



**PRESS RELEASE OF THE PARIS CLUB
ON THE THREATS POSED BY SOME LITIGATING CREDITORS
TO HEAVILY INDEBTED POOR COUNTRIES**

Public attention has recently focused on the behaviour of creditors resorting to aggressive litigation tactics against heavily indebted poor countries (HIPC). These actions freeride on the debt cancellation granted by other creditors and thus divert resources from poverty reduction expenditures in the debtor country.

Paris Club creditors recall that they are committed to the full implementation of the HIPC initiative. They urge all official and commercial creditors and debtor countries to take the necessary steps to implement this initiative.

In particular, consistent with the Paris Club principle of comparability of treatment and taking stock of the harmful consequences of litigation for HIPC countries, Paris Club creditors confirm that they are committed to avoid selling their claims on HIPC countries to other creditors who do not intend to provide debt relief under the HIPC initiative, and urge other creditors to follow suit.

In cooperation with relevant international institutions, Paris Club creditors have agreed to intensify their work on this issue with a view to identify concrete measures to tackle this problem.

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 are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, the Russian Federation, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.