



## **PRESS RELEASE**

# **THE PARIS CLUB PROVIDES A DEBT TREATMENT TO THE REPUBLIC OF SURINAME**

Paris Club creditors agreed on 22 June 2022 with the Republic of Suriname to a restructuring of its external public debt. This agreement follows the financing assurances provided by the Paris Club creditors on 2 September 2021 to support the approval by the International Monetary Fund of an Arrangement under the Extended Fund Facility for the Republic of Suriname on 22 December 2021 and is consistent with IMF program parameters with respect to long-term debt sustainability.

Paris Club creditors will reschedule arrears and all maturities falling due during the IMF program period. The rescheduling is conducted under the following terms: ODA claims are to be repaid over 20 years (including 7 years of grace) and non-ODA claims are to be repaid over 15 years (including 8 years of grace). Under this agreement, all existing arrears as of end-2021 will be repaid in two instalments in 2022 and 2024.

Additionally, based on a future assessment that the Republic of Suriname has fulfilled all its commitments under the agreement, notably the comparability of treatment, and maintaining sound macroeconomic policies consistent with long-term debt sustainability, Paris Club creditors are committed to reschedule all maturities in capital falling due starting on 1 January, 2025. If the 2024 IMF assessment of the macroeconomic situation is consistent with the projections in the current EFF, the repayment schedule will be 17 years (including a 4-year grace period) for ODA claims and 12 years (including a 5-year grace period) for NODA claims from 1 December 2024.

This debt treatment will eventually allow the creditors to make additional efforts including through the conclusion of debt swaps, on a voluntary and bilateral basis, to support the country's efforts in favour of environmental, social and governance goals.

The Republic of Suriname has committed to seek debt treatments at least as favourable from all other bilateral and external commercial creditors.

### **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 which participated in the reorganization were representatives of the Governments of Italy, France, the Netherlands, Israel and Sweden.

Observers at the meeting were representatives of the Governments of Australia, Belgium, Canada, Denmark, Germany, Ireland, Japan, the Republic of Korea, the Russian Federation, Spain, Switzerland, the United Kingdom and the United States of America, as well as of the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the Inter-American Development Bank, the European Commission, the Organisation for Economic Cooperation and Development (OECD) and the Secretariat of the United Nations Conference on Trade and Development (UNCTAD).

3. The delegation of the Republic of Suriname was headed by Mr. Armand ACHAIBERSING, Minister of Finance and Planning. The meeting was chaired by Mr. William ROOS, Co Chairman of the Paris Club, Assistant Secretary at the Directorate-General of the Treasury of the French Ministry of Economy, Finance and Industrial and Digital Sovereignty.

### **Technical notes**

1. The Republic of Suriname's economic program is supported by an Extended Fund Facility (EFF) approved by the Executive Board of the International Monetary Fund (IMF) on 22 December 2021.

2. The total stock of the Republic of Suriname's debt was estimated as of 31 December 2021 to be US\$ 3,383 million and the stock of debt owed to Paris Club creditors was estimated to be US\$ 98.3 million (source: Paris Club creditors).

3. The cut-off-date is used by Paris Club creditors for the sole internal purpose of the Paris Club agreement. When a debtor country first meets with Paris Club creditors, the "cut-off-date" is defined and is not changed in subsequent Paris Club treatments and credits granted after this cut-off-date are not subject to future rescheduling. Thus, the cut-off-date helps restore access to credit for debtor countries facing liquidity problems. Concerning the Republic of Suriname, the cut-off date was set at 29 April 2021.