



**PRESS RELEASE**

**THE PARIS CLUB AGREES ON A CANCELLATION OF THE DEBT  
OF THE TOGOLESE REPUBLIC IN THE FRAMEWORK  
OF THE ENHANCED HEAVILY INDEBTED POOR COUNTRIES INITIATIVE**

The representatives of the Paris Club creditor countries and of the Togolese Republic agreed on 16 December 2010 on a debt cancellation following the Togolese Republic having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 14 December 2010.

As a contribution to restoring the Togolese Republic's debt sustainability, Paris Club creditors decided to cancel USD 203 million, which represents the Paris Club's share of the effort in the framework of the enhanced HIPC Initiative. Creditors welcome and support the Togolese Republic's commitment to seek comparable treatment from all their other external creditors (including other creditor countries).

Paris Club creditors also expressed their intention to grant additional debt relief on a bilateral basis for an amount of USD 404 million.

As a result of this agreement and additional bilateral efforts, the Togolese Republic's debt to Paris Club creditors will be reduced by 95%.

Paris Club creditors welcomed the Togolese Republic's determination to implement a comprehensive poverty reduction strategy and an ambitious economic programme providing the basis for sustainable economic growth in the context of a difficult global economic environment.

### **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 which participated in the restructuring of the Togolese Republic's debt were representatives of the Governments of Austria, Belgium, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Observers at the meeting were representatives of the Government of the Russian Federation, as well as the International Monetary Fund (IMF), the International Development Association (IDA), the African Development Bank (AFDB) and the Secretariat of the UNCTAD.

The delegation of the Togolese Republic was headed by Mr Adji Otèth AYASSOR, Minister of Economy and Finance. The meeting was chaired by Mr Remy RIOUX, Vice Chairman of the Paris Club, Deputy Assistant Secretary at the Treasury Department of the French Ministry of Economy, Finances and Industry.

### **Technical notes**

1. The Togolese Republic's economic program is supported by an arrangement under the Extended Credit Facility (ECF) approved in 2008.

2. The Togolese Republic's public external debt was estimated to be USD 1,748 million in nominal value at end September 2010 (source: IMF and IDA documents). At the same date, the Republic Togolese's public external debt due to Paris Club creditors was estimated to be USD 639 million (source : Paris Club).

3. IDA-administered EU loans are included in this treatment.