

## **Second Meeting of the Creditor Committee for Zambia under the Common Framework for Debt Treatments beyond the DSSI**

### **Statement**

*July 18, 2022*

The creditor committee for Zambia formed by countries with eligible claims on Zambia, and co-chaired by China and France (South Africa acting as a vice-chair) (hereinafter “the creditor committee”) met virtually on July 18, 2022, in presence of the IMF staff and the World Bank staff.

The creditor committee examined the macroeconomic and financial situation of Zambia, including its long-term debt sustainability, and its formal request for a debt treatment under the “Common Framework for Debt Treatments beyond the DSSI” endorsed under the Saudi G20 Presidency in November 2020, which was also endorsed by the Paris Club.

The creditor committee supports Zambia’s envisaged IMF upper credit tranche (UCT) program and its swift adoption by the IMF Executive Board to address Zambia’s urgent financing needs. The creditor committee encourages Multilateral Development Banks (MDBs) to maximize their support for Zambia to meet its long-term financial needs.

Consistent with their national laws and internal procedures, creditor committee members are committed to negotiate with the Republic of Zambia terms of a restructuring of their claims to be finalized in a Memorandum of Understanding (MoU), in accordance with the “Common Framework for Debt Treatments beyond the DSSI”.

The creditor committee stresses that the Zambian authorities are expected to seek from all private creditors and other official bilateral creditors debt treatments on terms at least as favorable as those being considered by the creditor committee, in line with the comparability of treatment principle. Consequently, the creditor committee urges private creditors and other official bilateral creditors to commit without delay to negotiate with Zambia such debt treatments that are crucial to ensure the full effectiveness of the debt treatment for Zambia under the Common Framework.

## **Background notes**

1. The creditor committee for Zambia was formed on June 16, 2022, in application of “Common Framework for Debt Treatments beyond the DSSI” endorsed by the G20 and the Paris Club in November 2020.
2. The members of the creditor committee are representatives of countries with eligible claims on Zambia. China and France co-chair the creditor committee while South Africa acts as a vice-chair.
3. Observers at the meeting were representatives of the International Monetary Fund and the World Bank Group.