



Paris Club and the IIF: Discussion on debt vulnerabilities, sustainable financing and debt transparency

Paris, June 18, 2019 - Delegates representing official and private creditors participated to the 19th Annual Meeting of the Paris Club and the Institute of International Finance (IIF) to discuss debt vulnerabilities in emerging markets and developing countries. The meeting gathered all 22 Paris Club members, as well as the 3 ad hoc participants to the Paris Club (China, India and South Africa) and Saudi Arabia as the upcoming G20 Presidency. It also gathered more than fifty representatives from the private sector. The IMF and the World Bank also took part in this meeting. This annual meeting is a unique event designed to foster dialogue and cooperation between all creditors, official and private alike, and to reflect recent developments and longer-term trends in the field of sovereign debt.

Against the backdrop of growing concerns about rising public debt levels in several emerging and developing countries, combined with the increasing complexity of debt composition, official and private creditors exchanged views on debt vulnerabilities and perspectives for going forward. Notably, participants discussed the financial situation of countries in debt distress or with significant debt vulnerabilities in Latin America, Sub-Saharan Africa and Southern Asia.

Participants also discussed how to address the infrastructure gap in emerging markets and developing countries, and cover related financing needs, while keeping debt on a sustainable path. They also shared views on the use and features of climate-resilient debt instruments, which could provide debt service relief in countries regularly affected by natural disasters.

Finally, participants discussed ways of enhancing debt transparency to benefit lenders and borrowers alike and ultimately improve debt sustainability through sounder financing practices. In this context, the IMF reported on the implementation of the G20 Operational Guidelines for Sustainable Financing and the IIF presented its work on the Voluntary Principles for Debt Transparency, which was supported by the G20 in Fukuoka. These voluntary Principles provide a framework for private creditors to publicly disclose details on lending to low-income developing countries.