Early Warning System

ADB-59479-001

Debt Deferral Clause Implementation and Advisory Support

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Quick Facts

Countries	Bhutan, Cook Islands, Fiji, Kiribati, Maldives, Micronesia, Nauru, Niue, Palau
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	U
Voting Date	2026-02-19
Sectors	Finance, Law and Government
Investment Type(s)	Advisory Services
Investment Amount (USD)	$ 0.55 million
Project Cost (USD)	$ 0.55 million

Project Description

DESCRIPTION

According to the bank disclosure statement, the regional technical assistance (TA) will support the implementation of debt deferral clauses (DDCs) during 2026-2029 and provide complementary advisory services to strengthen sovereign debt management capacity in developing member countries (DMCs). The DDC mechanism allows eligible borrowers to temporarily defer principal and/or interest payments on loans following the occurrence of an eligible disaster event. To support governments in planning for and considering the inclusion of DDCs as part of ADB's broader crisis response tool kit, ADB will provide capacity building and advisory support through targeted outreach and the establishment of data systems and IT tools. These efforts aim to help governments manage debt deferrals, smooth debt service, improve sustainability, and enhance fiscal resilience.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

IMPACT

Climate and disaster resilience of SIDS and Bhutan enhanced

Debt sustainability of DMCs enhanced.

Investment Description

- Asian Development Bank (ADB)

Contact Information

Project Officer

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Debt Deferral Clause Implementation and Advisory Support: Technical Assistance Report