



PRESS RELEASE OF THE PARIS CLUB AND THE IIF

MEETING OF THE PARIS CLUB WITH REPRESENTATIVES OF NON PARIS CLUB BILATERAL CREDITORS AND REPRESENTATIVES OF THE PRIVATE SECTOR

Paris, June 25, 2014 – For the 14th consecutive year, the Paris Club and the Institute of International Finance jointly organized a meeting between Paris Club creditors, Paris Club ad hoc participants and private creditors, along with representatives from the International Monetary Fund and the World Bank.

Sovereign and private participants stressed the paramount importance of dialogue between sovereign debtors and their creditors and coordination among creditors as the cornerstone of an efficient system for sovereign debt crisis prevention and resolution.

Creditors reviewed the most recent trends in the global economy, with a special emphasis on emerging countries. They exchanged, with the input of the international financial institutions, on the debt situation in Ukraine as well as the Caribbean, and the ways in which an international response can contribute to stability in those areas. Creditors discussed the recent agreement between the Paris Club and the Argentine authorities on an arrangement to clear debt in arrears due to Paris Club creditors, as well as the implications of the recent decision by the Supreme Court of the United States in the case of Argentina and its litigating creditors.

The IMF informed the Paris Club and the IIF on the progress made in their current workstream regarding the strengthening of the contractual approach in sovereign debt restructuring. Private and sovereign creditors exchange views on the possible steps to be taken in order to ensure the efficiency of sovereign debt restructurings, when they are deemed necessary, in the view of reducing costs to all stakeholders and improving the efficiency and transparency of the process. Private sector representatives also appreciated the direction of reform discussed in a recent IMF staff paper, which considers allowing a broader range of policy responses with regard to sovereign debt in the IMF's lending framework, to align more closely with the spectrum of countries' debt situations; as well as highlighting the usefulness of meaningful consultation with creditors.

The Paris Club introduced the most recent changes in the way it has been operating in order for its role to be reinforced, better understood and ever more influential as a central forum of sovereign creditor coordination. In addition to the admission of Israel as its 20th member, the Paris Club has streamlined its association statuses in order to include more countries on an *ad hoc* participant basis. A second edition of the Paris Forum of sovereign creditors will be held at the end of November 2014, with the aim of creating a dynamics of cooperation between sovereign creditors comparable to the one that makes the Paris Club-IIF meeting a yearly success.