



DELEGATION OF THE EUROPEAN UNION
TO SIERRA LEONE
PRESS RELEASE



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EU global response to COVID-19: EU contributes to debt service relief for Sierra Leone through IMF Catastrophe Containment and Relief Trust

Debt service relief is a key instrument for countries to manage the impact of the COVID crisis.

The IMF in April 2020 launched an urgent fundraising effort that would enable its Catastrophe Containment and Relief Trust Fund (CCRT) to provide further debt service relief to countries most seriously affected by the COVID-19 crisis.

Initially established in February 2015 during the Ebola outbreak, the CCRT now seeks to provide debt service relief to eligible low- income countries on debts due to the IMF for 2021/2022, starting from April 2020.

In response to the call of IMF, the EU on 23 November announced a €183 million contribution for 2021, making EU the largest donor to the CCRT, which so far has received over \$500 million in grants from donor countries.

The EU's contribution will fully cover the debt service of Sierra Leone to the IMF in 2021 (about 18 million EUR). This payment will also make a further contribution to Sierra Leone's debt service relief until April 2022, allowing the GoSL to create fiscal space for priority public spending in sectors such as health and education... and ultimately contributing to protect the most vulnerable in Sierra Leone.

"The EU has been leading global efforts to do more on debt relief and debt restructuring efforts." Josep **Borrell**, High Representative and Vice President for Foreign and Security Policy, said.

"The Commission is determined to continue supporting its partner countries in maintaining their path toward the SDGs despite dire financial situations." Jutta **Urpilainen**, European Commissioner for International Partnerships, said.

Paolo **Gentiloni**, Commissioner for Economy, added: *"Today, Europe makes an important contribution to multilateralism and debt relief. This contribution is a further demonstration of our firm commitment to helping low-income countries deal with their debt burden."*

Kristalina **Georgieva**, IMF Managing Director, said: *"I am very thankful to the EU and its member countries for the generous contribution of 183 million euros to the CCRT – a critical step to help the world's most vulnerable countries provide health care and economic support to their people during the ongoing pandemic. The EU and the IMF have a strong partnership on development financing. I urge other member countries to join the EU in contributing to the CCRT. Contributions from our member countries are instrumental in helping the Fund support the most vulnerable countries."*

In total, the EU has provided a contribution of EUR 388.5 million for the debt service of African Caribbean and Pacific countries in 2021/ 2022.

The EU places particularly strong emphasis on the proper accounting, monitoring and control of the COVID-19-related expenditures. The ongoing EU's dialogue with partner countries in the framework of budget support programmes reinforces the CCRT framework and its monitoring capacities.

For further information contact:

European Union Delegation

Name: N'Fa Alie Koroma

Designation: Press & Information Officer

Contact: +232 76741418