G20 following-up on the implementation of the G20 Debt Service Suspension Initiative (DSSI)

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The Debt Service Suspension Initiative (DSSI) has received 36 applications in the first month of implementation. The initiative could provide around $14bn in immediate and critical liquidity relief by official bilateral creditors alone for the poorest nations in 2020.

An extraordinary meeting of the G20 International Financial Architecture Working Group was held today under the Saudi G20 Presidency to discuss and assess the applications for suspension of debt service payments.

G20 nations agreed to a time-bound suspension of debt service payments for poorest countries on April 15, 2020, to ensure those nations are supported in full capacity to fight the COVID-19 pandemic and alleviate their economic pressure.

Co-chaired by France and Korea, the purpose of this extraordinary virtual meeting is to have a proactive, collective assessment of the first weeks of implementation of the DSSI and further discuss any outstanding concerns.

Saudi G20 Presidency Policy Lead of the International Financial Architecture Working Group, Bandr Alhomaly, said that “Debt Service Suspension Initiative is a hallmark achievement in the G20’s history.”

“In its first month of implementation, 36 countries have requested to benefit from this initiative. As more requests come in, initial estimates by the World Bank indicate that immediate liquidity relief could be around USD 14bn, which would help vulnerable countries strengthen their fight against the pandemic. This amount could increase significantly if additional creditors, including multilateral development banks and private sector creditors, join the initiative”

Working Group members, were joined by experts from International Monetary Fund (IMF), World Bank Group (WBG), Institute of International Finance (IIF), Paris Club Secretariat, and various Regional Development Banks. All bilateral official creditors are participating in the DSSI, while the G20 called on the private sector and Multilateral Development Banks to join the initiative.

The Saudi G20 Presidency will continue to work with all its partners and collaborate with key stakeholders on the initiative by putting in place a clear framework to track and monitor progress.

The International Financial Architecture Working Group will host another extraordinary meeting on June 23 to further examine the DSSI implementation efforts, ahead of the Finance Ministers and Central Bank Governors meeting in July.

Further information about the G20, including the Presidency Agenda and full program of events, can be found at www.g20.org

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