Q4

With reference to the "G20 Common Framework", consider the following statements: 1. It is an initiative endorsed by the G20 together with the Paris Club. 2. It is an initiative to support Low Income Countries with unsustainable debt. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) Both 1 and 2 (d) Neither 1 nor 2 Official key: C.

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Explanation

(a)

1 only. Both limbs of the Common Framework hold.

(b)

2 only. It is a G20 + Paris Club debt treatment for LICs.

(c) Official key

Both. Endorsed by G20 with the Paris Club; for low-income countries with unsustainable debt.

(d)

Neither. Both statements match the 2020 Common Framework.

Summary

Official key is (c) both. The G20 Common Framework for Debt Treatments (2020) is a G20 initiative with the Paris Club to restructure unsustainable LIC debt on comparable terms, including new official creditors.

Related possible facts

These can be asked in a future Prelims paper.

Paris Club
Informal group of official bilateral creditors.

DSSI
Debt Service Suspension Initiative - the pandemic pause that sat next to the Framework.

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