



## **PRESS RELEASE**

### **EXTENSION OF THE DEBT SUSPENSION INITIATIVE AND COMMON FRAMEWORK FOR DEBT TREATMENTS**

Given the significant financing needs that the eligible countries to the Debt Service Suspension Initiative are expected to face in 2021, Paris Club members and the G20 agreed to extend the DSSI by 6 months, and to examine by the time of the 2021 IMF/WBG Spring Meetings if the economic and financial situation requires to extend further the DSSI by another 6 months, with targeted complements to the April 2020 DSSI Term Sheet as set forth in the attached addendum (cf. attachment).

Paris Club members underline that all official bilateral creditors should implement this initiative fully and in a transparent manner. They call on private creditors to participate in the initiative on comparable terms when requested by eligible countries. While protecting their current ratings and low cost of funding, Multilateral Development Banks (MDBs) are encouraged to go further on their collective efforts in supporting the DSSI, including through providing net-positive flows to DSSI-eligible countries during the suspension period, including the extension period.

Furthermore, Paris Club members acknowledge that the COVID-19 health and economic crisis is increasing significantly the debt vulnerabilities of the poorest and most vulnerable countries. In such a context, Paris Club members consider that a multilateral approach, consistent with its principles and coordinated with non-Paris Club creditors, is critical to provide appropriate debt treatment beyond the DSSI on a case-by-case basis. For that purpose, Paris Club creditors agreed on a "Common Framework for Debt Treatments beyond the DSSI", which is also agreed in principle by the G20. Paris Club members look forward to the endorsement of the Common Framework by G20 members, subject to their domestic approval procedures, ahead of the Riyadh G20 Leaders' Summit in November 2020, in an extraordinary G20 Finance Ministers and Central Bank Governors meeting where G20 members will publish the Common Framework and also discuss outstanding issues related to the DSSI.

Paris Club creditors and the G20 will continue to closely coordinate its ongoing implementation to provide maximum support to DSSI-beneficiary countries.

#### **Background notes**

1. The Paris Club was formed in 1956. It is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by borrower countries.

2. The 22 members of the Paris Club are: Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Korea, the Netherlands, Norway, Russian Federation, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.