



**PRESS RELEASE**

**Paris Club takes action to deliver debt relief to Ethiopia  
under the enhanced HIPC initiative**

The representatives of the Paris Club creditor countries met on May 13, 2004 and initialled a recommendation to their Governments for cancellation of Ethiopia's external debt in the framework of the enhanced initiative for the Heavily Indebted Poor Countries.

The representatives of the creditor countries took note that given its strong commitment to economic and structural reforms as well as the burden of its external indebtedness, Ethiopia had reached on April 20, 2004 its completion point under the enhanced HIPC initiative. They welcome Ethiopia's determination to implement a broad based and rigorous economic program which should provide the basis for sustainable economic growth and a comprehensive poverty reduction strategy.

Their recommendation on a broad debt cancellation would implement their share of the effort approved by the IMF and the IDA at the Completion Point. This agreement is expected to be signed in the coming weeks.

Most Paris Club creditors also committed on a bilateral basis to grant additional cancellations up to 100% of their claims.

**Background notes**

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.

The delegation of Ethiopia was headed by H.E. Mr. Sufian Ahmed, Minister of Finance and Economic Development. The meeting was chaired by Mrs Odile Renaud-Basso, Assistant Secretary for European and International Affairs at the French Treasury of the Ministry of Economy, Finance and Industry, Co Chairperson of the Paris Club.