



PARIS CLUB PRESS RELEASE

THE PARIS CLUB AGREES ON A TOTAL CANCELLATION OF THE DEBT OF CHAD UNDER THE FRAMEWORK OF THE ENHANCED HEAVILY INDEBTED POOR COUNTRIES INITIATIVE

Representatives of the Paris Club creditor countries met with representatives of the Government of the Republic of Chad on 24 June 2015 and agreed on a debt cancellation. The Republic of Chad reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 29 April 2015.

In order to contribute to restoring the debt sustainability of the Republic of Chad, Paris Club creditors decided to cancel USD 20.8 million in nominal terms, which represents the Paris Club's share of the cancellation effort called for in the framework of the enhanced HIPC Initiative. Creditors welcomed and supported Chad's commitment to seek comparable treatment from all its other external bilateral official and commercial creditors.

Paris Club creditors also confirmed their willingness to grant additional debt relief on a bilateral basis for an amount of USD 41.8 million.

This agreement and additional bilateral efforts will result in a cancellation of the debt of the Republic of Chad to Paris Club creditors by 100%, i.e. USD 62.6 million.

Paris Club creditors welcomed Chad's determination to continue to implement a comprehensive poverty reduction strategy and an ambitious economic program providing the basis for sustainable economic growth.

The Republic of Chad has committed to use the resources freed by this debt treatment for priority areas identified in the country's poverty reduction strategy and for inclusive growth.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries.

2. The members of the Paris Club which participated in the restructuring of the Republic of Chad's debt were representatives of the Governments of France, Germany, Italy, the Netherlands and the Russian Federation. Observers at the meeting were representatives of the Governments of Austria, Belgium, Canada, Japan, the United Kingdom, the United States of America and of the International Monetary Fund, the International Development Association and the African Development Bank.

3. The delegation of the Republic of Chad was headed by Mr. Kordjé Bedoumra, Ministry of Finance and Budget. The meeting was chaired by Mr. Arnaud Buissé, Vice-Chairman of the Paris Club.

Technical notes

1. The Republic of Chad's economic program is supported by a three year Arrangement under the Extended Credit Facility approved by the International Monetary Fund on 1st August 2014. Chad reached the Decision Point under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative in May 2001.

2. Chad's external debt is estimated to be more than USD 2.81 billion as of end 2013 (source: IMF and IDA documents). The debt owed to Paris Club creditors was estimated to be USD 62.6 million as of 1st June 2015 (source: Paris Club).