**Statement**

Thank you Mr./Madam Chair

I am pleased to deliver this statement on behalf of Iceland.

The section on debt and debt sustainability is a key component of the outcome document, and we welcome the excellent draft on the topic. Indeed, as is mentioned, all too often, countries in need of debt workouts face „too little, too late“ restructurings that carry with them detrimental impact on development.

The level of debt distress in developing countries is exceptionally high, particularly in LDCs, with severe impacts on fiscal space that is critical to enabling reforms. We welcome the constructive language on debt and debt sustainability, including on scaling up capacity-building to support national debt management offices in developing countries. Indeed, sustainable borrowing and lending practices are pivotal to long-term economic development, as is sustainable debt management and debt transparency, and we suggest acknowledging the pivotal role played by IDA in this regard.

In relation to para 48 a and d), we suggest to include a reference to the Global Sovereign Debt Roundtable. It is important that we build on existing debt restructuring mechanisms and avoid duplication of efforts.

On para 50, we welcome the language on debt architecture for debt crisis resolution. Indeed, efficient, fair, coordinated, and not least, timely, debt restructuring, building on the call made in the Addis Ababa Action Agenda, is required.

In para 50 a) We welcome the strong text on reforming the debt architecture, including potentially extending the G20 Common Framework to MICs in debt distress, and recognize the need for reaching agreements with both public and private bilateral creditors based on comparability of treatment. We suggest that adding a reference to the World Bank and IMF’s advisory work in this regard would be useful. Also, we suggest to add a mention of the Multilateral Debt Relief Initiative and the lessons-learned. It is important to build on initiatives and measures that are already in place.

Another important point that should be reflected in this para is that MDBs must be excluded from debt treatments to protect their Preferred Creditor Status and Treatment, which is crucial to avoid risk of increased borrowing costs and preserve concessional lending capacity.

Finally, in para 51 a), we have an edit to suggest, that we urge the IMF and World bank, ***within their respective mandates***, to continue to refine debt sustainability assessments.

Thank you.