



PRESS RELEASE

THE PARIS CLUB IS FULLY COMMITTED TO IMPLEMENTING THE DEBT SERVICE SUSPENSION INITIATIVE (DSSI) AND THE COMMON FRAMEWORK

As of today, the Paris Club has signed with 33 eligible countries an agreement to implement the extension of the Debt Service Suspension Initiative (DSSI) which applies to debt service due from January 1 through June 30, 2021. These countries are: Angola, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Comoros, Congo (Democratic Republic of), Congo (Republic of), Côte d'Ivoire, Djibouti, Dominica, Ethiopia, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Pakistan, Papua New Guinea, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Senegal, Sierra Leone, Togo, Uganda and Zambia.

Portugal and Turkey, which are not members of the Paris Club, signed jointly with the Paris Club creditors memoranda of understanding implementing the DSSI extension. Turkey participates in the reorganization of the debt of Republic of Congo and Portugal in that of Cabo Verde.

For these 33 countries, the total amount deferred by Paris Club creditors thanks to the DSSI extension reaches around USD 1 billion (Cf. Appendix).

Paris Club creditors will continue to closely coordinate with non-Paris Club G20 members and other stakeholders in the ongoing implementation of the DSSI and its extension, so as to provide maximum support to beneficiary countries. Paris Club members recall to eligible countries that they are expected to send formal requests to all their official bilateral creditors and encourage all other official bilateral creditors and their institutions to implement this initiative fully and in a transparent manner. They also reiterate their call on private creditors to participate on a voluntary basis in the initiative on comparable terms when requested by eligible countries.

Given the significant financing needs that the eligible countries to the Debt Service Suspension Initiative (DSSI) are expected to face this year, Paris Club members and the G20 endorsed its final extension by 6 months through end-December 2021. This final extension of the DSSI will allow beneficiary countries to mobilize more resources to face challenges of the crisis and, where appropriate, to move to a more structural approach to address debt vulnerabilities including through an Upper Credit Tranche quality IMF-supported program and a Common Framework Treatment.

Paris Club creditors are 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). Paris Club members welcome the statement issued by the creditor committee for Chad which has provided the required financing assurances to the IMF and urge private creditors and other official bilateral creditors to commit without delay to negotiate with Chad a debt treatment on terms at least as favorable. In addition, Paris Club creditors are ready to proceed with the request of debt treatment from Ethiopia in the context of a creditor committee and look forward to its swift establishment to provide financing assurances to the IMF in a timely manner.

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

Appendix

Total deferred amounts for the 33 beneficiary countries (estimation)

Including the maturities falling due and arrears

Beneficiary countries	Estimated deferred amounts (M USD)
Angola	93
Burkina Faso	7
Cabo Verde	5
Cameroon	105
Central African Republic	-
Comoros	0.2
Congo, Democratic Republic of	11
Congo, Republic of	13
Côte d'Ivoire	2
Djibouti	3
Dominica	2
Ethiopia	13
Guinea	13
Guinea-Bissau	2
Kenya	105
Lesotho	0.4
Madagascar	2
Maldives	2
Mali	6
Mauritania	6
Mozambique	14
Nepal	8
Niger	4
Pakistan	536
Papua New Guinea	8
Samoa	1
Senegal	30
Sierra Leone	0.002
St Lucia	0.5
St Vincent and the Grenadines	2
Togo	0.1
Uganda	23
Zambia	7
Total	1 023