

PARIS CLUB RECENT ACTIVITY



OUTLINE

- 1. Pursuance of debt relief efforts in the HIPC framework**
- 2. Confirmation of the increasing demand for early repayments**
- 3. Normalization of Paris Club's relations with Angola**
- 4. Greater implication in the international debate on debt issues**

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

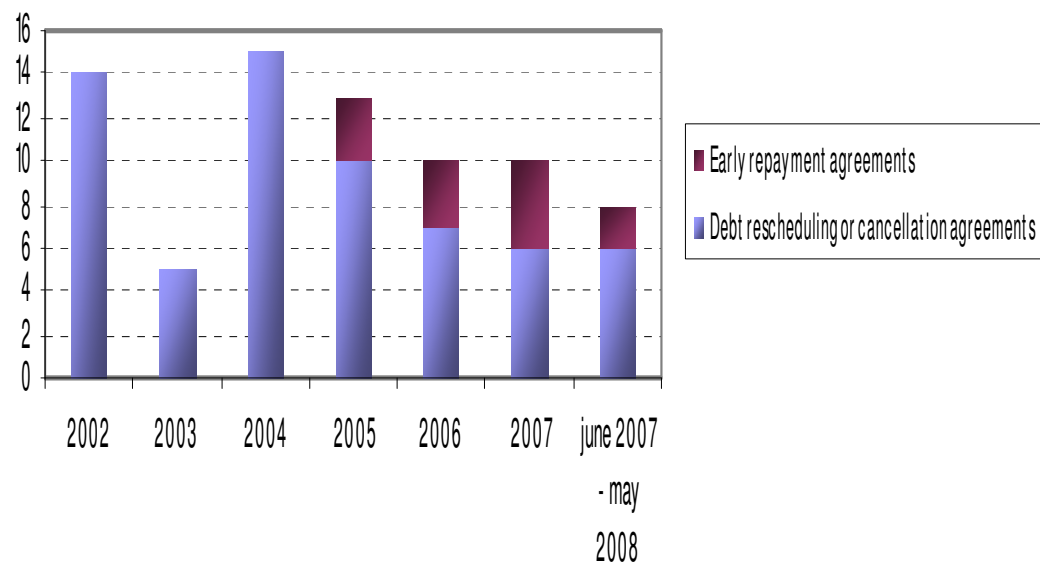
Agreements concluded

Since June 2007, Paris Club creditors have concluded :

- 6 agreements with HIPC :

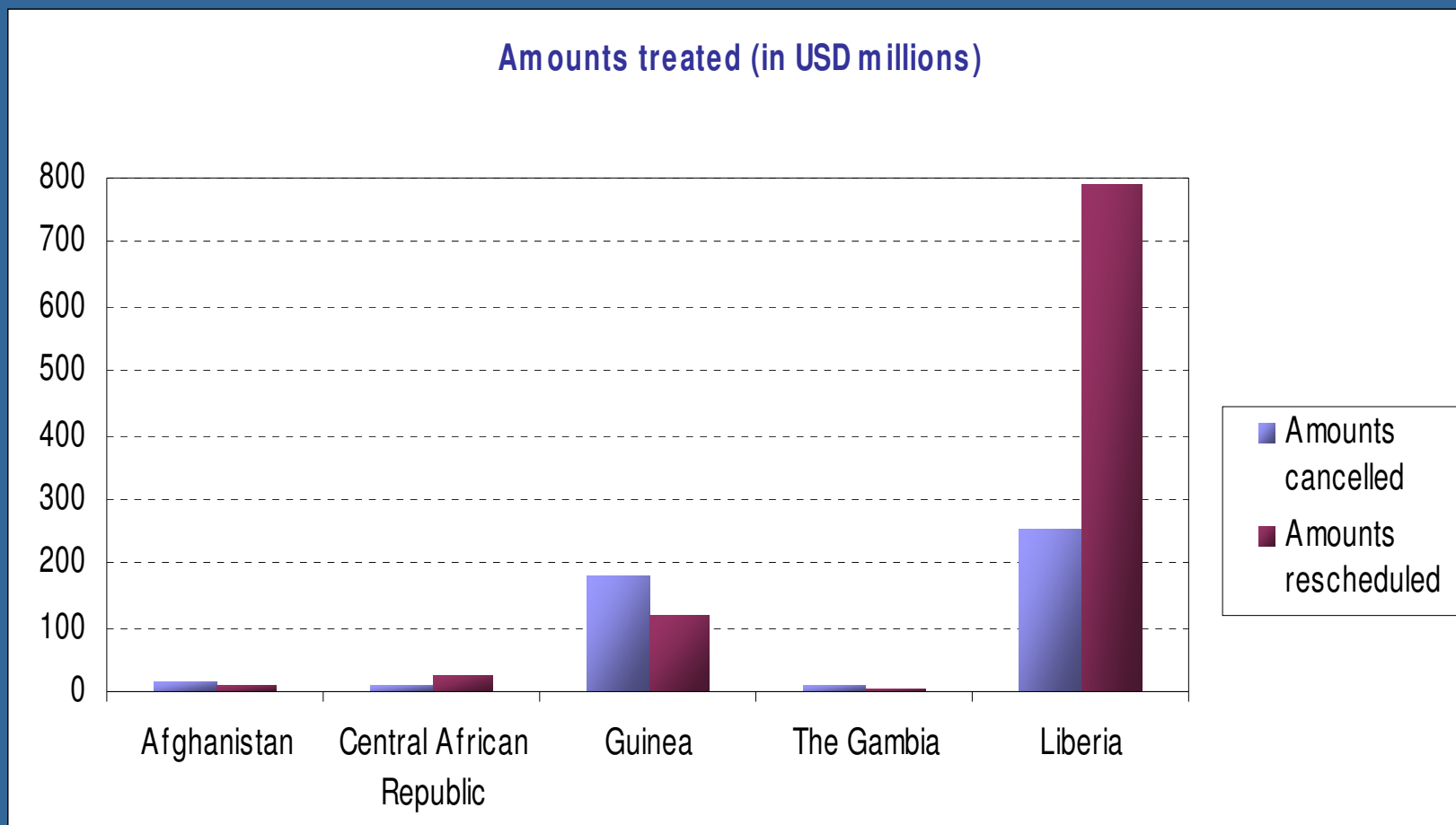
- decision point : Afghanistan, CAR and Liberia
 - new interim treatment: The Gambia and Guinea
 - completion point : The Gambia
- 2 early repayment agreements (Gabon, Jordan)

Number of agreements concluded in the Paris Club framework



QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

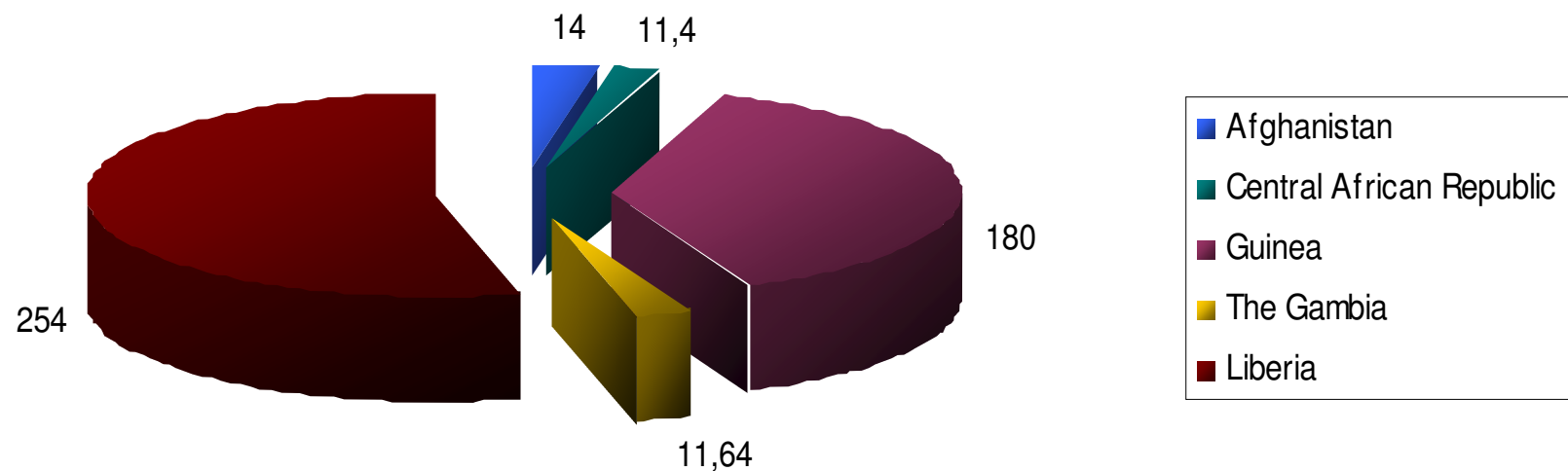
Amounts treated



QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Debt cancellations

Debt cancellations June 2007 - May 2008
breakdown by countries (in USD millions)



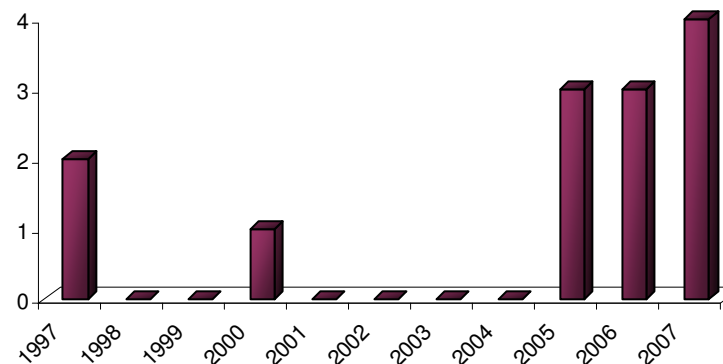
Total : 471 M\$

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Early repayments

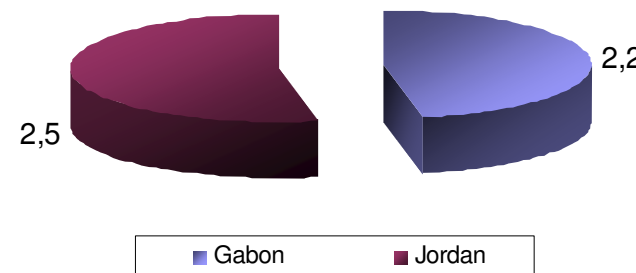
- Confirmation of the recent trend of increased interest for early repayment operations in the Paris Club

Number of early repayment agreements concluded each year



- Since May 2007 : 2 buybacks at market value concluded with Gabon and Jordan
- Significant amounts of eligible debts
- High levels of participation of Paris Club creditors

Amounts covered by early repayments offers since June 2007 (USD billions)



REVIEW OF PARIS CLUB RECENT ACTIVITY

Normalization of Paris Club relations with Angola

- Angola defaulted on its sovereign debt towards the Paris Club during its civil war
- Settlement : Angola agreed to repay immediately to Paris Club creditors 100% of its arrears in principal plus interests and committed to repay late interests as calculated by the Paris Club in 3 instalments spread over two years
- This normalization of relations was not settled through a traditional Paris Club agreement
- Paris Club creditors that wished to do so could resume their export credit activities

DEBATES ON GENERAL ISSUES

Litigating creditors

In May 2007 Paris Club creditors announced publicly:

- Their commitment not to sell their claims on HIPC to creditors that do not want to implement the HIPC initiative;
- Their call for other creditors to take the same commitment;

Paris Club creditors adopted in July 2007 several concrete measures to tackle this issue:

- Creation of documents recalling each HIPC its comparability of treatment commitments;
- Several communication initiatives;
- Reinforcement of the Secretariat's advising role towards HIPCs regarding their negotiations with other creditors;
- More systematic invitation to Paris Club negotiations of all bilateral creditors intending to provide HIPC debt relief effort.

DEBATES ON GENERAL ISSUES

Debt sustainability

Paris Club creditors have continued to discuss and support initiatives regarding long-term debt sustainability of low-income countries:

- Creation of OECD principles on lending to low-income countries
- Support of and contribution to inter-creditor discussions on this issue in all relevant international fora (UN, Development committee, OECD, G20...)