



PRESS RELEASE OF THE PARIS CLUB AND THE IIF

OFFICIAL AND PRIVATE CREDITORS WORK COLLABORATIVELY TO SUPPORT THE DEBT SERVICE SUSPENSION INITIATIVE AGREED BY THE G20 AND PARIS CLUB

Paris and Washington D.C., April 30, 2020 - Delegates representing official and private creditors released the following joint statement after an extraordinary virtual meeting of the Paris Club and the Institute of International Finance (IIF) to discuss the Debt Service Suspension Initiative (DSSI) agreed by the G20 and the Paris Club:

“Following this week’s very productive discussion, the Paris Club and IIF have agreed to collaborate in support of the DSSI agreed by the G20 and the Paris Club; while noting the complexity of attaining debt service suspension in a short time frame, private creditor representatives expressed strong support for the initiative and are committed to explore how best to advance this initiative on comparable terms, upon the specific request of borrowing countries.”

As the economic shock of the COVID-19 pandemic unfolds, the situation is particularly dire for the poorest and least developed countries now facing acute healthcare and humanitarian challenges. Many have high external debt burdens that severely limit their fiscal policy space to respond to the crisis. The creditor base—including official bilateral and multilateral creditors as well as private sector lenders and bondholders—is now much more diverse, making creditor coordination more crucial. With global commodity prices near their lowest levels in almost 50 years and ongoing oil market turbulence, many of these countries are seeing export revenues plummet.

Participants discussed the DSSI of April 15, 2020 agreed by the G20 and the Paris Club, including the proposed scope of countries, suspension period of May-December 2020, and provisions of the official creditors’ term sheet. Private sector creditors expressed deep appreciation for the challenges facing the most vulnerable countries, highlighting their commitment to work constructively to find ways to implement the initiative—while noting the constraints on private sector participation. Private sector creditors also reconfirmed their willingness—as noted in the IIF letter dated April 9, 2020 to the IMF, the World Bank, the OECD and the Paris Club—to work in the coming weeks on terms of reference for an effective voluntary private sector participation. There was broad agreement on the importance of active collaboration between official and private creditors on this vital initiative.

The meeting convened all 22 Paris Club official creditors to meet with over seventy representatives from the private sector.¹

¹ Paris Club-IIF meetings, typically held annually, are designed to foster dialogue and cooperation among all creditors, official and private alike. This extraordinary session represents the 20th Paris Club-IIF meeting.