

September 12, 2000

**PARIS CLUB**  
**PRESS RELEASE**

**THE PARIS CLUB PROVIDES ITS CONTRIBUTION  
IN FAVOUR OF UGANDA IN THE FRAMEWORK OF THE  
ENHANCED HIPC INITIATIVE.**

**THE PARIS CLUB AGREES ON A STOCK OF DEBT  
REDUCTION OF M\$ 145.**

**THIS AGREEMENT WILL ENSURE THE SUSTAINABILITY OF  
UGANDA'S EXTERNAL DEBT.**

1. The representatives of the Paris Club creditor countries agreed on September 12, 2000 to recommend to their Governments a reduction of Uganda's stock of debt.

2. 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, Uganda had reached in May 2000 its completion point under the Enhanced Initiative for the Heavily Indebted Poor Countries.

They welcomed Uganda'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.

3. They decided to cancel M\$ 145 due to them by Uganda which represents the Paris Club agreed share of the effort decided by the Boards of the IMF and the World Bank in the framework of the Enhanced Debt Initiative for the Heavily Indebted Poor Countries.

Uganda committed itself to seek comparable treatment from all its other external creditors, notably from other creditor countries.

4. In the context of the Enhanced HIPC Initiative, total relief in net present value terms from all of Uganda's creditors would amount to M\$ 656.

5. With this operation, Uganda becomes the first country to benefit from Paris Club's commitment under the Enhanced Initiative for the Heavily Indebted Poor Countries.

### **Background notes**

1. The Paris Club was formed in 1956. It is an informal group of creditor Governments mainly from major industrialized countries (i.e. OECD). 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 who took part in the reorganisation of Uganda's debt were representatives of the Governments Austria, France, Germany, Italy, Japan, Norway, Spain, the United Kingdom and the United States of America. Israel, a major creditor of Uganda, also took part in this reorganisation.

3. Observers at the meeting were representatives of the Governments of Belgium, Denmark, the Russian Federation and Sweden, as well as the International Monetary Fund, the International Bank for Reconstruction and Development, the African Development Bank, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development.

4. The delegation of the Republic of Uganda headed by Mr Gerald SSENDAULA, Minister of Finance, Planning and Economic Development expressed thanks to the members of the Paris Club for their assistance in strengthening the Republic of Uganda's economic and financial situation.

5. The meeting was chaired by Mrs Stéphane PALLEZ, Assistant Secretary for European and International Affairs at the French Treasury at the Ministry of Economy, Finance and Industry, Co-Présidente of the Paris Club.