



**PRESS RELEASE OF THE PARIS CLUB CHAIRMAN AND THE RUSSIAN PRESIDENCY OF THE G20  
Joint conference on the Emerging trends and challenges in official financing**

*Christine Lagarde, Managing Director of the IMF, calls for an enhanced coordination of sovereign creditors*

**Paris, October 23<sup>rd</sup>, 2013** – For the first time in the history of these two international bodies, the Paris Club and the Russian Presidency of the G20 jointly organized a meeting of sovereign creditors and debtors, gathering the members of the Paris Club<sup>1</sup>, its associated members (Brazil, Israel and Korea), and other members of the G20 (Argentina, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, Turkey), of the Gulf Cooperation Council (Qatar), of the European Union (Czech Republic, Poland), and of the African Union (Senegal, Tanzania). The International Organizations (International Monetary Fund, World Bank) also played an instrumental support role during the conference.

Ms. Christine Lagarde, Managing Director of the IMF, stressed that the need for coordination among sovereigns is greater than it has ever been. The forum inaugurated by today's conference fosters an open and inclusive dialogue on debt issues among an increasingly representative number of creditors and debtors, which is the bedrock of orderly and timely debt crisis prevention and resolution, thus contributing to greater international financial stability.

The benefits of Russia's membership, as well as Brazil's and Israel's association with the Paris Club were described by these countries as stemming mostly from an increased exchange of information, the practice of transparency among stakeholders, and in some cases additional leverage in the recovery of claims or the negotiation of adequate restructuring terms with debtors. A staged approach to coordination has been hailed as the most effective way to address issues of interest shared by all sovereigns, be they creditors, debtors or both.

Taking stock of the progressive winding down of the HIPC initiative, sovereigns finally agreed that the way in which the financial environment has changed for low income countries (LICs), either through diversified financing flows, or political transitions require close coordination in order to initiate return to sustainable growth. Sovereign-to-sovereign lending remains a large and significant component of external financing, raising a number of opportunities and challenges for the international financial community, especially in ensuring debt sustainability and promoting a responsible practice of sustainable financing.

Countries agreed that another conference would be beneficial to discuss ongoing developments.

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<sup>1</sup>The members of the Paris Club are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Russian Federation, Spain, Sweden, Switzerland, United Kingdom, United States of America