



Treasury Chambers, Parliament Street, SW1P 3AG  
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*Dear Andrew*

#### INTERNATIONAL DEBT

On 24 April the Paris Club agreed the first multiyear rescheduling (MYRA) of officially guaranteed debt in the case of Ecuador. This represents an immediate response to the endorsement of the role of such agreements at the recent IMF meetings, though it is the product of much labour over a lengthy period.

The agreement covers three years. Rescheduling in years 2 and 3 is conditional on continued adjustment by the debtor monitored by either standby arrangements with the Fund or carefully focused surveillance by the Fund and creditors. The framework and precedents it has created should be helpful for other countries for whom a multiyear rescheduling may be appropriate.

Although Ecuador is not a major debtor, the conclusion of this agreement is a helpful development on the debt front. Indeed there may be some additional political advantage in having negotiated the first multiyear rescheduling of officially guaranteed debt with one of the smaller debtor countries, thus showing that Governments are prepared to be flexible wherever this is warranted and not just in the case of the major debtor countries.

*Yours ever  
Rachel*

RACHEL LOMAX

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