



PRESS RELEASE

PARIS CLUB CREDITORS CANCEL 100% OF HAITI'S DEBT

The representatives of the Paris Club creditor countries and of the Republic of Haiti agreed on 8 July 2009 on a debt cancellation following Haiti's having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 30 June 2009.

As a contribution to restoring the Republic of Haiti's debt sustainability, Paris Club creditors decided to cancel USD 62.73 million, which represents the Paris Club's share of the effort in the framework of the enhanced HIPC Initiative. Creditors welcome and support the Republic of Haiti's commitment to seek comparable treatment from all their other external creditors (including other creditor countries).

Paris Club creditors also committed on a bilateral and voluntary basis to cancel an additional USD 152 million.

As a result of this agreement and additional bilateral efforts, the Republic of Haiti's debt to Paris Club creditors will be entirely cancelled.

Paris Club creditors welcomed the Republic of Haiti'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.

The Republic of Haiti committed to allocate the resources freed by the present debt cancellation to priority areas identified in the country's poverty reduction strategy.

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 Republic of Haiti's debt were representatives of the Governments of Belgium, Canada, Denmark, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and the United States of America.

Observers at the meeting were representatives of the Governments of Japan and the Russian Federation as well as the International Monetary Fund (IMF), the International Development Association (IDA) and the Inter-American Development Bank.

The delegation of the Republic of Haiti was headed by Mr Daniel DORSAINVIL, Minister of Economy and Finance. The meeting was chaired by Mr Julien RENCKI, Vice Chairman of the Paris Club, Deputy Assistant Secretary at the Treasury and Economic Policy Department of the French Ministry of Economy, Industry and Employment.

Technical notes

1. The Republic of Haiti's economic program is supported by an arrangement under the Poverty Reduction and Growth Facility (PRGF) approved in November 2006.

2. The Republic of Haiti's public external debt was estimated to be USD 1885 million in nominal value at end September 2008 (source: IMF and IDA documents). At the same date, the Republic of Haiti's public external debt due to Paris Club creditors was estimated to be USD 214.8 million (source : Paris Club).

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