

## PRESS STATEMENT



Republic of Zambia  
**MINISTRY OF FINANCE**

### **Zambia Applies for Debt Treatment under G20 Common Framework**

*The G20 Common Framework will facilitate Zambia's engagement with all G20 and Paris Club creditors, reassuring commercial creditors and encouraging them to join the restructuring process.*

**Lusaka, 5 February 2021** – The Government of Zambia has officially requested a debt treatment under the Common Framework agreed by the Group of 20 major economies and the Paris Club in November last year.

This newly adopted common framework for debt treatment beyond the G20 Debt Service Suspension Initiative (DSSI) is designed to facilitate timely and orderly debt treatment with broad creditor participation for DSSI-eligible countries. The framework has been endorsed by the G20 and the Paris Club as part of a global response to the COVID-19 crisis in recognition that the short-term liquidity relief and fiscal space created by the DSSI will not, in all cases, be sufficient to address the significant public debt challenges some countries are facing.

Debt treatment under the Common Framework, will be based on the conclusion of the Debt Sustainability Analysis (DSA) being prepared in collaboration with the International Monetary Fund (IMF) and the World Bank (WB) in the context of IMF program discussions scheduled from February 11<sup>th</sup> 2021 to March 3<sup>rd</sup> 2021.

All G20 and Paris Club creditors are expected to coordinate their engagement with Zambia under the Common Framework with the objective of providing debt relief to the country.

Minister of Finance Dr Bwalya Ng'andu states: *"Zambia is committed to transparency and equal treatment of all creditors in the restructuring process, and our application to benefit from the G20 Common Framework will hopefully reassure all creditors of our commitment to such treatment. Returning to sustainable debt levels is a national priority for Zambia and we are confident that debt treatment under the G20 Common Framework will help address Zambia's challenges and support Zambia's economic and financial recovery in the long-term."*

To stabilize the economy severely hit by the Covid-19 pandemic Zambia launched its Economic Recovery Plan 2020 - 2023 (ERP) in December 2020 and will begin formal talks with the IMF on 11 February 2021 to negotiate an Extended Credit Facility (ECF) program.

For any investors' enquiry, please contact [zb.investors@lazard.com](mailto:zb.investors@lazard.com)

For any media enquiry, please contact [hg@highgate.ltd](mailto:hg@highgate.ltd)

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Issued by

Handwritten signature of Fredson K. Yamba.

Fredson K. Yamba

**SECRETARY TO THE TREASURY**