



PRESS RELEASE
PUBLICATION OF THE 2013 ANNUAL REPORT OF THE PARIS CLUB

The 2013 annual report of the Paris Club is now available on the Paris Club website.

In it, Madame Christine Lagarde, Managing Director of the International Monetary Fund, notes that the Paris Club is “the world’s only organized forum to achieve coordination amongst official bilateral creditors in restructuring sovereign debt”.

As countries continue to diversify their sources of external financing, the Paris Club strives to foster a frank, open, and inclusive dialogue with international creditors and other stakeholders. The past year (2013) was a milestone in this effort. In October, the first meeting of the “Paris Forum”, gathered important players in the global landscape of official financing from more than 35 countries. Participants from inside and outside the Club stressed the benefits of creditor coordination, including information exchanges pertaining to the recovery of claims or when needed the negotiation of adequate restructuring terms with debtors. Promoting an ongoing dialogue with all creditors was also at the heart of the Club’s annual joint meeting with the Institute of International Finance and private creditors.

In 2013, the Paris Club continued its efforts to promote orderly sovereign debt workouts, including by reducing the net present value of the debt stock owed to them by the Union of the Comoros by 85.5%, in accordance with the Heavily Indebted Poor Countries (HIPC) Initiative. Paris Club creditors also cancelled a total of USD 5.9 billion of arrears owed by Myanmar, under the Club’s Evian Approach. Both countries have since resumed payments to the Paris Club on the remaining claims.

The 2013 Annual Report also highlights the benefits of past debt treatments on the economic and social development of debtor countries featuring the examples of Nigeria and Senegal. The fiscal space provided by Paris Club treatments allow governments to make needed economic reforms and investments, access new financing to grow their economies, and meet their repayment obligations over the long term.

Paris Club creditors continue to be at the center of the international community’s discussions on the prevention and resolution of sovereign debt crisis. In 2013, Paris Club member countries actively contributed to shaping discussions regarding the United Nations General Assembly’s Resolution on External Debt Sustainability and Development and they discussed the broader implications of the ongoing litigation between Argentina and its holdout creditors, which is described in this annual report by Professor Anna Gelper. France’s brief in this case is also discussed in this annual report.

In 2014, the Club continued to build on these successes and has already concluded a landmark arrangement with Argentina on full settlement of its arrears. Paris Club members continue to work together and take collective action to improve the international financial environment.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments. It meets in Paris to coordinate policies, share information, and in some cases to meet with debtor countries to agree 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 publication of an annual report, since 2008, is an example of Paris Club creditors' commitment to enhance the transparency of the Club's work and functioning.

4. The 2013 Paris Club annual report comprises four main chapters:

- Paris Club debt treatments during the year,
- The impact of Paris Club debt treatments on the situation of developing countries,
- General issues discussed by members in the framework of the Club,
- The outreach policy of the Paris Club.

In addition to these four main chapters, the annual report includes detailed annexes on the current claims, function, and the principles of the Paris Club.