



PRESS RELEASE

**THE PARIS CLUB AGREES ON A CANCELLATION OF THE DEBT
OF THE UNION OF THE COMOROS IN THE FRAMEWORK
OF THE ENHANCED HEAVILY INDEBTED POOR COUNTRIES INITIATIVE**

The representatives of the Paris Club creditor countries and of the Union of the Comoros agreed on 28 February 2013 on a debt cancellation following the Union of the Comoros having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 20 December 2012.

As a contribution to restoring the Union of the Comoros' debt sustainability, Paris Club creditors will provide a cancellation of USD 8.06 million, fulfilling all their commitments under the enhanced HIPC initiative. In total, the effort provided by Paris Club creditors represents a reduction in net present value of 85.5% of the debt stock of the Union of the Comoros at the beginning of the enhanced HIPC process.

Creditors welcome and support the Union of the Comoros' commitment to meet their remaining repayments obligations and to seek comparable treatment from all their other external creditors (including other creditor countries and commercial creditors). Paris Club creditors call upon these other creditors to provide a comparable effort in favour of the Union of the Comoros.

Paris Club creditors welcomed the Union of the Comoros's determination to implement a comprehensive poverty reduction strategy and an ambitious economic programme providing the basis for sustainable economic growth in the context of a difficult global economic environment.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which participated in the restructuring of the Union of the Comoros' debt were representatives of the Governments of Belgium, Denmark, France, Germany, Italy, the Netherlands and the United Kingdom.

Observers at the meeting were representatives of the Governments of Japan, the Russian Federation and the United States of America, as well as the International Monetary Fund (IMF), the International Development Association (IDA), the African Development Bank (ADB), the Organisation for Economic Co-operation and Development and the Secretariat of the UNCTAD.

The delegation of the Union of the Comoros was headed by Mr Mohamed Ali Soilihi, Vice-President in charge of the Ministry for Finance, Economy, Budget, Investment and Foreign Trade, and Privatisations. The meeting was chaired by Mr Arnaud Buissé, Vice Chairman of the Paris Club.

Technical notes

1. The Union of the Comoros' economic program is supported by an arrangement under the Extended Credit Facility (ECF) approved in 2009.

2. The Union of the Comoros' public external debt was estimated to be USD 274.9 million in nominal value at end 2011 (source: IMF and IDA documents). At end 2012, the Union of the Comoros' public external debt due to Paris Club creditors was estimated to be USD 12.5 million (source : Paris Club).

3. IDA-administered EU loans are included in this treatment.