



## PRESS RELEASE

### PUBLICATION OF THE 2020 ANNUAL REPORT OF THE PARIS CLUB

The [2020 annual report](#) of the Paris Club is now available on the Paris Club website.

In response to the COVID-19 pandemic which has significantly increased the debt vulnerability of many countries, the Paris Club has played a key role in designing the Debt Service Suspension Initiative (DSSI) in coordination with the G20 and has shown leadership in its swift and transparent implementation to maximize the benefit for low-income countries. In 2020, the Paris Club deferred around USD 2.5 billion for 35 countries.

Paris Club creditors also agreed with other G20 members on a "Common Framework for Debt Treatment beyond the DSSI". This Common Framework provides a multilateral approach to facilitate debt treatments for DSSI-eligible countries by Paris Club and G20 creditors in a timely, coordinated and orderly manner, while ensuring a broad participation among creditors, including the private sector through the comparability of treatment principle.

This Framework represents a major breakthrough in the international financial architecture and strengthens the coordination between Paris Club creditors and other G20 creditors at a time of high debt vulnerabilities, particularly in low-income countries. Paris Club creditors remain fully committed to the implementation of the Common Framework consistent with the parameters of an upper credit tranche (UCT) IMF-supported program. To date, three countries have made formal request for the Common Framework (Ethiopia, Chad and Zambia).

In 2020, the Paris Club has also continued its efforts to promote orderly sovereign debt treatments and the implementation of the enhanced Heavily Indebted Poor Countries initiative (HIPC), by providing interim debt relief to the Federal Republic of Somalia, which reached the HIPC decision point in March 2020.

The Paris Club remains very much supportive of close engagement with private creditors. Since the early 2000s, it has engaged regularly with the International Institute for Finance (IIF) and, in light of the COVID-19 crisis, has successfully enhanced coordination among creditors, alongside the G20 and with support from the IMF and the World Bank.

**Background notes**

1. The Paris Club was formed in 1956. It is an informal group of creditor governments whose main role is to coordinate official creditors during debt restructuring.

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.

3. The publication of an annual report, since 2008, is an example of Paris Club creditors' commitment to enhance the transparency of the Club's work and functioning.

4. The 2020 Paris Club annual report comprises four main chapters:

-- a chapter on the Paris Club and G20 Debt Service Suspension Initiative (DSSI) and Common Framework for Debt treatments beyond the DSSI,

-- a chapter on the Paris Forum and Saudi G20 Presidency high-level Ministerial Conference on "Tackling the Covid-19 crisis: restoring sustainable flows of capital and robust financing for development", 8 July 2020,

-- a chapter on Paris Club's engagement with the private sector,

-- a chapter on the Paris Club's agreement with the Federal Republic of Somalia under the Enhanced Initiative for Heavily Indebted Poor Countries.

In addition to these four main chapters, the annual report includes a presentation of the role of the Paris Club as well as its current claims on sovereign borrowers.