



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Sir George Howarth MP
House of Commons
London
SW1A 0AA

24 June 2022

Dear Sir George,

Thank you for your email of 26 May to the Chancellor of the Exchequer enclosing correspondence from your constituent, regarding Zambia's Common Framework case. I am replying as the minister responsible for this policy area.

The Common Framework was agreed by the UK, along with the G20 and Paris Club, to help deliver a long-term, sustainable approach for supporting low-income countries to tackle their debt vulnerabilities. Zambia is one of three countries, along with Chad and Ethiopia, to have requested the Common Framework so far. It is a UK priority to work with our international partners to ensure swift progress on Zambia's debt treatment so that the country can get back to debt sustainability and support its economic recovery.

The UK agrees that private sector participation in the Common Framework is critical and the Government will work closely with its international partners to ensure private creditors fully play their part in Zambia's restructuring. Private sector participation on at least as favourable terms as official creditors is a fundamental principle of the Common Framework. At the point at which Zambia reaches agreement with its official creditors it will need to engage its private creditors to ensure their participation on comparable terms.

The Government does not currently intend to pursue a legislative approach to force private lenders to participate in debt relief initiatives. Any legislative approach would need to address a number of challenges. For example, legislating may increase the cost of finance for low-income countries or reduce the availability of finance to meet wider development goals. The Government is instead prioritising the implementation of the Common Framework and is fully committed to ensuring private sector participation.

Please pass on my thanks to

for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink that reads 'John P. Glen' with a stylized flourish below the name.

JOHN GLEN