



## **PRESS STATEMENT**

### **PARIS FORUM: THE 10<sup>TH</sup> ANNUAL CONFERENCE OF THE PARIS CLUB ADDRESSES PUBLIC DEBT RESTRUCTURING COORDINATION IN A CHALLENGING ENVIRONMENT**

The 10<sup>th</sup> edition of the Paris Club annual meeting, known as the Paris Forum, was held on 21 June 2023, at the Ministry for Economy, Finance and Industrial and Digital Sovereignty, with the support of the G20 India's Presidency. This edition, titled *Coordinating Sovereign Debt Restructurings in a Complex Environment*, gathered over 200 participants representing 80 countries and institutions.

The Forum aims to facilitate open and transparent discussions on debt challenges and share potential solutions to prevent and address debt crises in developing countries. It gathers practitioners and specialists in the field. This year, the Forum took place against the backdrop of the Presidential Summit for a New Global Financing Pact, with the specific objective of emphasizing sovereign debt issues as the foundation for broader discussions on global financing challenges.

The Forum also took place in a challenging environment, as many developing countries grapple with high levels of vulnerability. According to the IMF and the World Bank's Debt Sustainability Framework for Low-Income Countries, 36 countries are currently at high risk of debt distress or in a situation of debt distress. This marks a notable rise compared to the 21 countries recorded a decade ago.

In addition to Paris Club creditors, the 10<sup>th</sup> edition of the Forum brought together non-member creditor countries including India, China, and Saudi Arabia. The event also saw the participation of around twenty borrowing countries, represented by a dozen ministers, as well as academics, NGOs, and representatives from around twenty private sector organisations. The 2023 edition of the Paris Forum covered a diverse range of topics, encompassing macro-level discussions, including creditor coordination – both within and outside of the Common Framework – and the ways to improve it. These discussions are crucial given the current sovereign debt landscape. The Forum also addressed pressing challenges, such as the nexus between debt sustainability and resilience against climate change. Furthermore, technical aspects, including domestic debt restructuring and debt data transparency, were thoroughly discussed.

The Paris Club remains steadfast in its commitment to promoting sustainable debt practices and coordinated solutions in cases where debt treatments become necessary. This commitment will persist within various relevant fora, primarily within creditor committees, which are responsible for negotiating restructurings. As part of its unwavering commitment, the Paris Club will also continue to actively contribute to the work of the G20's International Financial Architecture Working Group.

### **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. South Africa has been a prospective member since 2022.