13 April 2021

PRESS RELEASE

FINAL EXTENSION OF THE DEBT SERVICE SUSPENSION INITIATIVE (DSSI)

As of today, 37 countries have requested to benefit from the Paris Club's implementation of the extension of the Debt Service Suspension Initiative (DSSI) until June 30, 2021.

Of these, 28 have already signed a memorandum of understanding with the Paris Club to implement this DSSI extension. These countries are: Angola, Burkina Faso, Cabo Verde, Cameroon, Comoros, Congo (Democratic Republic of), Congo (Republic of), Dominica, Ethiopia, Guinea, Ivory Coast, Kenya, Lesotho, Madagascar, Maldives, Mali, Mauritania, Mozambique, Niger, Pakistan, Papua New Guinea, 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.

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.

Paris Club creditors will continue to closely coordinate with non-Paris Club G20 members and other stakeholders in the implementation of the DSSI, so as to provide maximum support to beneficiary countries. Paris Club members underline that all official bilateral creditors and their institutions should continue to implement this initiative fully and in a transparent manner. They reiterate their call on private creditors to participate in the initiative on comparable terms when requested by eligible countries.

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. In that context, Paris Club members remain fully committed to implementing in a coordinated manner the Common Framework for Debt Treatments beyond the DSSI to address debt vulnerabilities on a case-by-case basis. They look forward to the coming first meeting of the first creditor committee. Paris Club members stress the importance for private creditors and other official bilateral creditors of providing debt treatments under the Common Framework on terms at least as favorable, in line with the comparability of treatment principle.

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.