



Paris Forum Workshop

Washington, D.C. – Thursday, 20th April 2017 – 3:45-5:45pm

IMF's Executive Board room (HQ1-12-120A)

The Paris Forum gathers both sovereign creditors and debtors in order to foster discussions on pressing sovereign debt issues and with the participation of academics and NGOs; its 5th annual Conference will take place in November 2017.

3:45 - 4:00 Opening remarks

Guillaume Chabert, Co-Chairman of the Paris Club

4:00 – 4:50 How to prevent a new cycle of indebtedness and foster a sustainable financing of development?

Keynote speaker Tao Zhang, Deputy Managing Director, IMF

First speaker Jacques Assahoré Konan, Director General of the Treasury and Public Accounting, Côte d'Ivoire

Against a backdrop of economic and financial vulnerabilities in many low-income countries, the risks of a new cycle of over-indebtedness are real, including for countries that have already benefitted from debt relief initiatives such as HIPC. In that respect, it is vital to promote sound and sustainable financing practices as recognized in the Addis Ababa Action Agenda.

Key questions:

- *How to prevent a new cycle of indebtedness?*
- *What lessons can be drawn by creditors and debtors from the HIPC initiative?*
- *Why there cannot be a "HIPC initiative 2.0"?*

4:50 – 5:40 How to ensure that private sector creditors adequately contribute to debt restructurings in the future?

First speaker Kim Solberg, Ministry of Finance, Netherlands

Over the last decades, many middle- and low income countries have turned to external bond markets to finance their development needs. Since 1970, while the share of their external debt owned by official creditors remained broadly constant (45% vs 47%), commercial banks, who held 37% of their external debt, have largely been replaced by bondholders, who now own 42% of their external debt. This trend has gained momentum since the 2008 financial crisis and has particularly accelerated over the last few years for low-income countries.

Key questions:

- *How to deal with situations where only some of the commercial bondholders are covered by CACs?*
- *How to keep commercial creditors on board during IMF programs and at what conditions?*
- *How to convince commercial creditors to accept a debt exchange outside of situations of near-default? How to ensure that commercial creditors negotiate in good faith with debtor countries?*

5:40 – 5:45 Concluding remarks