financial Indicators, 2017–2025**

	2017	2018	2019	2020		2021	2022	2023	2024	2025
	Prel.	Est.	Est.	WEO 2019 <sup>4</sup>	Proj.			Proj.		
<b>National income and prices</b> (Percentage change, unless otherwise indicated)										
Real GDP	3.7	3.4	2.3	6.0	-0.5	2.1	4.7	8.6	10.9	11.1
Real GDP, excl. extractive industries	2.1	2.9	2.8	5.8	0.4	2.1	4.7	4.0	4.0	4.0
Nominal GDP	11.7	6.5	6.8	14.5	4.4	7.8	10.5	15.5	18.4	18.6
GDP deflator	7.6	3.0	4.5	8.0	4.9	5.6	5.5	6.4	6.8	6.7
Consumer prices (end of period)	5.6	3.5	3.5	6.5	4.4	5.5	5.5	5.5	5.5	5.5
Consumer prices (annual average)	15.1	3.9	2.8	7.6	3.6	5.6	5.5	5.5	5.5	5.5
GDP (billions of meticaïs)	841	896	957	1084	999	1,077	1,189	1,373	1,626	1,929
GDP (billions of US dollars)	13.2	14.7	15.2	16.7	14.6	14.1	15.1	16.8	19.3	22.1
GDP per capita (US dollars)	445	485	488	522	455	431	447	486	542	606
<b>Investment and savings</b> (Percent of GDP)										
Gross domestic investment	33.2	50.0	42.3	88.3	66.0	73.2	88.7	72.1	52.4	43.0
Gross domestic savings, excl. grants	13.5	20.5	21.9	21.6	6.1	4.3	5.0	3.7	11.3	15.2
<b>Central government</b> (Percent of GDP)										
Total revenue <sup>1</sup>	25.1	23.8	28.9	25.1	21.0	24.1	25.5	26.1	24.8	23.2
of which: LNG revenues	...	...	...	...	...	...	...	1.8	2.2	2.3
Total expenditure and net lending	30.0	32.6	30.0	34.7	31.7	31.7	30.6	29.2	26.9	24.8
of which: current expenditure	19.3	21.7	22.2	21.7	23.8	23.2	21.7	20.2	18.9	17.4
Overall fiscal balance, before grants <sup>2</sup>	-5.1	-9.2	-1.1	-9.7	-10.6	-7.5	-5.1	-3.1	-2.1	-1.6
Grants	1.9	2.0	1.0	4.9	3.6	2.3	1.7	1.6	1.1	0.9
Overall fiscal balance, after grants <sup>2</sup>	-3.2	-7.2	-0.1	-4.8	-7.1	-5.3	-3.4	-1.5	-1.0	-0.7
Overall fiscal balance before LNG revenues, after grants	-3.2	-7.2	-0.2	-4.8	-7.1	-5.3	-3.4	-3.3	-3.2	-3.0
Primary fiscal balance, after grants	-0.2	-2.8	3.1	-1.0	-3.8	-2.1	-0.5	1.1	1.3	1.3
<b>Public sector debt</b> (Percent of GDP)										
Nominal stock of total debt	106.6	109.1	106.3	111.4	124.7	128.7	128.5	121.7	109.8	97.0
of which: external	87.4	91.6	87.7	96.3	105.6	107.9	108.6	104.1	94.2	83.7
Nominal stock of total debt, excl. ENH's debt	100.6	102.2	96.7	93.3	108.5	107.0	101.0	90.8	80.5	70.9
of which: external debt, excl. ENH's debt	81.5	84.7	78.0	78.2	89.3	86.1	81.0	73.2	64.8	57.7
<b>Money and credit</b> (Percentage change, unless otherwise indicated)										
Reserve money	4.7	22.5	19.1	7.5	13.7	9.0	9.1	9.9	10.0	10.9
Broad Money (M3)	5.1	8.2	12.1	9.6	12.3	9.5	10.4	12.0	12.2	13.2
Percent of GDP	45.9	46.6	48.9	46.6	52.7	53.5	53.4	51.8	49.1	46.8
Credit to the economy	-13.7	-2.5	5.0	9.3	11.0	10.7	10.4	10.0	10.4	10.7
Percent of GDP	26.9	24.6	24.1	23.4	25.7	26.4	26.3	25.1	23.4	21.8
Policy rate (percent) <sup>3</sup>	19.5	14.3	12.8	12.8	10.3	...	...	...	...	...
<b>External sector</b> (Percent of GDP, unless otherwise indicated)										
Current account balance	-19.7	-29.6	-20.4	-66.7	-60.0	-68.9	-83.7	-68.4	-41.0	-27.8
excl. megaprojects	-29.8	-26.0	-27.1	-23.2	-28.7	-28.3	-25.3	-24.4	-21.6	-20.7
excl. megaprojects (MP) and indirect MP imports	-19.6	-18.1	-15.7	-11.7	-15.1	-14.1	-11.4	-11.4	-10.3	-10.3
Merchandise exports	35.9	35.3	31.0	34.5	22.5	32.9	35.1	40.5	46.9	51.6
excl. megaprojects	8.1	8.7	9.5	9.3	5.2	7.6	9.6	9.4	9.0	8.6
Merchandise imports	39.7	41.9	44.7	50.3	49.5	55.9	59.0	54.5	46.5	40.8
excl. megaprojects	34.1	33.3	35.5	33.9	36.2	38.0	36.4	34.3	30.9	28.7
Net foreign direct investment	17.4	18.3	14.6	21.2	17.1	22.2	28.2	21.0	15.0	11.3
Terms of trade (Percentage change)	0.2	-1.6	-1.5	-0.7	0.9	0.0	0.1	0.4	0.5	0.5
Gross international reserves (millions of US dollars, end of period)	3,338	3,081	3,884	2,991	3,368	3,175	3,221	3,405	3,728	4,081
Months of next year's non-megaproject imports	6.7	5.7	7.6	5.2	6.4	5.8	5.5	5.7	5.8	5.9
Net international reserves (millions of US dollars, end of period)	3,114	2,885	3,605	2,756	3,167	2,974	3,020	3,204	3,527	3,880
<b>Exchange rate</b>										
Meticais per US dollar, end of period	59.3	61.6	62.4	...	...	...	...	...	...	...
Meticais per US dollar, period average	63.9	60.9	63.1	...	...	...	...	...	...	...
Real effective exchange rate (Percentage change)	6.0	6.7	0.3	...	...	...	...	...	...	...

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

<sup>1</sup> Net of verified VAT refund requests.<sup>2</sup> Modified cash balances and including arrears.<sup>3</sup> Liquidity injection standing lending facility rate (2016), Bank of Mozambique's MIMO rate (2017, and latest as of August 2020).<sup>4</sup> Pre-Covid projections for 2020 corresponds to October WEO 2019.

## Annex XIX. Nepal: Update for CCRT Debt Relief

**Recent Economic Developments.** The COVID-19 pandemic continues to severely impact Nepal's economy through a decline in tourism, construction, and economic activity, and volatility of remittances. Since April, the macroeconomic outlook has deteriorated, in the context of a longer than expected lockdown. Real GDP growth is estimated at zero in FY2019/20 and 2.5 percent in FY2020/21 (compared to 6 and 5.7 percent respectively in the pre-pandemic baseline). Due to a sharp drop in revenues and Covid-19 response spending, the fiscal deficit is expected at 7.9 percent of GDP in FY2019/20 and 6.7 percent of GDP in FY2020/21 (compared to 4.5 and 4.4 percent of GDP respectively in the pre-pandemic baseline). While the current account deficit narrowed to 2.5 percent of GDP in FY2019/20 due to a collapse in imports, in FY2020/21 it is expected to widen to 7 percent of GDP as restrictions are lifted and economic activity picks up. Weak growth in economic partners and a fall in the number of workers going abroad will weigh on remittances and external financing needs. Nepal needs to preserve its foreign reserves to protect the credibility of the exchange rate peg, to prepare in case of further weakening of remittances, and to maintain buffers in case other risks materialize (including natural disasters).

**Public health and macroeconomic policy response.** Fiscal measures implemented include: (i) increased health spending which has enabled a rapid scale-up of covid-19 testing facilities from one to 42 laboratories; (ii) tax relief to households and businesses; and (iii) expansion of social assistance, including subsidies for utility bills, in-kind food transfers, and wage support for informal sector workers (including through expansion of the public works program). The FY2020/21 budget includes COVID-19 related spending measures estimated at 3.1 percent of GDP, comprising health (1.3 percent of GDP), social assistance (0.5 percent of GDP), and a concessional loan facility to firms (1.3 percent of GDP). To support the continued supply of credit, the Nepal Rastra Bank has ensured adequate liquidity (lowering the policy rate and cash reserve ratio), increased the size of the Refinance Facility Fund to provide subsidized interest rates to banks willing to lend to priority sectors, and eased macroprudential measures.

**Governance safeguards.** The authorities have committed to: (i) provide Fund staff with the NRB's audit reports and authorize its external auditors to hold discussions with staff; (ii) publish quarterly reports on the spending of COVID-19 funds and commission an independent audit of this spending by the Office of Auditor General of Nepal of COVID-19; and (iii) publish large public procurement documentation.

**IMF support status.** On May 6, 2020, the IMF Executive Board approved a disbursement (SDR 156.9 million; US\$214 million) under the Rapid Credit Facility (RCF) to support Covid-19 related spending. The authorities are considering a new UCT-quality program to support their Covid-19 response.

**Upcoming CCRT-eligible debt service.** Nepal has debt service to the IMF of SDR 3.57 million falling due during the 6- month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff supports the authorities' priorities to mitigate the impact of the pandemic and preserve macroeconomic stability. Immediate efforts are appropriately focused on increasing health spending, strengthening social assistance, ensuring adequate liquidity to the banking system, and supporting access to credit. Further measures may be needed if downside risks materialize. Ongoing efforts to enhance transparency and accountability of COVID-19 related spending provide assurances that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to provide health, social and economic support to the economy.

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

	2017/18	2018/19	2019/20		2020/21		2021/22	2022/23	2023/24	2024/25
			2020		2020					
			Article IV	Current	Article IV	Current				
			Baseline	Baseline	Baseline	Baseline				
		Est.	Proj.	Proj.	Proj.	Proj.	Projections			
Output and prices (annual percent change)										
Real GDP	6.7	7.1	6.0	0.0	5.7	2.5	6.0	5.2	5.0	5.0
Headline CPI (period average)	4.1	4.6	6.0	6.4	5.9	6.0	5.8	5.6	5.3	5.3
Headline CPI (end of period)	4.6	6.0	5.9	6.0	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	20.3	26.0	25.0	25.3	25.3	25.4	25.5
of which: Tax revenue	21.1	21.9	21.9	17.4	21.8	20.8	21.1	21.1	21.2	21.3
Expenditure	31.9	30.6	30.4	28.2	30.4	31.7	30.0	29.7	29.6	29.5
Expenses	23.0	23.6	23.1	21.8	23.1	24.7	23.2	22.9	23.0	23.0
Net acquisition of nonfinancial assets	8.9	7.0	7.3	6.5	7.3	7.0	6.8	6.8	6.6	6.5
Operating balance	2.3	2.4	2.8	-1.4	2.9	0.3	2.1	2.4	2.5	2.5
Net lending/borrowing	-6.7	-4.6	-4.5	-7.9	-4.4	-6.7	-4.7	-4.4	-4.1	-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	7.9	4.4	6.7	4.7	4.4	4.1	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	9.5	5.3	7.6	5.6	5.3	5.0	4.9
Foreign 2/	2.4	2.1	2.4	3.6	1.9	1.4	1.5	1.5	1.3	1.1
Domestic	0.4	4.2	3.7	5.9	3.4	6.2	4.1	3.8	3.7	3.8
Money and credit (annual percent change)										
Broad money	19.4	15.8	13.2	8.9	11.9	8.4	14.8	11.1	10.6	10.6
Domestic credit	26.1	21.7	17.6	16.5	15.7	16.4	17.3	14.3	13.0	12.7
Private sector credit	22.3	19.1	15.0	11.5	13.8	12.0	16.2	13.3	12.0	11.8
Saving and Investment (in percent of nominal GDP)										
Gross investment	55.2	62.3	54.6	49.1	53.4	50.1	48.7	47.9	47.2	46.4
Private	25.8	30.0	25.1	22.6	24.4	22.7	22.1	21.6	21.4	21.0
Central government	8.9	7.0	7.3	6.5	7.3	7.0	6.8	6.8	6.6	6.5
Change in Stock	20.5	25.3	22.2	20.0	21.7	20.4	19.8	19.5	19.2	18.9
Gross national saving	47.1	54.6	49.4	46.6	48.5	43.2	43.0	42.7	42.2	41.7
Private	46.1	53.3	47.8	48.9	47.0	44.4	42.4	41.8	41.2	40.7
Central government	1.0	1.2	1.6	-2.3	1.5	-1.2	0.6	1.0	1.0	1.0
Balance of Payments										
Current account (in millions of U.S. dollars)	-2,350	-2,369	-1,760	-809	-1,832	-2,367	-2,128	-2,108	-2,162	-2,196
In percent of GDP	-8.1	-7.7	-5.2	-2.5	-4.9	-7.0	-5.7	-5.2	-5.0	-4.7
Trade balance (in millions of U.S. dollars)	-10,849	-11,373	-11,658	-9,318	-12,379	-10,058	-10,646	-11,263	-11,833	-12,428
In percent of GDP	-37.4	-37.1	-34.2	-29.0	-33.1	-29.5	-28.6	-27.9	-27.2	-26.3
Exports of goods (y/y percent change)	15.5	12.1	1.4	-15.8	9.9	1.6	12.6	9.6	9.6	9.6
Imports of goods (y/y percent change)	27.4	5.4	2.4	-17.9	6.5	7.4	6.4	6.1	5.5	5.4
Workers' remittances (in millions of U.S. dollars)	7,224	7,769	8,402	7,124	8,825	6,230	6,767	7,215	7,548	7,897
In percent of GDP	24.9	25.3	24.7	22.2	23.6	18.3	18.2	17.8	17.3	16.7
Gross official reserves (in millions of U.S. dollars)	9,304	8,545	8,536	9,636	8,419	8,652	8,047	7,608	7,173	6,803
In months of prospective imports	7.9	8.7	6.6	9.1	6.1	7.6	6.6	5.9	5.3	4.8
Memorandum items										
Public debt (in percent of GDP)	30.2	30.1	33.7	39.2	35.7	43.7	45.0	46.3	47.4	48.2
Nominal GDP (in billions of U.S. dollars)	29.0	30.7	34.1	32.2	37.4	34.0	37.3	40.4	43.6	47.2
Nominal GDP (in billions of Nepalese Rupees)	3,031	3,464	3,892	3,686	4,354	4,005	4,490	4,990	5,519	6,103
Eligible debt service for relief from the CCRT (in SDR millions) 3/	...	...	0.0	2.9	0.0	3.6	7.1	...	...	...
Private Sector Credit (in percent of GDP)	80.6	84.0	86.0	88.0	87.5	90.7	94.0	95.9	97.1	98.2
Exchange rate (NPR/US\$; period average)	104.4	112.9	...	...	...	...	...	...	...	...
Real effective exchange rate (average, y/y percent change)	0.2	-1.4	...	...	...	...	...	...	...	...

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

<sup>1/</sup> Fiscal year ends mid-July.<sup>2/</sup> Net incurrence of foreign liabilities reflects pre-COVID identified financing and new financing (identified as of April 15) to support the COVID-response, including the IMF-RCF (US\$214 million), Asian Development Bank (US\$250 million), and World Bank (US\$29 million).<sup>3/</sup> The first tranche of CCRT debt relief covering the period April 14, 2020 to October 13, 2020 for SDR 2.9 million in FY2019/20 was approved in April 13, 2020. The second tranche of CCRT debt relief covering the period October 14, 2020 to April 13, 2021 would amount to SDR 3.6 million. The grant for debt service falling due in the 12 months from April 14, 2021 is subject to the availability of resources under the CCRT.

Note: 2020 Article IV Baseline is based on data as of end-Jan 2020, while current baseline forecast is as of April 15, 2020.

## Annex XX. Niger: Update for CCRT Debt Relief

**Recent economic developments.** The updated outlook for the Nigerien economy is close to the projections of April. Real GDP growth is likely set back to 0.5 percent this year and activity makes up little of the ground lost next year with an expected expansion of 6.8 percent. This compares to pre-pandemic projections of 6.0 percent for 2020 and 5.6 percent for 2021. Reduced exports, implementation delays of large-scale foreign projects, and domestic containment measures are chiefly responsible for the slowdown, while Niger's limited involvement in international value chains and its large informal agricultural sector afford a degree of protection. Budgetary saving measures in non-priority areas and stepped-up budget support grants notwithstanding, the fiscal deficit is set to widen from a pre-pandemic estimate of 2.7 percent of GDP to 4.8 percent of GDP this year. This reflects revenue shortfalls related to the economic slowdown and difficulties in collecting taxes under pandemic conditions and higher health and social support spending. At 16.8 percent of GDP, the current account deficit should exceed the pre-pandemic estimate of 15.9 percent of GDP, although many factors play a role here, notably Nigeria's unilateral decision in August 2019 to close its border to trade. A large financing gap for 2020 of some 3 percent of GDP that had emerged in April seems meanwhile largely filled thanks to stepped-up donor support, including in the context of past and prospective debt service relief from the CCRT. However, a financing gap could well emerge in 2021 if downside risks to the recovery and donor support materialized.

**Public health and macroeconomic policy response.** With the declaration of the state of emergency on March 27, the authorities put in place comprehensive containment measures, which were gradually lifted from mid-May—in August, only the closure of land borders to travel and the obligation to wear masks in public remained. This helped contain the spread of the virus. COVID-19 related deaths remained below 100 at end-August. The supplementary budget authorizes additional spending of 0.8 percent of GDP to mitigate the health and social fallout from the pandemic, most of which has meanwhile been spent. In addition, a credit promotion scheme with a volume of 1.9 percent of GDP has been put in place, backstopped by government guarantees, which remains without immediate fiscal costs. Only marginal tax policy measures have been taken, but a large revenue shortfall is expected due to the economic repercussions of the pandemic. The government has prepared a broader COVID-19 response plan, the implementation of which depends however on the availability of additional donor financing.

### COVID-19 Related Fiscal Measures (Percent of projected GDP)

	2020 Budgets		Change
	Original 1/	Supplementary	
Priority expenditures	8.6	9.1	0.6
<i>of which: health</i>	1.8	2.1	0.3
<i>of which: education</i>	2.9	3.0	0.0
<i>of which: social protection</i>	3.8	4.0	0.2
Other COVID-19 -related spending 2/			0.3
Pandemic management, prevention, etc.			0.1
Transfers to households			0.2
Transfers to businesses 3/			...
Total COVID-19 related expenditure			0.8
<i>Memorandum: tax measures</i>			minimal

1/ Adopted in December 2019, ahead of the COVID-19 outbreak.

2/ In addition to what is already captured under health and social protection priority spending.

3/ Credit support scheme of 1.9 percent of GDP back-stopped by government guarantees without immediate budgetary costs.

**Government safeguards.** COVID-19 related spending is channeled through the budget and as such subject to the usual safeguards for budgetary spending, including auditing by the Court of Audit.

There are no extra-budgetary funds, except a very small one that collects private donations. Niger has made progress in recent years with strengthening its governance framework more generally, including the establishment and the successive strengthening of the anti-corruption agency HALCIA.

**IMF support status.** An ECF arrangement (SDR118.44 million or 90 percent of quota) has accompanied Niger's reform efforts since January 2017. A mission for the 6<sup>th</sup> and final program review is planned for September, which, if successful, could allow the completion of the review before the arrangement expires at end-October 2020. The 5<sup>th</sup> program review, completed on January 8, 2020, attests to broadly satisfactory overall program performance. Emergency financial assistances under the Rapid Credit Facility (SDR83.66 million, 63.6 percent of quota) was approved on April 14, 2020.

**Upcoming CCRT-eligible debt service.** Niger has debt service of SDR 5.64 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff appraisal.** Staff assesses that Niger is pursuing appropriate macroeconomic policies to address the global pandemic. Referencing the public health and governance paragraphs above, staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

## Niger: Selected Economic and Financial Indicators, 2017–25

	2017	2018	2019		2020		2021	2022	2023	2024	2025
			5th ECF Review <sup>1</sup>	Est.	5th ECF Review <sup>1</sup>	Proj.	Projections				
(Annual percentage change, unless otherwise indicated)											
National income and prices											
GDP at constant prices	5.0	7.2	6.3	5.9	6.0	0.5	6.9	12.8	11.4	6.6	6.0
Oil production (thousand barrels per day)	18	17	20	18	20	17	18	53	98	108	108
GDP deflator	0.8	2.4	1.0	0.1	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)	14.9	-4.9	10.7	-0.6	12.0	-13.3	25.7	62.4	41.5	12.1	12.0
Of which: non-uranium exports	23.2	3.0	10.3	-5.9	15.7	-12.9	33.1	70.4	47.7	13.3	5.7
Imports, f.o.b. (CFA francs)	11.7	11.6	19.0	8.5	14.9	13.2	22.6	-0.6	0.0	4.6	8.0
Export volume	11.9	-7.0	4.6	-1.9	11.4	-14.7	21.0	71.7	44.9	8.5	9.4
Import volume	9.6	8.7	20.0	8.1	14.7	13.2	23.7	-4.4	-0.6	0.9	8.0
Terms of trade (deterioration -)	0.8	-0.4	6.7	1.0	0.3	1.7	4.7	-9.0	-2.9	-0.3	2.4
Government finances											
Total revenue	5.7	26.7	0.4	-1.6	15.1	-7.1	28.3	21.9	22.8	11.1	9.9
Total expenditure and net lending	6.7	18.8	7.6	8.4	9.7	13.8	6.4	5.9	10.4	9.8	9.3
Current expenditure	5.6	6.0	5.2	2.3	9.3	13.2	-1.3	16.4	16.8	11.0	10.0
Capital expenditure	7.8	33.0	9.7	13.8	10.1	8.6	6.8	5.5	9.1	8.8	8.7
(Annual percentage change, unless otherwise indicated)											
Money and credit											
Domestic credit	11.4	11.4	7.8	-12.2	8.9	2.9	15.6	21.4	19.4	13.1	9.7
Credit to the government (net)	48.1	127.8	8.0	-89.5	8.3	168.6	68.1	18.3	5.0	0.0	2.3
Credit to the economy	7.7	-4.5	7.7	13.0	9.1	-2.1	11.2	21.8	21.2	14.5	10.4
Net domestic assets	10.9	13.4	12.5	-18.7	13.0	-0.7	27.0	32.6	22.9	12.2	13.8
Broad money	-4.9	-2.1	8.0	15.0	8.4	1.5	9.2	14.2	18.0	12.8	13.7
Velocity of broad money (ratio)	5.6	6.3	6.3	5.8	6.2	5.9	5.9	6.0	5.7	5.5	5.3
(Percent of GDP, unless otherwise indicated) <sup>4</sup>											
Government finances											
Total revenue	10.5	12.1	11.4	11.2	12.1	10.1	11.9	12.6	13.6	13.9	14.2
Total expenditure and net lending	19.5	21.1	21.3	21.6	21.6	23.9	23.3	21.4	20.8	21.0	21.3
Current expenditure	10.3	9.9	9.8	9.6	9.9	10.5	9.5	9.6	9.9	10.1	10.3
Capital expenditure	9.2	11.2	11.5	12.0	11.7	12.7	12.4	11.4	10.9	10.9	11.0
Basic balance (excl. grants) <sup>2</sup>	-3.6	-2.9	-2.6	-3.5	-2.0	-6.3	-4.0	-2.5	-1.7	-1.8	-1.9
Overall balance (commitment basis, incl. grants) <sup>3</sup>	-4.1	-3.0	-2.8	-3.6	-2.7	-4.8	-4.7	-3.2	-2.5	-2.5	-2.5
Gross investment	26.0	28.4	31.8	30.0	32.6	32.1	32.3	27.2	25.3	25.1	24.2
Non-government investment	17.4	18.4	20.3	19.3	20.9	20.9	21.3	17.1	15.6	15.4	14.5
Government investment	8.6	10.1	11.5	10.6	11.7	11.2	11.0	10.1	9.7	9.7	9.7
Gross national savings	14.6	15.8	17.7	17.4	16.7	15.3	13.1	15.6	17.5	18.1	17.3
Of which: non-government	12.6	12.1	13.3	13.2	12.5	12.2	8.8	10.8	12.3	12.8	12.0
Domestic savings	12.8	14.0	14.9	14.5	13.8	11.8	11.0	13.7	16.3	17.2	16.8
External current account balance											
Excluding official grants	-13.4	-14.6	-16.9	-15.4	-17.9	-20.6	-21.4	-13.6	-9.4	-8.6	-8.6
External current account balance (incl. grants)	-11.4	-12.6	-14.1	-12.6	-15.9	-16.8	-19.2	-11.6	-7.8	-6.9	-6.9
Debt-service ratio as percent of:											
Exports of goods and services	5.0	7.1	7.2	7.7	8.3	11.9	15.2	11.5	9.5	7.8	6.6
Government revenue	6.2	6.7	7.4	7.6	8.3	9.9	14.1	13.2	12.1	9.9	8.5
Total public and publicly-guaranteed debt <sup>5</sup>	39.5	38.9	40.3	41.7	39.7	45.7	46.5	43.7	41.1	40.5	40.1
Public and publicly-guaranteed external debt	25.7	25.3	28.0	26.5	28.0	31.8	31.4	29.2	27.3	26.9	26.5
NPV of external debt	23.1	24.5	19.4	17.8	19.6	22.3	21.8	20.1	18.6	18.3	18.1
Public domestic debt <sup>5</sup>	13.9	13.6	12.2	15.2	11.7	13.9	15.1	14.5	13.8	13.5	13.5
Foreign aid	7.8	8.3	11.4	10.8	9.9	14.1	10.4	8.7	7.5	7.3	7.2
(Billions of CFA francs)											
GDP at current market prices (revised national accounts)	6,497	7,136	7,621	7,565	8,240	7,785	8,490	9,772	11,100	12,067	13,049
GDP at current market prices (former national accounts)	4,726	5,175	5,555	5,486	6,009	5,646	6,157	7,087	8,050	8,751	9,463
GDP at current prices (annual percentage change)	5.9	9.8	7.3	6.0	8.2	2.9	9.0	15.1	13.6	8.7	8.1

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

1 Completed in January 2020. Most recent pre-COVID-19 projections.

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

3 Revenue including grants minus expenditure; WAEMU anchor.

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

5 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.



## Annex XXI. Rwanda: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe impact on Rwanda. Weak global demand, supply chain disruptions and a strict economic lockdown affected all sectors of the economy. The impact has been particularly severe in services, where business turnover contracted by 21 percent in Q2 2020 y/y. Headline inflation rose to 9.2 percent y/y in July, mainly driven by the upward revision of public transport fares in May following the implementation of COVID-19 guidelines. Since the first CCRT request, which in Rwanda came after the first of the two emergency financing requests under the RCF, the pandemic has weakened the macroeconomic outlook further. Economic growth in 2020 was revised down to 2 percent at the time of the second RCF request (RCF-2) in July from a pre-pandemic projection of 8 percent, with a gradual rebound to the pre-pandemic trend still projected for 2022. Recent high-frequency economic activity indicators remain in line with these projections. Projected fiscal and external balances in 2020 at the time of RCF-2 also deteriorated significantly relative to their pre-pandemic levels reflecting mainly additional COVID-19-related spending, larger-than-anticipated revenue losses and a further decline in exports and remittances. As a result, fiscal and external financing needs rose to 5.1 and 4 percent of GDP, respectively. More than half of these financing gaps have since been filled by the two RCF disbursements and concessional financing from development partners. Preliminary data for FY2019/20 suggests lower fiscal deficit than envisaged under RCF-2 reflecting lower-than-anticipated revenue losses and under-executed non-COVID-related spending.

**Table 1. Rwanda: COVID Related Fiscal Measures**  
(Central government, percent of GDP)

	FY 19/20 (proj)			FY 19/20 (act)	FY 20/21 (proj.)		
	pre-COVID <sup>1</sup>	RCF-2	change		pre-COVID <sup>1</sup>	current	change
<b>Total revenue</b>	19.1	17.5	-1.6	18.6	18.8	16.5	-2.3
<b>Grants</b>	4.2	4.4	0.3	4.5	4.4	4.3	-0.2
<b>Priority expenditures<sup>2,3</sup></b>	9.5	10.3	0.8	10.0	9.5	10.5	1.0
<b>Other COVID spending</b>	--	1.8	1.8	0.7	--	1.5	1.5
COVID prevention/management	--	0.7	0.7	0.3	--	0.4	0.4
Support for HH	--	0.4	0.4	0.2	--	0.6	0.6
Support of business	--	0.8	0.8	0.2	--	0.5	0.5
<b>Memo items</b>							
Tax relief to HHs/businesses	--	--	--	--	--	--	--

<sup>1</sup> First PCI Review projections (December 2019)

<sup>2</sup> Sum of recurrent/domestically-financed/policy lending expenditures identified as priority under the government's development plan (NST).

<sup>3</sup> Breakdown by functional categories such as health, education, and social protection unavailable due to cross-functional nature of NST pillars.

**Public Health and Macroeconomic Response.** The public health response since the first CCRT disbursement in early April has been swift helping to curb the spread of the virus and fatality rates significantly below other sub-Saharan Africa countries. Measures included border closures, suspension of domestic travel, mandatory use of face masks, and a nationwide lockdown – gradually eased since May – complemented by strong efforts to hike test capacity and digital contact tracing. A comprehensive economic response to the pandemic was articulated in the Economic Recovery Plan (ERP) and adopted in May 2020. At a cost of 3.3 percent of GDP and spanning two fiscal years, the ERP included COVID-19-related spending to (i) prevent, contain, and manage the pandemic (1.1

percent); (ii) support to vulnerable households through cash transfers, subsidized access to agricultural inputs, and public works (1 percent); and (iii) assist firms in hardest-hit sectors, including the national airline company, through the provision of subsidized loans, direct support, and credit guarantees channeled through the Economic Recovery Fund (1.3 percent). About 1/5 of the resources allocated for the ERP have already been spent in the FY 19/20 ending in June. Tax deferral and relief measures benefitting households and corporates have also been adopted.

**Governance Safeguards.** A financing item “COVID-19 response” was created under the chart of accounts for tracking crisis-related spending. A separate bank account under the treasury single account system was also set up to receive all contributions to the Economic Recovery Fund to support businesses. Information on awarded government contracts is publicly available from the government’s e-procurement website<sup>1</sup>. All expenditures, including pandemic-related will be audited and start to be published by May 2021.

**IMF program status.** Rwanda has a PCI supported program since June 2019. The first review was completed in January 2020. Given the large uncertainty around the near-term outlook and policy making, and priority given to addressing the authorities’ requests under the RCF, the second review could not be completed within the three-month grace period of the scheduled review date (June 15, 2020). The next (third) review is expected to be completed by December 2020. Two RCF disbursements under the “exogenous shock window” totaling SDR 160.2 million (100 percent of the quota) were approved on April 2nd and June 11th, 2020 respectively, to mitigate the economic impact of the COVID-19 pandemic.

**Upcoming CCRT-eligible debt service.** Rwanda has debt service of SDR 12.02 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2nd tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Rwanda is pursuing appropriate macroeconomic policies to address the global pandemic. Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and RCF disbursements are being properly used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on lives and livelihoods<sup>2</sup>.

<sup>1</sup> See [IMF Country Report No 20/207](#).

<sup>2</sup> Ibid.

Table 2. Rwanda: Selected Economic Indicators, 2019–23<sup>1</sup>

	2019			2020			2021			2022		2023
	1 <sup>st</sup> Rev.	RCF-2	Act.	1 <sup>st</sup> Rev.	RCF-2	Proj.	1 <sup>st</sup> Rev.	RCF-2	Proj.	RCF-2	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)												
<b>Output and prices</b>												
Real GDP	8.5	9.4	9.4	8.0	2.0	2.0	8.0	6.3	6.3	8.0	8.0	8.6
GDP deflator	1.8	0.4	0.4	5.6	6.5	6.5	5.0	1.0	1.0	5.0	5.0	5.0
CPI (period average)	2.3	2.4	2.4	5.4	6.9	6.9	5.0	1.0	1.0	5.0	5.0	5.0
CPI (end period)	5.7	6.7	6.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Terms of trade (deterioration, -)	-1.8	-1.8	-1.8	-0.1	-3.3	-3.3	0.0	-0.4	-0.4	0.7	0.7	0.0
<b>Money and credit</b>												
Broad money (M3)	21.8	15.4	15.4	21.9	5.1	2.2	17.4	22.3	19.5	16.1	18.4	13.9
Reserve money	21.5	17.2	17.2	22.1	5.8	2.9	17.8	21.4	18.6	20.3	22.7	11.8
Credit to non-government sector	17.6	12.6	12.6	14.8	10.2	12.1	7.9	10.3	12.4	11.4	12.7	13.2
M3/GDP (percent)	27.9	26.3	26.3	29.8	25.4	24.7	30.9	28.9	27.5	29.6	28.7	28.7
(Percent of GDP, unless otherwise indicated)												
<b>Budgetary central government</b>												
Total revenue and grants	23.6	23.6	23.8	23.1	20.1	21.2	22.9	20.7	20.7	20.6	20.7	20.7
of which: tax revenue	16.6	16.7	16.7	16.9	13.5	14.7	16.5	14.3	14.3	14.9	14.9	15.5
of which: non-tax revenue	2.6	2.7	2.8	2.1	2.0	1.9	2.1	2.3	2.3	2.1	2.2	2.1
of which: grants	4.5	4.2	4.2	4.1	4.6	4.7	4.3	4.1	4.1	3.6	3.6	3.1
Expenditure	31.9	31.8	31.8	29.0	31.7	29.6	29.2	30.1	30.1	27.2	27.0	26.3
Current	15.9	15.6	15.6	14.5	15.7	15.1	14.6	15.8	15.8	13.5	13.3	13.3
Capital	12.7	13.2	13.2	12.1	12.1	11.1	12.7	11.9	11.9	11.3	11.3	10.8
Primary balance	-6.9	-6.8	-6.7	-4.2	-9.9	-6.8	-4.9	-7.7	-7.6	-4.9	-4.8	-4.3
Overall balance	-8.2	-8.1	-8.0	-5.9	-11.6	-8.4	-6.3	-9.4	-9.4	-6.6	-6.3	-5.6
excluding grants	-12.7	-12.3	-12.2	-10.0	-16.2	-13.1	-10.6	-13.6	-13.5	-10.2	-9.9	-8.7
Debt-creating overall bal. (excl. PKO) <sup>2</sup>	-6.7	-6.6	-6.5	-5.7	-11.3	-7.8	-6.4	-9.6	-9.5	-7.1	-6.8	-6.3
Net domestic borrowing	2.7	0.9	0.9	0.7	2.5	1.1	2.0	1.4	1.3	0.4	0.2	-0.1
<b>Public debt</b>												
Total public debt incl. guarantees	59.0	58.5	58.5	58.9	68.1	64.9	59.8	75.7	72.5	76.3	73.3	72.4
of which: external public debt	46.0	45.6	45.6	48.1	55.0	52.9	49.8	61.9	59.8	63.0	61.1	61.1
PV of total public debt incl. guarantees	44.5	42.8	42.8	43.1	48.2	46.1	42.9	52.5	50.4	52.5	50.3	49.9
<b>Investment and savings</b>												
Investment	28.4	26.2	26.2	28.2	20.9	19.9	28.8	22.2	22.2	24.7	24.7	26.1
Government	12.7	13.2	13.2	12.1	12.1	11.1	12.7	11.9	11.9	11.3	11.3	10.8
Nongovernment	15.7	13.0	13.0	16.1	8.8	8.8	16.1	10.3	10.3	13.3	13.3	15.4
Savings	14.6	14.5	14.5	15.5	2.4	3.2	16.6	9.5	9.4	12.4	13.4	15.8
Government	3.3	3.8	3.9	4.5	-0.2	1.4	4.0	0.7	0.8	3.5	3.8	4.3
Nongovernment	11.2	10.6	10.5	11.1	2.6	1.8	12.6	8.8	8.7	8.9	9.7	11.5
<b>External sector</b>												
Exports (goods and services)	21.5	21.3	21.3	21.8	13.1	13.1	22.6	21.2	21.2	22.6	24.0	25.8
Imports (goods and services)	34.9	33.1	33.1	34.1	29.3	28.7	34.3	33.8	33.8	35.2	35.6	34.8
Current account balance (incl grants)	-10.6	-9.2	-9.2	-9.9	-16.7	-14.6	-9.1	-10.5	-10.6	-10.0	-9.0	-8.7
Current account balance (excl grants)	-13.9	-11.7	-11.7	-12.7	-18.5	-16.6	-12.2	-12.7	-12.7	-12.3	-11.3	-10.3
Current account balance (excl. large proj.)	-10.4	-9.0	-9.0	-8.9	-15.7	-13.6	-8.2	-9.5	-9.6	-8.8	-7.7	-6.2
Gross international reserves												
In millions of US\$	1,367	1,440	1,440	1,553	1,207	1,212	1,654	1,461	1,462	1,598	1,720	1,913
In months of next year's imports	4.4	5.7	5.8	4.6	4.0	4.0	4.6	4.3	4.3	4.4	4.7	4.9
<b>Memorandum items:</b>												
GDP at current market prices												
Rwanda francs (billion)	9,045	9,105	9,105	10,313	9,894	9,894	11,688	10,629	10,629	12,043	12,043	13,730
Population (million)	12.4	12.4	12.4	12.7	12.7	12.7	13.0	13.0	13.0	13.3	13.3	13.6

Sources: Rwandan authorities and IMF staff estimates.

<sup>1</sup> The source of the projections is the recent RCF with small updates.<sup>2</sup> Overall deficit excl. spending on materialized contingent liabilities and other items already incl. in the DSA.

## Annex XXII. Democratic Republic of São Tomé and Príncipe: Update for CCRT Debt Relief

*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.*

**Recent Economic Developments.** The COVID-19 pandemic is causing a sharp economic contraction, with real GDP growth in 2020 projected to decline to –6.5 percent compared to a pre-pandemic growth projection of positive 3.5 percent, and raising urgent BOP and fiscal financing needs. An expected drop in fiscal revenue and increased health and social expenditures have led to a large fiscal need (\$20.6 million, 5.1 percent of GDP). The tourism sector is expected to plummet by over 70 percent, and remittances are expected to decline in 2020, further depressing foreign exchange receipts. Many externally funded projects are also likely to be postponed. With the collapse of the tourism sector and a large fall in FDI, the BOP gap is estimated at \$22.1 million (5.5 percent of GDP). Since the RCF approval in April, estimated costs of the pandemic in terms of health, unemployment, and social expenses have been revised from 1.6 percent of GDP to 3.1 percent.

**Macroeconomic policies.** Under the ECF arrangement, fiscal targets for 2020 have been relaxed to accommodate the impact of the pandemic. The authorities have revised the end-2020 domestic primary deficit projection from 1.7 percent of GDP to 6.3 percent of GDP. Specific measures include expanded health and social programs, incentives for businesses to retain workers, support for the unemployed, a solidarity contribution from public and private workers who were relatively unaffected by the pandemic, and a temporary deferment of some tax payments. The authorities are also keeping retail fuel prices unchanged to generate revenue from lower international oil prices. The Central Bank has lowered the minimum reserve requirements and introduced a six-month moratorium on credit repayments. A World Bank supported cash transfer program has doubled the number of households receiving payments.

COVID-related Fiscal Measures, 2020 (Percent of GDP)		
	FY2020 Projections	
	Pre-COVID	Current
Priority expenditures	N/A	N/A
<i>of which</i>		
Health	N/A	N/A
Education	N/A	N/A
Social	N/A	N/A
Other COVID-related spending		
COVID prevention, containment, & mgmt	N/A	1.5
Transfers to HHs	N/A	1.1
Transfers to businesses, SOEs, govt entities	N/A	0.5
<b>Total</b>		<b>3.1</b>

**Governance safeguards.** As part of the ECF arrangement, the authorities have begun publishing public procurement contracts and monthly COVID-19-related expenditure reports on the Ministry of Finance website. They have also committed to releasing information on beneficiary ownership of firms awarded public contracts. The authorities will conduct an ex-post validation of the delivery of the contracts and an independent audit of spending after the crisis abates and will publish the results to confirm that funds were used for their intended purpose.

**IMF program status.** A 40-month ECF arrangement was approved on October 2, 2019 in the amount of SDR 13.32 million (90 percent of quota). An RCF disbursement (61 percent of quota) was approved in April 2020, and the Board approved the first review of the ECF arrangement and an augmentation (10 percent of quota) in July 2020.

**Upcoming CCRT-eligible debt service.** The country had a debt service of SDR 111,000 for the initial period of debt service relief from April 14 to October 13, 2020. The debt service falling due from October 14, 2020 through April 13, 2021 amounts to SDR 174,428.

**Staff appraisal.** Staff supports Sao Tome and Principe's request for debt relief under the CCRT as the authorities are pursuing appropriate macroeconomic policies to address the immediate impacts of the pandemic while maintaining their commitment to medium-term structural reforms under the ECF arrangement. The resources freed under the initial tranche of Fund debt service relief under the CCRT, the RCF, and the ECF arrangement are contributing to finance additional health services, protect the most vulnerable, and support the economy in the short-term.

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

	2016	2017	2018	2019	2020		2021		2022	2023	2024
					ECF Req.	Proj.	Pre- COVID Proj.	Proj.	Proj.	Proj.	Proj.
<b>National income and prices</b>											
GDP at constant prices	4.2	3.9	3.0	1.3	3.5	-6.5	4.0	3.0	5.5	4.5	4.5
GDP deflator	5.1	2.0	2.6	5.7	3.5	3.5	3.0	3.0	3.0	2.9	2.8
Consumer prices (End of period)	5.1	7.7	9.0	7.7	10.0	8.0	4.0	8.0	5.0	4.0	3.0
Period average	5.4	5.7	8.3	8.4	8.9	7.9	6.9	8.0	5.9	3.5	3.0
<b>External trade</b>											
Exports of goods and nonfactor services	8.9	-10.8	13.9	-1.8	11.0	-52.7	14.9	53.1	44.9	7.5	8.7
Imports of goods and nonfactor services	-0.4	5.5	4.3	-5.3	6.7	-17.9	6.0	2.2	15.1	4.4	5.9
Exchange rate (new dobras per US\$; end of period) <sup>1</sup>	23.4	20.7	21.5	22.0	...	...	...	...	...	...	...
Real effective exchange rate (period average, depreciation)	5.7	4.9	8.7	5.7	...	...	...	...	...	...	...
<b>Money and credit</b>											
Base money	5.0	-9.6	0.8	-7.4	2.6	-4.6	7.1	6.1	8.7	...	...
Broad money (M3)	-4.8	-0.4	14.3	-2.2	7.1	-0.6	7.1	6.1	8.7	...	...
Credit to the economy	6.6	2.5	-1.6	3.2	0.6	0.1	6.6	2.7	3.6	...	...
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	...	...	...	...	...	...	...
<b>Government finance (in percent of GDP)</b>											
Total revenue, grants, and oil signature bonuses	28.2	24.9	24.1	22.5	23.6	24.6	23.5	22.7	22.8	23.4	23.2
Of which : tax revenue	12.3	12.7	12.8	12.6	13.0	12.9	13.8	13.2	13.9	14.5	14.6
Nontax revenue	2.3	1.7	3.1	3.3	1.8	2.4	1.6	2.8	2.8	2.7	2.9
Grants	13.5	10.5	8.3	6.6	8.9	9.3	8.1	6.7	6.1	6.1	5.7
Total expenditure and net lending	32.4	27.6	26.0	22.5	23.9	29.2	23.3	26.4	24.3	24.1	23.8
Personnel costs	8.9	8.3	9.3	9.2	8.8	11.0	8.8	10.3	9.8	9.6	9.6
Interest due	0.4	0.5	0.4	0.7	0.6	0.7	0.6	0.5	0.5	0.5	0.4
Nonwage noninterest current expenditure	8.0	6.9	7.0	7.6	6.3	8.4	6.4	8.2	7.7	7.5	7.5
Treasury funded capital expenditures	0.7	0.7	1.4	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.6
Donor funded capital expenditures	14.2	11.0	7.8	4.8	7.8	5.5	7.2	5.9	5.9	5.9	5.5
HIPC Initiative-related capital expenditure	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.3	0.3
COVID-19 spending	...	...	...	...	...	3.1	...	1.0	...	...	...
Domestic primary balance <sup>2</sup>	-4.1	-2.4	-4.2	-1.8	-1.7	-6.3	-0.8	-3.9	-1.5	-0.8	-0.7
Net domestic borrowing	2.8	1.8	3.4	-1.5	1.2	-0.9	0.5	3.1	1.2	0.4	0.8
Overall balance (commitment basis)	-4.2	-2.7	-1.9	-0.1	-0.3	-4.6	0.2	-3.7	-1.5	-0.8	-0.7
Public Debt <sup>3</sup>	80.9	84.3	96.2	97.7	93.8	105.2	91.3	105.1	100.3	95.0	90.1
Of which: EMAE's debt to ENCO	16.1	19.3	23.3	26.4	...	32.7	...	34.4	34.1	33.0	31.9
<b>External sector</b>											
Current account balance (percent of GDP)											
Including official transfers	-6.1	-13.2	-12.3	-12.5	-9.0	-17.0	-7.9	-11.9	-9.3	-8.2	-7.6
Excluding official transfers	-20.0	-24.3	-21.0	-19.0	-17.9	-26.3	-16.0	-18.6	-15.4	-14.3	-13.4
PV of external debt (percent of GDP)	31.5	26.6	27.1	27.2	24.0	33.8	20.9	33.9	32.8	31.5	29.9
External debt service (percent of exports) <sup>4</sup>	3.3	3.8	2.6	4.5	5.3	9.5	4.7	8.8	7.9	7.3	8.9
Export of goods and non-factor services (US\$ millions)	96.6	86.1	98.0	96.3	120.5	45.5	138.5	69.7	101.0	108.6	118.0
Gross international reserves <sup>5</sup>											
Millions of U.S. dollars	55.9	51.4	35.1	40.4	40.0	54.1	45.4	58.8	65.3	67.6	71.2
Months of imports of goods and nonfactor services <sup>6</sup>	4.9	4.2	3.0	4.5	3.6	6.0	3.9	5.6	6.0	5.9	5.9
In months of 2019 imports	...	...	...	3.4	...	4.6	...	5.0	5.5	...	...
National Oil Account (US\$ millions)	11.5	11.3	19.5	18.8	17.8	15.2	16.9	12.4	10.1	8.2	6.7
<b>Memorandum Item</b>											
Gross Domestic Product											
Millions of new dobra	7,698	8,154	8,619	9,230	9,997	8,933	10,709	9,477	10,298	11,077	11,897
Millions of U.S. dollars	347.5	375.8	415.6	421.8	462.6	398.4	499.3	426.1	462.7	496.6	532.5
Per capita (in U.S. dollars)	1,738	1,842	1,989	1,980	2,036	1,828	2,152	1,911	2,038	2,141	2,247

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

<sup>1</sup> Central Bank (BCSTP) mid-point rate.<sup>2</sup> Excludes oil related revenues, grants, interest earned, scheduled interest payments, and foreign-financed capital outlay.<sup>3</sup> Total public and publicly guaranteed debt as defined in DSA, which includes EMAE's debt to ENCO (and excludes government's arrears to EMAE due to consolidation).<sup>4</sup> Percent of exports of goods and nonfactor services.<sup>5</sup> 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.<sup>6</sup> Imports of goods and nonfactor services, excluding imports of investment goods and technical assistance.

## Annex XXIII. Sierra Leone: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe impact on Sierra Leone. Containment measures—inter-district and international travel and border closures—and global spillovers have significantly impacted the economy. Growth has been revised down by about 7 percentage points, from 4.2 percent pre-COVID to -3.0 percent, with mining and services notably affected. Restrictions have been eased progressively since late June and anecdotal evidence suggests economic activity has started normalizing. Although growth is expected to return to positive territory in 2021, the outlook remains highly uncertain and real GDP is likely to remain below 2019 levels. The total fiscal impact of the COVID crisis is estimated at about 6 percent of GDP. Development partner support has reduced financing pressures in 2020. However, lower domestic revenue (by about 1½ percent of GDP), other COVID-19 related disruptions, and the authorities' commitment to clearing arrears, result in fiscal financing gaps of about ½ percent of GDP in 2020 and over 1 percent of GDP in 2021. Higher-than-projected grants and a smaller trade deficit have helped maintain reserves at adequate levels, with no remaining external financing gap projected for 2020-21.

**Emergency financing, including financial resources freed up by CCRT debt relief, has supported the authorities' health and macroeconomic response.** The supplementary budget approved in July allows for nearly 4½ percent of GDP in additional spending. This focuses on 1) health spending, including for medical staff and equipment, 2) social spending, including food assistance and education, and 3) the *Quick Action Economic Response Program* to support hard-hit sectors and spur economic activity through additional infrastructure development. Thus far, the Government made most progress on the first and second pillars, while the fiscal response of the third pillar has required more planning and is still getting underway. The central bank also established a Le 500 billion special credit facility to support the manufacture and importation of essential goods and has so far provided about Le 300 billion (about US\$30 million or 0.7 percent of GDP) in credit to banks.

COVID Related Fiscal Measures (Percent of GDP)			
FY2020 projections			
	Pre-Covid	Current	Change
Priority Expenditure			
<i>of which</i>			
Health	1.5	2.1	0.6
Education	3.2	4.3	1.1
Social Protection	0.1	0.7	0.7
Other Covid-related spending			
Covid prevention, containment & mgmt			
Transfers to HHs and Food Assistance	0	0.2	0.2
Transfers to businesses, SOEs, govt entities	0	0.1	0.1
Other Covid-related spending*	0	1.7	1.7

\*includes labor-intensive public works projects such as sanitation and transportation

**Governance safeguards.** The authorities reiterated their commitment to governance and transparency, outlining safeguards for COVID-related spending in their RCF request. These efforts have since been supported by Fund technical assistance, along with regular dialogue with Fund staff. The authorities established a dedicated entity to centralize the COVID response, with special

accounts for COVID spending at the central bank. The Accountant General is developing a Chart of Accounts to allow for monitoring this spending. The Government committed to publish an independent ex-post audit of emergency spending, and to also publish crisis-related procurement contracts. The Audit Service Sierra Leone seconded staff to the above-mentioned entity, which will help facilitate subsequent audits. The Anti-Corruption Commission launched a COVID-19 Response Transparency Task Force to investigate complaints and suspected corrupt practices.

**IMF support status.** Sierra Leone's current program supported by a 43-month Extended Credit Facility (ECF) arrangement for SDR 124.44 million (60 percent of quota) was approved in November 2018. The second review under the ECF arrangement was completed in early-April 2020. A Rapid Credit Facility (RCF) disbursement of SDR 103.7 million (50 percent of quota) was approved on June 3, 2020. Staff is currently assessing the prospects for resuming, or bridging to, ECF discussions.

**Upcoming CCRT-eligible debt service.** Sierra Leone has debt service to the IMF of SDR 12.2 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Sierra Leone is pursuing appropriate macroeconomic policies to address the global pandemic. Reflecting the measures, and accompanying safeguards to ensure the appropriate use of emergency financing, noted above, staff also assesses that the resources freed by the initial tranche of CCRT debt service relief, and other support from the Fund, are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on the lives and livelihood of the population.



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

	2017	2018	2019	2020		2021	2022	2023	2024	2025
			Est.	2nd ECF Rev.	Proj.			Proj.		
(Annual percent change, unless otherwise indicated)										
<b>National account and prices</b>										
<b>Growth</b>										
GDP at constant prices	3.8	3.5	5.5	4.2	-3.0	2.7	4.3	4.5	4.6	4.6
GDP excluding Iron ore	3.6	5.5	5.3	4.4	-2.8	2.3	4.1	4.4	4.4	4.4
<b>Inflation</b>										
Consumer prices (end-of-period)	15.3	14.2	13.9	13.0	17.5	13.5	11.1	9.8	8.8	8.0
Consumer prices (average)	18.2	16.0	14.8	13.4	14.7	15.5	12.3	10.5	9.3	8.4
<b>External sector</b>										
Terms of trade (deterioration -)	15.5	-9.9	-3.9	2.3	6.4	3.5	-0.4	-0.2	-0.7	-0.6
Exports of goods	-0.3	-2.0	11.5	28.1	-13.4	32.4	9.6	0.2	12.1	10.5
Imports of goods	23.7	0.6	5.1	4.0	-7.0	5.7	4.7	4.5	4.9	5.1
Gross international reserves (excluding swaps), months of imports 1/	3.8	3.6	3.5	3.7	5.0	4.7	4.4	4.4	4.1	3.9
<b>Money, credit and reserves</b>										
Domestic credit to the private sector	4.9	30.6	22.9	9.3	6.9	17.5	17.8	4.2	8.3	14.3
Domestic credit to the private sector in percent of non-iron GDP	5.2	5.6	6.1	5.7	5.9	6.0	6.1	5.6	5.3	5.4
Base money	9.0	6.5	12.4	26.3	29.8	13.4	15.1	13.9	13.2	12.5
M3	7.0	14.5	14.3	17.4	22.7	13.4	15.1	13.9	13.2	12.5
Gross international reserves (excluding swaps, in US\$ millions)	501	481	507	572	664	665	665	666	666	668
Net international reserves (excluding swaps, in US\$ millions)	128	107	125	154	107	106	145	209	277	352
(Percent of non-iron ore GDP, unless otherwise indicated)										
<b>National accounts</b>										
Gross capital formation	19.0	16.9	16.2	17.6	18.6	16.7	17.0	17.9	17.9	18.1
Government	8.5	6.4	5.7	6.6	8.8	6.3	6.0	5.9	5.9	6.1
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	-1.7	2.2	6.3	7.4	3.1	3.5	3.5	4.3	5.2
<b>Financing and debt</b>										
Public debt	69.7	69.1	71.8	66.6	78.1	80.0	78.2	75.6	72.7	70.0
Domestic	28.0	27.9	27.6	19.4	22.8	22.5	21.9	21.3	20.7	20.2
External public debt (including IMF)	41.7	41.2	44.2	47.2	55.3	57.5	56.4	54.3	52.0	49.8
External loan disbursements from IMF (in US\$ millions)	54.3	22.0	21.5	64.3	209.1	44.5	22.4	0.0	0.0	0.0
External loan disbursements from non-IMF creditors (in US\$ millions)	145.2	82.7	129.0	180.6	140.0	123.7	118.0	122.8	129.3	137.5
<b>External sector</b>										
Current account balance										
(including official grants)	-21.2	-18.7	-14.0	-11.3	-11.2	-13.7	-13.5	-14.4	-13.6	-13.0
(excluding official grants)	-22.6	-19.7	-17.6	-15.2	-17.2	-17.1	-16.9	-17.5	-16.7	-15.8
<b>Central government budget</b>										
Domestic primary balance 2/	-4.5	-0.5	-0.8	0.3	-5.1	-1.5	-0.5	0.4	1.0	1.3
Overall balance	-8.8	-5.6	-3.1	-3.3	-6.5	-5.4	-4.4	-3.9	-3.0	-2.7
Overall balance (excluding grants)	-11.3	-7.7	-6.5	-7.4	-12.7	-8.3	-7.2	-6.3	-5.4	-4.8
Revenue (excluding grants) 3/	12.3	13.7	14.6	14.8	13.2	13.9	14.5	15.0	15.5	16.0
Grants	2.5	2.1	3.4	4.0	6.3	2.9	2.8	2.4	2.4	2.2
Total expenditure and net lending	23.5	21.4	21.1	22.2	26.4	23.3	22.1	21.3	20.9	20.9
<b>Memorandum item:</b>										
GDP at market prices (billions of Leone)	27,465	32,402	37,138	43,846	41,032	47,777	55,500	63,776	72,696	82,458
Excluding iron ore	27,257	32,402	37,041	43,569	41,032	47,317	54,739	62,740	71,251	80,341
Excluding iron ore in millions of US\$	3,685	4,085	4,108	4,149	4,118	3,767	3,820	3,926	4,067	4,252
Per capita GDP (US\$)	496	534	527	523	516	466	465	469	477	491
National currency per US dollar (average)	7,397	7,932	9,016	...	...	...	...	...	...	...
National currency per US dollar (EOP)	7,537	8,396	9,716	...	...	...	...	...	...	...

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.

3/ Excludes transfers related to CCRT debt relief from 2020 through 2022

## Annex XXIV. Solomon Islands: Update for CCRT Debt Relief

**Recent economic developments.** The global COVID-19 pandemic continues to have a severe economic impact on Solomon Islands (SI). Growth is expected to decline to -5.5 percent in 2020 (compared to 2.5 percent growth in the pre-virus baseline) as a result of reduced global demand for SI's commodity exports, a sharp contraction in tourism, and the impact of containment measures on domestic activity. Growth is expected to rebound to 5.6 percent in 2021 (compared to 2.7 percent in the pre-virus baseline). The fiscal deficit is projected to widen to 5.8 percent of GDP (compared to 3.3 percent in the pre-virus baseline),<sup>1</sup> with the government cash balance falling well below the staff recommended minimum of two months of spending. A substantial widening of the current account deficit in 2020 is expected to result in a decline in international reserves. The total external financing gap, before RCF/RFI disbursement and additional budget support from Asian Development Bank, was projected at around US\$38.8 million (about 2.5 percent of GDP) at the time of the RCF/RFI program request.

**Public health and macroeconomic policy response.** Solomon Islands has no confirmed COVID-19 cases as of September 8 and, as a result, the focus of the public health response has been on prevention and containment. The authorities have announced spending of about SI\$137 million (1.1 percent of GDP) on health and containment measures to limit the risk of a local outbreak. In addition, the government has adopted a fiscal stimulus package of SI\$319 million (2.6 percent of GDP), with additional spending targeted at

protecting jobs and incomes and stabilizing the domestic economy. The fiscal response has triggered a supplemental 2020 budget appropriation bill, which has been approved by parliament. Additional

COVID Related Fiscal Measures Central government (In percent of GDP)			
	2020 (proj)		
	end-2019	pre-COVID 2/	post-COVID 3/
Total revenue	26.1	26.5	21.4
Grants	6.8	6.0	10.9
Priority spending			
Health	4.2	4.3	5.2
Education	9.8	9.5	10.5
Social spending, 1/	1.4	2.2	2.4
Other Covid spending			
COVID prevention and containment			1.1
Economic stimulus package			2.6
<b>Memo items</b>			
Nominal GDP (in millions SI\$)	12992	13640	12384

1/ Includes spending on Women, Youth, and Children, Rural Development, and Land, Housing and Survey.

2/ Post-COVID forecasts use the recently published rebased GDP series (with 2012 as base year). Pre-COVID ratios have been recomputed using the new GDP series for comparability.

3/ Post-COVID forecasts are from the RCF/RFI program document.

<sup>1</sup> Pre COVID-19 forecasts are from the 2019 Article IV. Post-COVID forecasts use the recently published rebased GDP series (with 2012 as base year). Pre COVID-19 ratios have been recomputed using the new GDP series and pre COVID-19 growth projection for 2020 for comparability.

support to those who lost their jobs has been provided through exceptional early withdrawals from the National Provident Fund (NPF) expected to reach SI\$200 million (1.6 percent of GDP). As of end-June, SI\$95 million has been disbursed through the NPF.

**Governance safeguards.** An Oversight Committee has been set up to oversee the COVID-19 stimulus spending and guard against any abuse or misuse of the package. The authorities have also committed to publication of an audit of COVID-19 related expenditures (before December 2021) and related procurement information.

**IMF support status.** Solomon Islands has received emergency support under the RCF/RFI (approved on June 1, 2020) for an amount of SDR 20.8 million (about US\$28.5 million, 100 percent of quota) to help cover urgent balance of payments needs stemming from the COVID-19 pandemic. The RCF/RFI disbursement is used to provide balance of payment support and was made to the Central Bank of Solomon Islands.

**Upcoming CCRT-eligible debt service.** Solomon Islands has debt service of SDR 0.074 million to the Fund falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Solomon Islands is pursuing appropriate macroeconomic policies to address the domestic impact of the pandemic. Fund debt service relief under the CCRT and support under the RCF/RFI will be used to maintain macroeconomic stability, thus safeguarding public health, supporting livelihoods and the economic recovery. Fund support is also playing a catalytic role in respect of budget financing from development partners for emergency support to mitigate the impact of the pandemic on the lives and livelihoods of the population.

**Table 1. Solomon Islands: Selected Economic Indicators, 2017-2025**

Per capita GDP (2017): US\$2,375  
Population (2017): 613,712

	2017	2018	2019	2020	2021	2022	2023	2024	2025
			Est.	Pre COVID-19 1/	Proj.				
<b>GROWTH AND PRICES</b>									
Annual percentage change unless otherwise indicated									
Real GDP	5.3	3.9	1.2	2.5	-5.5	5.6	4.0	3.4	2.9
CPI (period average)	0.5	3.5	1.8	2.3	2.8	3.7	2.2	3.6	4.2
CPI (end of period)	2.1	3.9	2.8	2.4	1.2	4.1	3.4	3.8	4.0
GDP deflator	1.4	4.2	1.3	2.4	0.8	3.6	1.8	3.4	3.5
Nominal GDP (in SI\$ millions)	11,703	12,676	12,992	13,640	12,384	13,543	14,336	15,321	16,350
<b>CENTRAL GOVERNMENT OPERATIONS</b>									
In percent of GDP									
Total revenue and grants	39.2	40.0	32.9	32.5	32.2	32.3	33.4	33.5	32.6
Revenue	30.2	30.1	26.1	26.5	21.4	25.0	25.8	25.7	25.3
Grants	9.0	9.9	6.8	6.0	10.9	7.3	7.6	7.8	7.0
Total expenditure	42.7	39.1	34.6	35.8	38.0	37.4	37.4	37.7	36.8
excluding grant-funded expenditure	33.6	29.2	27.8	29.8	27.2	30.1	29.8	30.0	29.4
Recurrent expenditure	29.2	29.2	25.5	25.4	22.8	24.3	24.4	24.3	24.2
Development expenditure	13.5	9.9	9.1	10.4	15.3	13.2	13.0	13.5	11.8
Unrecorded expenditure	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-3.4	0.8	-1.7	-3.3	-5.8	-5.2	-4.0	-4.3	-4.1
Foreign financing (net)	0.2	-0.1	0.6	2.5	3.6	3.7	3.3	3.3	2.6
Domestic financing (net)	1.9	-0.8	1.1	0.8	2.3	1.5	0.8	1.0	1.7
<b>MACROFINANCIAL</b>									
Annual percentage change (end of year)									
Credit to private sector	6.4	4.1	5.0	5.5	-4.1	5.7	6.0	5.0	4.5
Broad money	3.5	6.8	-3.0	2.4	-15.6	11.9	2.2	6.7	1.0
Reserve money	7.5	10.6	-7.0	4.8	-13.8	10.0	6.4	3.7	2.2
<b>BALANCE OF PAYMENTS</b>									
In US\$ millions unless otherwise indicated									
Trade balance	-81.7	-67.6	-160.1	-161.6	-287.2	-259.2	-244.2	-240.7	-252.7
(percent of GDP)	-5.6	-4.3	-10.0	-9.7	-18.9	-15.6	-13.8	-12.8	-12.6
Current account balance	-62.8	-47.8	-142.5	-120.2	-271.1	-264.4	-230.3	-222.0	-221.8
(percent of GDP)	-4.3	-3.0	-8.9	-7.2	-17.8	-15.9	-13.1	-11.8	-11.0
Foreign direct investment	35.9	15.9	25.4	53.4	15.2	68.5	73.3	72.4	77.1
(percent of GDP)	2.5	1.0	1.6	3.2	1.0	4.1	4.2	3.8	3.8
Overall balance	41.2	57.4	-33.5	-0.5	-137.0	-39.1	9.9	29.8	23.9
Gross official reserves (in US\$ millions, end of period) 2/	576.9	613.1	574.1	600.8	465.9	426.5	436.1	460.9	475.1
(in months of next year's imports of GNFS)	9.3	9.8	10.0	7.6	7.0	5.7	5.6	5.8	5.7
<b>EXCHANGE RATE</b> (SI\$/US\$, end of period)									
	7.9	8.1	8.2	...	...	...	...	...	...
Real effective exchange rate (end of period, 2010 = 100)	126.3	126.5	127.1	...	...	...	...	...	...
<b>MEMORANDUM ITEMS:</b>									
Cash balance (in SI\$ millions)	343	311	206	129	47	0	0	0	0
in months of recurrent spending	1.5	1.2	0.8	0.5	0.3	0.0	0.0	0.0	0.0
SIG Deposit Account (In addition to cash balance, in SI\$ millions)	140	140	140	140	140	140	141	142	143
Broad cash balance (=Cash balance+ SIG Deposit Account; in SI\$ millions)	483	451	346	269	187	140	141	142	143
in months of total spending 3/	1.5	1.5	1.2	1.0	0.7	0.4	0.4	0.4	0.3

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

1/ Pre COVID-19 forecasts are from the 2019 Article IV. Post-COVID forecasts use the recently published rebased GDP series (with 2012 as base year). Pre COVID-19 ratios have been recomputed using the new GDP series for comparability.

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.

## Annex XXV. Republic of Tajikistan: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Tajikistan. Trade and transportation challenges with trading partners have severely affected economic activity and remittances, with the latter having declined by about 15 percent in somoni terms. The 2020 outlook is broadly consistent with the projections at the time of the April 2020 CCRT request. Real GDP growth in 2020 is projected at 1 percent, significantly below the pre-COVID forecast of 4.8 percent. Growth is expected to recover in 2021, reaching 6 percent. The external position has deteriorated, with exports excluding gold declining by over 20 percent in the 2020H1. Compared to the pre-COVID baseline scenario, the current account deficit is expected to deteriorate by nearly 2 percent of GDP, reaching 7.1 percent of GDP.<sup>1</sup> International reserves have risen on the back of the NBT's domestic purchases of gold, higher gold prices, and the RCF disbursement. Revenues in the first half of the year dropped by 2.2 percent of GDP, relative to the same period in 2019. Assuming that the tax relief measures are phased out as planned in September, staff projections suggest that revenues could be about 0.8 percent of GDP below the revised budget. Compared to pre-COVID baseline projections, fiscal deficit is expected to deteriorate by 1.7 percentage point, reaching 6 percent of GDP. Fiscal and external financing gaps for 2020 have increased relative to the range estimate provided in the April 2020 CCRT board paper and are considered to be between USD 350-500 million.

**The authorities are making progress in implementing COVID-related health and social spending.** The CCRT debt relief received by the NBT helped it step up the provision of FX liquidity and boost external buffers. The NBT has also intensified supervision to mitigate the impact of COVID-19 shock on the financial sector. Meanwhile, the authorities' revised budget was approved in June, in line with commitments under the RCF agreement. The revised budget allocated an additional 4 percent of GDP relative to the 2019 outturn to current health spending for COVID19, sanitation services, and social transfers and subsidies, while the increase in spending is 2.3 percent of GDP relative to the pre-COVID19 budget. The authorities estimate the decline in revenue from temporary tax relief measures to be near ½ percent of GDP (January-July). While health and social spending for 2020H1 was in line with that of past years, health and social spending of approximately 0.7 percent of

COVID Related Fiscal Measures (in percent of GDP)			
	FY 2020 projections		Change
	Pre-Covid 1/	Current	
Priority expenditures of which			
Health	2.3	4.2	2.0
Education	6.1	5.6	-0.6
Social 2/	4.8	4.9	0.1
Transfer to HHs	0.4	0.9	0.5
Other Covid-related spending			
Covid prevention, containment & mgmt	0.0	0.0	0.0
Transfers to businesses and SMEs	0.0	0.3	0.2
1/ Reflects the original budgeted spending for 2020.			
2/ Usually budgeted social spending is not fully implemented. The revised budget for 2020 envisages an increase in social transfers of 0.5 percent of GDP relative to 2019.			

<sup>1</sup> Projections from the January 2020 Article IV Consultation were used as the vintage for the pre-COVID scenario.

GDP is underway and expected to be completed in 2020Q3. As additional planned donor financing is received, the authorities will be able to implement further health and social spending.

**Governance commitments.** The authorities are making credible efforts to implement transparency measures. They have requested TA from the IMF on the format of the quarterly reports to track COVID related spending; the TA was provided in early August and these reports are now under preparation and are expected to be published on the Ministry of Finance's external website. They are also preparing for an audit of the COVID-related spending around April 2021.

**IMF support status.** Tajikistan has received emergency support under the RCF equal to 80 percent of the quota.

**Upcoming CCRT-eligible debt service.** Tajikistan has debt service of SDR 5.2 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Tajikistan is pursuing appropriate macroeconomic policies to address the impact of the pandemic. The CCRT debt relief has supported the NBT's ability to provide FX liquidity to the market and boost external buffers in a very uncertain environment. Staff also assesses that the authorities are making credible efforts to use the support from the Fund, to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on lives and livelihoods.

**Table 1. 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: gold, cotton; 2018)

	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025
				Est.	Pre-COVID Proj.	Proj.			Proj.		
(Annual percent change; unless otherwise indicated)											
<b>National accounts</b>											
Real GDP	6.9	7.1	7.3	7.5	4.8	1.0	6.0	4.5	4.0	4.0	4.0
GDP deflator (cumulative)	5.3	4.7	5.0	4.5	6.3	4.5	4.8	5.6	5.5	5.6	5.6
Headline CPI inflation (end-of-period)	6.1	6.7	5.4	8.0	6.8	7.5	7.0	6.5	6.5	6.5	6.5
Headline CPI inflation (period average)	5.9	7.3	3.8	7.8	7.4	8.1	7.0	6.5	6.5	6.5	6.5
(In percent of GDP; unless otherwise indicated)											
<b>General government finances</b>											
Revenue and grants	29.9	29.7	29.1	27.4	27.2	24.3	25.6	27.5	27.7	27.8	27.9
Tax revenue	20.7	21.6	21.3	20.4	20.2	18.1	19.3	20.7	21.1	21.3	21.4
Expenditure and net lending	38.9	35.6	31.9	29.5	31.5	30.3	30.0	30.0	30.2	30.3	30.4
Current	17.1	17.0	17.2	17.1	17.9	21.1	17.9	17.6	17.7	17.7	17.7
Capital	15.8	18.6	14.6	12.4	13.5	10.3	12.1	12.4	12.5	12.6	12.6
Overall balance (excl. PIP and stat. discrepancy) 1/	-5.4	-3.4	1.6	1.4	1.5	-3.8	1.6	1.7	1.3	0.3	1.4
Overall balance (incl. PIP and stat. discrepancy) 1/	-9.0	-6.0	-2.8	-2.1	-4.3	-6.0	-4.4	-2.6	-2.5	-2.5	-2.5
Domestic financing	7.1	-2.8	2.2	1.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0
External financing	1.8	7.8	1.0	0.8	4.3	5.8	4.4	2.6	2.5	2.5	2.5
Total public and publicly-guaranteed debt	42.1	50.3	47.8	43.1	46.4	47.8	48.9	48.5	48.3	48.2	48.0
<b>Monetary sector</b>											
Broad money (12-month percent change)	37.1	21.8	5.1	16.9	12.1	7.2	10.8	10.9	10.9	10.9	10.9
Reserve money (12-month percent change)	71.1	21.0	7.0	20.1	11.7	7.5	11.8	10.2	10.2	10.2	10.2
Credit to private sector (12-month percent change)	-4.9	-20.2	1.3	7.7	9.3	5.2	7.5	7.9	9.2	9.6	9.6
Velocity of broad money (eop)	3.7	3.4	3.6	3.5	...	...	...	...	...	...	...
Refinancing rate (in percent, eop/ latest value)	11.0	16.0	14.8	12.3	...	...	...	...	...	...	...
(In percent of GDP; unless otherwise indicated)											
<b>External sector</b>											
Exports of goods and services (U.S. dollar, percent change)	9.1	25.1	-0.8	11.4	7.8	9.0	5.3	7.6	7.5	7.5	5.1
Imports of goods and services (U.S. dollar, percent change)	-12.0	-5.6	16.5	5.9	7.0	-4.1	8.0	5.9	5.6	5.5	6.1
Current account balance	-4.2	2.2	-5.0	-2.3	-5.2	-7.1	-4.5	-4.5	-4.3	-4.1	-3.9
Trade balance (goods)	-27.1	-21.2	-25.1	-23.7	-23.3	-21.2	-22.3	-21.9	-21.7	-21.4	-21.6
FDI (net)	3.0	0.9	3.3	2.3	2.4	1.2	2.5	2.3	2.1	2.1	2.0
Total public and publicly guaranteed external debt	32.4	40.6	38.7	36.6	38.7	41.4	43.2	43.3	43.6	43.9	44.0
Exports of goods and services, in millions of U.S. dollars	900	1,125	1,116	1,243	1,350	1,355	1,427	1,535	1,650	1,773	1,864
Imports of goods and services, in millions of U.S. dollars	-2,927	-2,764	-3,220	-3,409	-3,573	-3,270	-3,533	-3,741	-3,952	-4,169	-4,422
Current account balance, in millions of U.S. dollars	-291	159	-378	-185	-447	-565	-374	-393	-392	-397	-394
Total public and publicly guaranteed external debt, in millions of U.S. dollars	2,243	2,815	2,828	2,925	3,239	3,137	3,484	3,696	3,917	4,154	4,384
Gross official reserves (in millions of U.S. dollars)	653	1,032	1,160	1,464	1,329	1,693	1,734	1,810	1,890	1,983	2,078
In months of next year's imports	2.8	3.8	4.1	5.4	4.2	5.8	5.6	5.5	5.4	5.4	4.6
In percent of broad money	34.8	50.5	57.7	64.0	56.7	76.9	74.1	72.7	71.3	70.4	69.3
<b>Memorandum items:</b>											
Nominal GDP (in millions of somoni)	54,471	61,093	68,844	77,355	86,130	81,667	90,684	100,059	109,749	120,502	132,317
Nominal GDP (in millions of U.S. dollars)	6,953	7,144	7,520	8,117	8,539	7,898	8,220	8,698	9,157	9,645	10,184
Nominal effective exchange rate (Index 2010=100)	67.4	62.4	58.7	59.3	...	...	...	...	...	...	...
Real effective exchange rate (Index 2010=100)	79.0	76.3	72.2	75.8	...	...	...	...	...	...	...
Average exchange rate (somon 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.

## Annex XXVI. United Republic of Tanzania: Update for CCRT Debt Relief

**Recent Economic Developments.**<sup>1</sup> COVID-19 continues to have an adverse economic impact on Tanzania; growth is projected to be 2.8 percent in FY2020/21, down from a projected 5.9 percent before the pandemic. The main driver of the deceleration is the impact of lower global demand on the tourism sector, which accounts for 15 percent of GDP and 35 percent of exports. During 2020Q2, tourism receipts collapsed by 92 percent relative to the same period last year, and although Tanzania reopened its borders to tourists in June, international flights in July were still only a fifth of their level in July 2019. The external shock is expected to widen the current account deficit to 5.1 percent of GDP, opening a financing gap of about 1 percent of GDP. The fiscal impact of the pandemic is estimated at about ½ percent of GDP, mainly due to lower tax revenue collection.

**Macroeconomic policies.** In presenting the FY2020/21 budget, the authorities announced measures of about 0.1 percent of GDP to directly address COVID-19, including prevention measures (e.g. education, provision of hygiene supplies to households) and an expansion and increase in transfers to poor households to help them absorb the shock. The authorities also announced their plans to maintain priority expenditures at about 5 percent of GDP (see table). The resources freed by the first tranche of the IMF's debt relief under the CCRT have been used to maintain priority spending, in particular improving health and education services, including purchases of medicine and equipment and enhancing educational infrastructure safety in primary and secondary schools. The authorities have not introduced a package of support measures for businesses and sectors affected by the pandemic.

	Priority Spending and Covid-Related Fiscal Measures (percent of GDP)	
	FY2020/21	
	Pre-Covid <sup>1</sup>	Post-Covid
Priority expenditures <sup>2</sup>	n.a.	5.1
of which		
Health	n.a.	1.1
Education	n.a.	1.9
Social	n.a.	1.2
Other Covid-related spending		0.1

<sup>1</sup> The 2020/21 budget approved in June 2020 includes all Covid-related spending. A pre-Covid 2020/21 budget does not exist.

<sup>2</sup> Priority social spending comprises transfers (recurrent and development) for education, health, water, and rural road maintenance.

**Governance safeguards.** To ensure the appropriate use of funds spent on fighting COVID-19, the office of the Auditor General in consultation with the relevant partners providing funding will undertake and publish an ex-post audit of COVID-19 related spending. The authorities also continue working on implementing governance measures related to the AML/CFT framework and the repayment of expenditure arrears.

**IMF support status.** The authorities have requested support under the RCF/RFI, but discussions have been postponed until after the general elections to be held on October 28<sup>th</sup>.

<sup>1</sup> The fiscal deficit for 2019/20 (1.4 percent of GDP) turned out smaller than the 2.3 percent of GDP deficit projected at the time of the first CCRT request, due to an effort to contain current spending. Similarly, the current account deficit at end-June 2020 was 1.2 percent of GDP (2.9 percent of GDP at the time of the first CCRT request) because of higher gold exports and lower capital goods imports.



**Upcoming CCRT-eligible debt service.** Tanzania has debt service of SDR 8.3 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Tanzania is pursuing appropriate macroeconomic policies to address the global pandemic, although there are several risks, and more could be done to support affected sectors such as tourism and hospitality. The governance safeguards put in place, and the authorities' use of IMF debt relief to prop-up reserves ensure that resources are appropriately used to provide emergency support to mitigate the impact of the pandemic on the economy.

**Table 1. Tanzania: Selected Economic Indicators, 2016/17–2023/24<sup>1</sup>**

	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24
	Act.	Act.	Act.	Est.	Pre-covid	Proj.	Proj.	Proj.	Proj.
(Percent change, unless otherwise indicated)									
Output, prices and exchange rates									
Real GDP <sup>2</sup>	6.8	6.9	7.0	4.4	5.9	2.8	4.9	6.3	6.5
GDP deflator	108.9	111.2	112.8	115.9	127.4	120.6	125.8	131.5	
CPI (period average)	5.3	4.3	3.2	3.5	4.3	3.7	3.7	4.1	5.0
CPI (end of period)	5.4	3.4	3.7	3.2	4.5	3.7	3.9	4.2	4.2
Core inflation (end of period)	1.9	1.6	3.4	3.1	...	...	...	...	...
Terms of trade (deterioration, -)	0.0	-6.8	-3.4	12.1	1.9	10.5	0.6	0.2	0.0
Exchange rate (period average, TSh/USD)	2,199	2,251	2,294	2,303	...	...	...	...	...
Real effective exchange rate (end of period; depreciation = -)	1.9	-1.6	3.3	1.9	...	...	...	...	...
Money and credit									
Broad money (M3, end of period)	6.0	6.0	7.7	9.5	12.7	7.0	11.6	15.0	15.6
Average reserve money	1.1	4.0	3.2	9.3	7.6	2.5	9.4	13.1	13.5
Credit to the private sector (end of period)	1.3	4.0	7.6	5.5	14.5	4.5	4.6	13.0	13.3
Overall T-bill interest rate (percent; end of period)	7.6	5.6	8.7	...	...	...	...	...	...
Non-performing loans (percent of total loans, end of period)	10.6	10.3	10.7	11.1	...	...	...	...	...
(Percent of GDP, unless otherwise indicated)									
Central government operations									
Revenues and grants	15.6	15.2	14.1	15.3	15.7	14.8	15.0	15.2	15.4
Of which: grants	1.0	0.8	0.3	0.7	0.7	0.6	0.6	0.5	0.5
Expenditures	16.6	16.5	16.6	16.3	18.9	17.5	17.8	17.8	17.8
Current	10.2	10.4	10.3	9.9	11.3	10.6	11.1	11.4	11.5
Development	6.4	6.1	6.4	6.4	7.6	6.9	6.7	6.4	6.3
Overall balance	-1.4	-1.9	-3.1	-1.4	-3.2	-2.7	-2.8	-2.6	-2.4
Excluding grants	-2.0	-2.0	-2.9	-1.7	-3.9	-3.2	-3.4	-3.1	-2.9
Public debt									
Gross nominal debt <sup>3</sup>	37.0	38.3	39.0	37.8	36.3	38.7	39.1	38.5	37.7
of which: external debt <sup>4</sup>	28.3	29.5	28.6	27.9	26.3	28.4	27.9	27.1	25.9
Investment and savings									
Investment	33.2	36.3	39.0	38.8	39.5	38.3	38.5	38.5	39.0
Government <sup>5</sup>	10.4	11.4	12.3	13.0	13.8	13.5	13.3	12.8	12.6
Nongovernment <sup>6</sup>	22.8	24.9	26.8	25.9	25.7	24.9	25.2	25.7	26.5
Domestic savings	30.5	33.8	35.6	37.6	35.0	33.2	34.9	36.7	37.3
External sector									
Exports (goods and services)	16.9	15.9	14.7	15.2	15.4	11.5	13.2	13.2	12.9
Imports (goods and services)	18.7	17.8	17.5	15.6	18.6	15.5	15.5	15.0	14.6
Current account balance	-2.7	-2.5	-3.4	-1.2	-4.6	-5.1	-3.6	-3.2	-2.8
Excluding current transfers	-3.0	-2.8	-3.5	-1.5	-4.9	-5.4	-3.8	-3.3	-3.0
Gross international reserves									
In billions of U.S. dollars	5.0	5.5	4.4	5.2	5.6	3.9	4.1	4.9	5.6
In months of next year's imports	6.1	6.4	5.4	6.1	4.8	4.3	4.3	4.9	5.2
Memorandum items:									
GDP at current prices									
Trillions of Tanzanian shillings	114	124	134	144	168.1	154	169	187	209
Millions of U.S. dollars	51,500	54,963	58,755	62,467	69,182.2	65,872	70,380	76,314	83,056
GDP per capita (in U.S. dollars)	985	1,020	1,058	1,093	1,174.9	1,119	1,161	1,222	1,291
Population (million)	52.3	53.9	55.5	57.2	58.9	58.9	60.6	62.4	64.3
CCRT debt relief (in U.S. millions)				3		23			

Sources: Tanzanian authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year (July-June).<sup>2</sup> Historical figures are based on official data up to the fourth quarter of 2019.<sup>3</sup> Excludes liquidity management papers and domestic arrears.<sup>4</sup> Excludes external debt under negotiation for relief.<sup>5</sup> Includes investments made by parastatals and other public sector institutions.<sup>6</sup> Historical figures are based on official data up to 2019.

## Annex XXVII. Togo: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Togo. The pandemic is hindering economic activity through trade disruptions and containment measures. Growth projections have been revised downwards from 5.5 percent to zero in 2020 and from 5.5 percent to 3 percent in 2021. The budget deficit in 2020 is expected to widen from 2 percent of GDP before COVID-19 to about 8 percent of GDP under the authorities' supplementary budget. Revenue is falling (by more than 2 percent of GDP) due to slower economic growth and tax relief measures; expenditure is increasing due mostly to COVID measures. The external financing needs widened by 1.6 percent of GDP relative to the last ECF program review; the remaining gap is 1.3 percent of GDP.

**Public health and macroeconomic policy response.** Togo is implementing a comprehensive response plan focused on (i) containment and mitigation measures; (ii) upgrade of the health system; (iii) support to vulnerable households; and (iv) tax measures to support the private sector and reduce the cost of imported medical equipment. Those measures are authorized in a supplementary budget, which also reduced some non-priority outlays to create space for COVID-related spending. Staff estimate that total COVID related spending amounted to about 1 percent of GDP by end-July. Togo seems to have implemented stronger COVID measures relative to peer countries, which may have contributed to the lower COVID cases.

### COVID Related Fiscal Measures

(percent of GDP)

	FY2020 projections		Change
	Pre-Covid	Current	
<b>Priority expenditures, of which :</b>	<b>6.2</b>	<b>7.2</b>	<b>1.0</b>
Health	2.4	3.4	1.0
Education & Social	3.8	3.8	0.0
<b>Other Covid-related spending</b>	<b>0.0</b>	<b>2.8</b>	<b>2.8</b>
Covid prevention, containment & mgmt	0.0	0.6	0.6
Transfers to households	0.0	0.5	0.5
Contingent COVID spending	0.0	1.7	1.7
<b>Memorandum items:</b>	<b>0.0</b>	<b>2.0</b>	<b>2.1</b>
Revenue measures for businesses	0.0	1.5	1.5
Revenue & expenditure impacts of weaker GDP	0.0	1.1	1.1
Additional security spending	0.0	0.8	0.8
Tax & duty exemptions for medical equipment	0.0	0.2	0.2
Additional grants from donors	0.0	-1.6	-1.6
<b>Total</b>	<b>6.2</b>	<b>12.1</b>	<b>5.9</b>

**Governance safeguards.** Financial contributions from donors are deposited in a special account at the central bank (BCEAO). The authorities reportedly restricted the use of some financing items in the supplementary budget to COVID actions. They are discussing an audit of COVID spending by the Auditor General and/or tracing of COVID spending through dedicated budget codes.

**IMF support status.** Togo had an ECF-supported program during 2017-20. The last review was completed in April 2020, which also included an augmentation of access to address the impacts of COVID-19. The authorities plan to request emergency support under the RCF in 2020 to address immediate financing needs and allow sufficient time to prepare for an ECF in 2021.

**Upcoming CCRT-eligible debt service.** Togo has debt service of SDR 2.31 million falling due during October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Togo is pursuing appropriate macroeconomic policies to address the global pandemic. As noted in the references above on public health and governance, staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT, and other support from the Fund, are being used to provide emergency health, and social and economic support to mitigate the impact of the pandemic on the lives and livelihoods of people.

**Table 1. Togo: Selected Economic and Financial Indicators, 2018–25**

	2018	2019	2020		2021	2022	2023	2024	2025
	Estimates		Pre-Covid	Proj.	Proj.				
(Percentage change, unless otherwise indicated)									
National income, prices, and exchange rates									
Real GDP	4.9	5.3	5.5	0.0	3.0	4.5	5.0	5.5	5.5
Real GDP per capita	2.4	2.8	2.9	-2.4	0.5	2.0	2.5	3.0	3.0
GDP deflator	1.7	2.1	2.8	4.6	4.4	2.9	2.9	2.9	2.9
Consumer price index (average)	0.9	0.7	2.0	1.4	1.5	2.2	2.0	2.0	2.0
GDP (CFAF billions)	2,975	3,199	3,469	3,346	3,598	3,869	4,181	4,539	4,928
Exchange rate CFAF/US\$ (annual average level)	555.2	585.9	...	...	...	...	...	...	...
Real effective exchange rate (appreciation = -)	-1.3	2.4	...	...	...	...	...	...	...
Terms of trade (deterioration = -)	-1.4	-3.1	1.0	-0.7	0.3	4.6	1.0	1.5	0.6
(Percentage change of beginning-of-period broad money)									
Monetary survey									
Net foreign assets	0.5	10.1	1.7	-5.7	1.0	1.4	1.5	1.6	1.5
Net credit to government	2.7	-9.7	0.6	-5.5	3.6	3.3	2.2	2.4	2.5
Credit to nongovernment sector	3.1	4.4	8.1	16.5	0.5	3.8	5.6	5.7	5.3
Broad money (M2)	9.0	4.5	9.3	9.3	7.1	8.9	9.9	10.3	9.8
Velocity (GDP/end-of-period M2)	1.7	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.6
(Percent of GDP, unless otherwise indicated)									
Investment and savings									
Gross domestic investment	26.8	25.1	32.0	30.3	23.8	29.6	33.1	34.0	35.1
Government	6.8	4.1	9.5	13.3	9.6	9.6	9.7	10.6	11.7
Nongovernment	20.0	21.0	22.5	17.0	14.2	20.0	23.4	23.4	23.4
Gross national savings	23.3	20.8	27.1	24.2	19.4	24.9	28.7	29.8	31.3
Government	6.0	6.2	7.6	5.4	6.1	6.5	7.8	8.7	9.8
Nongovernment	17.3	14.6	19.6	18.8	13.3	18.4	21.0	21.1	21.6
Government budget									
Total revenue and grants	23.9	23.4	24.0	23.7	23.7	23.8	24.1	24.2	24.8
Revenue	20.3	19.5	20.0	17.9	19.4	19.5	19.8	19.9	20.5
Tax revenue	16.5	17.2	17.8	15.8	17.2	17.3	17.5	17.6	18.1
Total expenditure and net lending <sup>1</sup>	24.7	24.5	26.0	31.6	27.2	26.8	26.0	26.2	26.7
Domestic primary balance <sup>1</sup>	2.4	1.5	2.6	-2.9	0.7	1.2	2.6	2.5	2.4
Overall primary balance (commitment basis, incl. grants) <sup>1</sup>	1.6	1.5	0.9	-4.8	-1.2	-0.6	0.7	0.6	0.5
Overall balance (commitment basis, incl. grants) <sup>1</sup>	-0.8	-1.2	-1.9	-7.9	-3.5	-3.0	-2.0	-1.9	-2.0
Overall primary balance (cash basis, incl. grants)	-1.8	1.5	0.9	-4.8	-1.2	-0.6	0.7	0.6	0.5
Overall balance (cash basis, incl. grants)	-4.2	-1.2	-1.9	-7.9	-3.5	-3.0	-2.0	-1.9	-2.0
External sector									
Current account balance	-3.5	-4.3	-4.9	-6.1	-4.4	-4.7	-4.4	-4.2	-3.8
Exports (goods and services)	31.8	31.2	31.4	26.8	26.7	27.1	27.3	27.6	27.9
Imports (goods and services)	-43.5	-43.3	-44.5	-41.6	-39.1	-39.6	-39.6	-39.7	-39.7
External public debt <sup>2</sup>	20.5	23.7	23.1	32.1	30.8	29.7	28.2	26.6	25.1
External public debt service (percent of exports) <sup>2</sup>	4.8	4.9	4.0	5.2	5.4	6.6	8.3	8.6	8.5
Domestic public debt <sup>3</sup>	55.7	47.1	42.9	42.0	40.9	39.7	37.8	36.0	34.5
Total public debt <sup>4</sup>	76.2	70.9	66.0	74.2	71.7	69.4	66.0	62.6	59.6
Total public debt (excluding SOEs) <sup>5</sup>	73.6	68.7	64.2	72.2	70.1	68.0	64.9	61.7	58.8

Sources: Togolese authorities and IMF staff estimates and projections.

<sup>1</sup> Excluding transaction with the Social Security Fund, CNSS, in 2019.<sup>2</sup> Includes state-owned enterprise external debt.<sup>3</sup> Includes prefinancing debt, domestic arrears and state-owned enterprise domestic debt.<sup>4</sup> Includes prefinancing debt, domestic arrears and state-owned enterprise debt.<sup>5</sup> Includes prefinancing debt and domestic arrears.

## Annex XXVIII. Republic of Yemen: Update for CCRT Debt Relief

**Recent Economic Developments.** COVID-19 continues to have a severe economic impact on Yemen, a fragile state. Economic activity is expected to contract by 5 percent in 2020, a 6 percentage point downward revision from the pre-COVID forecast. The impact on the economy is also expected to be protracted, with little growth forecast in 2021. Containment measures, including school and business closures, bans on public and religious gatherings, and a shutdown of border points, are weighing on the economy. The deterioration in fiscal revenue from the sharp decline in oil prices and global demand that was expected in April 2020 is still projected to halve oil revenues (from 4.7 percent of GDP in 2019 to an expected 2.4 percent in 2020). The higher-than-expected expenditure to address the impact of the pandemic will also contribute to a deterioration in the fiscal deficit. A decline in foreign exchange inflows, including remittances and external financial support, have limited Yemen's ability to import essential food and medicines to combat the ongoing humanitarian crisis. Preliminary estimates of external financing needs are at least 2.3 percent of GDP in 2020. Economic and fiscal challenges are expected to extend well beyond 2020.

**Public health and macroeconomic policy response, including on the use of financial resources freed up by the debt relief.** Despite the lack of resources and capacity challenges, Yemen has implemented emergency policies to confront the unfolding health crisis. The authorities have established

emergency facilities, procured test kits and additional ventilators, increased ICU capacity, deployed a public campaign on personal hygiene, and enlisted healthcare workers to provide treatment as the number of cases grow. The authorities have allocated emergency funds to support local quarantine centers

with medical equipment, including by reallocating non-priority outlays. Most funds allocated to COVID-related expenses have already been disbursed.

COVID Related Fiscal Measures (Percent of GDP)			
	2020 Projections		Change
	Pre-Covid	Current	
Priority Expenditures			
<i>of which</i>			
Health	0.4	0.5	0.1
Education	1.6	1.6	0.0
Other COVID-related spending		0.4	0.4
Covid prevention, containment and mgmt		0.0	0.0
Transfers to HH		0.0	0.0
Transfers to business, SOEs, govt entities		0.3	0.3
Other		0.1	0.1

**Governance safeguards.** The first tranche of the CCRT has allowed the government to partially cover health sector workers' salaries that were previously in arrears. The country has also requested to participate in the Debt Service Suspension Initiative, which contributes to enhancing transparency.

The authorities are also receiving Fund technical assistance on budget execution and cash management to enhance transparency and help improve accountability in fiscal operations.

**IMF support status.** Yemen is not currently under a Fund-supported program and has not received emergency support under the RCF.

**Upcoming CCRT-eligible debt service.** Yemen has debt service of SDR 10.96 million falling due during the 6-month interval from October 14, 2020 to April 13, 2021, the maximum period covered by the 2<sup>nd</sup> tranche of debt service relief under the CCRT.

**Staff assessment.** Staff assesses that Yemen is pursuing appropriate macroeconomic policies to address the global pandemic. The government of Yemen, in coordination with WHO and UN, has made significant progress in addressing the ongoing health shock in a highly constrained environment. Staff also assesses that the resources freed by the initial tranche of Fund debt service relief under the CCRT are being used to help provide emergency health, social and economic support to the economy to mitigate the impact of the pandemic on life and livelihood of the population.

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

	2016	2017	2018	2019	2020		2021	2022
					Pre- COVID-19	Proj.	Proj.	
<b>Production and prices</b> (Change in percent, y-o-y, unless otherwise indicated)								
Real GDP at market prices	-9.4	-5.1	0.8	2.1	1.0	-5.0	0.5	2.5
Consumer prices (end of period)	11.9	47.0	14.3	6.2	29.0	45.4	21.0	23.9
Consumer prices (annual average)	21.3	30.4	27.6	10.0	17.9	26.4	31.0	22.6
<b>Government finances</b> (In percent of GDP)								
Total revenue and grants	7.6	3.5	6.4	8.5	6.5	5.7	5.2	5.4
Total expenditure	16.5	8.2	14.3	13.8	15.3	15.0	11.3	10.0
Overall fiscal balance (cash basis)	-8.9	-4.7	-7.8	-5.3	-8.8	-9.2	-6.1	-4.7
<b>External debt</b> <sup>1</sup> (In millions of US\$)								
of which: IDA	1,668	1,695	1,613	1,535	...	...	...	...
Central Bank liabilities vis-à-vis the IMF	185	177	155	119	...	...	...	...
<b>External sector</b> (In millions of US\$, unless otherwise indicated)								
Exports of goods and services	1,146	1,016	1,278	1,474	1,977	935	980	1,016
Of which: Hydrocarbon	248	599	915	1,101	1,334	476	521	557
Imports of goods and services	7,433	7,826	8,844	10,700	9,975	8,433	9,138	9,390
Of which: Hydrocarbon	1,706	1,979	2,427	3,115	2,311	1,863	2,397	2,838
Basic food	1,400	1,519	2,139	3,250	2,398	3,279	3,279	3,279
Balance of goods and services	-6,287	-6,810	-7,566	-9,226	-7,998	-7,498	-8,158	-8,373
Income net	0	0	-12	-13	-27	-27	-27	-27
Current transfers net	5,507	6,836	7,070	8,251	7,553	6,553	7,000	7,000
Current account	-780	26	-508	-988	-471	-971	-1,185	-1,400
(in percent of GDP)	-2.1	0.1	-2.2	-4.4	-2.2	-4.7	-6.3	-8.2
<b>Memorandum items</b>								
Gross foreign reserves (Millions of US\$)	1,305	1,305	2,719	1,402	853	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	14,710	15,148	17,946	20,298
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	32,535	33,426	34,343

Sources: Yemeni authorities; and IMF staff estimates.

<sup>1</sup>2018 debt data to September 30.





September 30, 2020

## CATASTROPHE CONTAINMENT AND RELIEF TRUST— SECOND TRANCHE OF DEBT SERVICE RELIEF IN THE CONTEXT OF THE COVID-19 PANDEMIC—SUPPLEMENTARY INFORMATION

### EXECUTIVE SUMMARY

This paper provides additional information as background to the Catastrophe Containment and Relief Trust—Second Tranche of Debt Service Relief in the Context of the COVID-19 Pandemic.

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### UPDATE TO FUNDING STATUS OF THE CCRT

- 1. On September 23 and 25, 2020, the United Kingdom and Malta, respectively, disbursed their pledges in full.** The United Kingdom disbursed the second installment of £75 million (SDR 67.8 million) and Malta disbursed their full pledge of US\$0.8 million (SDR 0.6 million). With these two additional disbursements, SDR 303 million has been disbursed out of about SDR 360 million in total existing pledges. Please see below the updated Table 2 as it appears in main document.
- 2. The CCRT cash balance as of September 29, 2020 amounts to SDR 270 million, which includes the pre-COVID balance of SDR 150 million.** Remaining disbursements of SDR 54 million from existing pledges are expected during the second tranche period (October 14, 2020-April 13, 2021). Eligible debt service for the second six-month tranche of the CCRT relief amounts to SDR 168 million.

**Updated Table 2. New Contributions to the CCRT**  
(As of September 29, 2020)

Country	CCRT grants <sup>1</sup>			Current status of contribution
	In millions of SDRs	In millions of original currency (if appl.)	In millions of US\$	
UK	135.8	£150	192.0	Disbursed
Japan	73.4	\$100	103.8	Disbursed
Germany	66.2	€ 80	93.5	Partially disbursed
Netherlands	20.9	€ 25	29.5	Partially disbursed
Switzerland	19.5	CHF 25	27.5	Disbursed
Norway	14.5	NOK 180	20.5	Disbursed
China	5.6		7.9	Disbursed
Mexico <sup>2</sup>	2.9	\$4	4.1	Disbursed
Sweden	2.4	SEK 30	3.5	Disbursed
Bulgaria	1.9		2.7	Disbursed
Luxembourg	1.7	€ 2	2.3	Disbursed
Malta	0.6	\$0.8	0.8	Disbursed
Other(s) <sup>3</sup>	12.4	\$17.6	17.6	Pledge
<b>Total</b>	<b>357.7</b>		<b>505.8</b>	
<b>Target</b>	<b>SDR 1 billion</b>		<b>US\$1.4 billion</b>	

<sup>1</sup> Exchange rates are as of September 14, 2020.

<sup>2</sup> Disbursed as part of the 2015-17 fundraising campaign.

<sup>3</sup> Subject to domestic approval.