

# Sovereign debt issues to top G20 finance meet: FM

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**FINANCE MINISTER NIRMALA** Sitharaman told the International Monetary Fund (IMF) chief on Thursday that debt vulnerabilities of countries would top the agenda of the G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting in Bengaluru later this month. She also urged the IMF to help develop a globally coordinated approach to the regulation of crypto assets.

"FM Smt. @nsitharaman informed Ms @KGeorgieva that debt discussions will be at the forefront of #G20FinanceTrack discussions and India will continue to support the ongoing efforts for orderly and timely implementation of the #CommonFramework," the finance ministry tweeted after the video call between Sitharaman and IMF managing director Kristalina Georgieva.

The Common Framework is intended to deal with insolvency and protracted liquidity problems, along with the implementation of an IMF-supported reform programme in debt-stressed countries. G20 official creditors — both traditional 'Paris Club' creditors, such as France and the US, and new creditors, such as China and India, which overtook the Paris Club as lenders in the last decade — agreed to coordinate to provide debt relief consistent with the debtor's capacity to pay and maintain essential spending needs. The Common Framework requires private creditors to participate on comparable terms to overcome collective action challenges and ensure fair burden sharing.

Sitharaman and Georgieva also discussed other key deliverables such as the timely completion of the 16th



FM Nirmala Sitharaman

General Review of Quotas (GRQ) to strengthen the Global Financial Safety Net. The GRQ by December 2023 is expected to address the long-delayed realignment of IMF members' quota shares, which was last undertaken in 2008, to increase the voice of the emerging market and developing economies such as India.

"Our agenda is full — from managing debt vulnerabilities & food insecurity to the benefits + risks of digitalization. We are grateful for @g20org's leadership," Georgieva tweeted.

India, as the president of G20 for 2023, would set the agenda for the powerful global grouping. The FM stressed the need to ensure food and energy security for all and asked the IMF for support to the Indian Presidency in the form of detailed technical analysis to develop evidence-based policy guidance on the issue.

The minister also discussed the role of the IMF and other relevant international organisations to develop a globally coordinated approach to the regulation of crypto assets.