



## **PRESS RELEASE**

### **PUBLICATION OF THE 2023 ANNUAL REPORT OF THE PARIS CLUB**

The Paris Club is pleased to release its annual report for 2023, which highlights its main contributions and outcomes of the past year. This exercise is part of the Paris Club's commitment to greater transparency in its actions and work.

First, the report provides an overview of the current international sovereign debt environment. The successive shocks which have hit the global economy in recent years have continued to reverberate in 2023. However, the first few months of 2024 have also seen more positive developments, with a return of Eurobond issuances in Sub-Saharan Africa for the first time since April 2022, low-income country debt levels stabilizing, and a possible inflection point reached in the global interest rate cycle as markets expect rates to begin falling. The perspective of another major debt crisis is slowly receding but vigilance remains high – at a time when many borrowers have significant external repayments falling due, limited fiscal space and large investment needs.

Second, the report presents the ongoing cases from different perspectives – borrowers from Zambia and Ghana, Paris Club secretariat, Paris Club creditors (Japan and Italy in conversation with Brad Setser) and G20 creditors (China) and Paris Club Chair. It takes stock of the lessons learnt over the past four years and suggests avenues for improvement. The past few months has been productive for the official bilateral creditors and borrowers' community, in light of the debt treatments agreed with Zambia, Ghana and Sri Lanka. Given the diversification of the sovereign debt landscape over the last few decades, this section reflects the strengthened coordination between the Paris Club and other creditors, in particular G20 non-Paris Club members, with whom the Paris Club has committed to implementing the Common Framework.

Finally, given its role in designing and negotiating debt treatments, the Paris Club is at the forefront of thinking and discussions on the major issues driving the international sovereign debt community. This third and final part of the annual report aims to illustrate how the Paris Club contributes to these debates on comparability of treatment, restructuring of domestic debts, the nexus between sovereign debt and climate vulnerability, data transparency, countries facing temporary liquidity problems, and more. This section presents various discussions the Paris Club participates to, including meetings of the Institute of International Finance (IIF); the Global Sovereign Debt Roundtable (GSDR) created at the initiative of the G20 Presidency, the IMF and the World Bank; the Paris Club's Paris Forum which addresses the most topical issues of the moment. The report also presents a contribution by the Finance Development Lab, whose first president and founder Professor Daniel Cohen passed away in August 2023.

#### **Background notes**

1. The Paris Club was formed in 1956. It is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by borrower countries.
2. The 22 members of the Paris Club are: Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Korea, the Netherlands, Norway, Russian Federation, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. South Africa has been a prospective member since 2022.