



## **PRESS RELEASE OF THE PARIS CLUB AND THE IIF**

### **MEETING OF THE PARIS CLUB WITH REPRESENTATIVES OF NON PARIS CLUB BILATERAL CREDITORS AND REPRESENTATIVES OF THE PRIVATE SECTOR**

On Tuesday 11 September 2012, the Paris Club and the Institute of International Finance jointly organized for the 12<sup>th</sup> consecutive year a meeting between Paris Club creditors, representatives of non-Paris Club bilateral creditors and of private creditors. The IMF and the World Bank also attended this meeting.

As in previous years, representatives of non-Paris Club bilateral creditors were invited to this meeting. Representatives of Brazil, the Czech Republic, Kuwait, Israel, Poland, the Republic of Korea, Romania, South Africa, and the United Arab Emirates took part in the meeting.

Creditors discussed several current global finance issues.

Creditors discussed the most recent restructuring activities of the Paris Club, including Guinea and Saint-Kitts and Nevis, with emphasis on the issue of comparability of treatment in Côte d'Ivoire. Participants also exchanged views on the situation regarding Argentina's external debt restructuring and notably on the treatment of hold-outs. The sense of the discussion was that by following such an approach to debt restructuring, Argentina has not being able to re-access international capital markets.

A presentation on South to South investments, based on the Brazilian case, showed the growing share of these investment flows. A discussion on valuation methodologies for contingent liabilities was then the occasion to stress the importance of a correct assessment of these liabilities that can have a strong impact on public debt sustainability, especially during financial crisis.

An IMF presentation explained the current process of modernizing and clarifying the framework for fiscal policy and public debt sustainability analysis by the IMF. The recent global crisis has indeed highlighted the need for increased focus on public debt sustainability of market-access countries.

Creditors also exchanged views on the ways and means to strengthen the framework for sovereign debt crisis prevention and resolution, in the context of the implementation of the Principles for Stable Capital Flows and Fair Debt Restructuring. Participants underline the importance of a close dialogue between the public and the private sectors, especially in times of economic difficulties. They stressed the usefulness of the Principles for Stable Capital Flows developed under the aegis of leading emerging market borrowers and private creditors: transparency, dialogue, good-faith negotiations, and equal treatment of creditors.