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**PRESS RELEASE**

**PUBLICATION OF THE 2008 ANNUAL REPORT OF THE PARIS CLUB**

The 2008 annual report of the Paris Club is now available on the Paris Club website. The publication of an annual report, decided last year, demonstrates Paris Club creditors commitment to enhance transparency on Paris Club work and functioning.

Transparency was a key word for the Paris Club in 2008 as shown by the publication of the amount of Paris Club claims on all foreign countries on the Paris Club Web site for the first time. This move was intended to enhance transparency on debt data and to encourage every creditor, in particular major non Paris Club official creditors, to engage in a comprehensive debt reporting and disclosure process. Information sharing is at the heart of any cooperative approach to assess risks of debt distress in a reliable manner and to help solve debt problems in developing countries.

In 2008, the Paris Club pursued its contribution to the Heavily Indebted Poor Countries (HIPC) initiative by delivering timely debt relief at each stage of the HIPC initiative. 2008 was also marked by the global financial crisis and serious payment difficulties encountered by many countries faced by shocks in the terms of trade. In this context, the Paris Club has demonstrated its pragmatic approach by granting exceptional treatments when necessary, delivering immediate cash flow relief on top of the usual terms of treatment.

In addition to its debt treatment activity, the Paris Club has actively contributed to the international debates on debt issues in 2008, especially in the context of the Doha conference. The Paris Club has particularly stressed the importance of completing debt relief initiative through an upgraded participation from all major creditors. The Club has also encouraged all creditors to endorse commitments to avoid selling claims against HIPC countries to creditors who do not intend to provide debt relief within the HIPC initiative and to safeguard long term debt sustainability through cautious lending and borrowing practices. Views expressed by Paris Club creditors were reflected in the final Doha declaration.

Finally, in order to give some perspective on the effects of Paris Club treatments, this annual report also provides an analysis of two past Paris Club treatments and their impact on the economic situation of the countries concerned, as well as on the poverty-reducing expenditures of HIPC countries. Overall, Paris Club debt relief has helped beneficiary countries mobilize additional public revenue for development purposes.

**Notes**

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets 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, Ireland, Italy, Japan, the Netherlands, Norway, Russian Federation, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

3. The 2008 Paris Club annual report comprises three main chapters:

- one chapter on Paris Club activity regarding debt treatment during the year,
- one chapter on the impact of Paris Club debt treatment on growth and development
- one chapter on general issues discussed in the framework of the Paris Club, mainly topical subjects regarding international debt.

In addition to these three main chapters, the annual report includes detailed annexes, especially on the presentation, functioning and main principles of the Paris Club.