

# LAUNCH PRESS RELEASE

## Launch of the London Coalition on Sustainable Sovereign Debt

On 23<sup>rd</sup> June 2025, we launched the London Coalition on Sustainable Sovereign Debt, a multistakeholder initiative that brings together private sector financial experts, governments and policymakers to tackle international sovereign debt challenges and develop solutions for more sustainable sovereign debt financing for developing economies.

The launch event, held in London, was attended by representatives from the IMF, World Bank, Paris Club, African Union and G20 Presidency, alongside sovereign advisors, debt experts, and financial sector market participants. The meeting featured an in-depth discussion of the Coalition's purpose, structure, and the challenges and opportunities facing sovereign debt markets today.

At the launch event, presentations outlined the London Coalition's planned areas of work on both bonded and non-bonded sovereign debt, along with its ambition to pilot innovative instruments and standards in real transactions. Drawing on historical cases and current industry practice, discussants explored the potential for contractual provisions such as "debt pause clauses" and "transparency clauses" to improve the speed of debt relief in times of distress, including how best to promote uptake by both the investor and issuer sides. The discussion also touched upon the evolving landscape of commercial sovereign lending and its implications for creditor coordination during debt restructurings, including whether contractual tools such as majority voting provisions could help improve restructuring outcomes.

Broad stakeholder engagement, particularly with credit rating agencies, commercial insurers, DFIs, MDBs, and export credit agencies alongside close consultations with debtor countries will help ensure that the London Coalition's work delivers pragmatic solutions for stable sovereign financing and improved debt restructuring outcomes. Official representatives from the World Bank, IMF, and Paris Club welcomed the establishment of the Coalition, highlighting its alignment with their mandates on transparency, risk-sharing, and improved restructuring processes.

**Emma Reynolds, Economic Secretary to the Treasury and Coalition Co-Chair**, said: "Supporting emerging and developing economies tackle unsustainable debt will help them make meaningful progress towards their climate and development goals. We are working with the London Coalition and the international community to make debt contracts clearer and more transparent, improving the way bond terms respond to natural disasters, and addressing problems with lending practices."

**Learn more via:** <https://hansard.parliament.uk/commons/2025-06-23/debates/25062337000011/LondonCoalitionOnSustainableSovereignDebt>