

30 June 2016



PRESS RELEASE OF THE PARIS CLUB AND THE IIF

MEETING OF THE PARIS CLUB WITH REPRESENTATIVES OF NON PARIS CLUB BILATERAL CREDITORS AND REPRESENTATIVES OF THE PRIVATE SECTOR

Paris, June 30, 2016 – For the 16th consecutive year, the Paris Club and the Institute of International Finance jointly organized a meeting between official and private creditors, with the participation of representatives from the International Monetary Fund and the World Bank. Since its first edition in 2001, this forum has been a major event for dialogue between official and private creditors.

Public and private sector participants welcomed the opportunity to reflect on the joint efforts to improve the international system for sovereign debt restructuring. They emphasized the importance of open dialogue and transparency between sovereign debtors and all their creditors, underscoring the role of creditor-debtor cooperation for a successful prevention and resolution of sovereign debt crises.

Sovereign and private creditors reviewed the economic and financial outlook for developing and low-income countries. They exchanged, with the input of the International financial institutions, on the ongoing situation in Venezuela, and the ways in which the international community can be prepared to contribute to fostering recovery. Creditors extensively discussed the rising external indebtedness of developing countries, mostly through bond issuance over the past decade, which calls for enhanced creditor coordination – including through collective action clauses – in order to promote an efficient and timely sovereign debt resolution process when needed. They also underscored the challenges around the issue of data transparency, highlighting the role of uniform accounting and disclosure standards in reducing uncertainty while preventing potential debt buildup that could lead to crisis.

Public and private sector participants exchanged views regarding the ongoing initiatives to strengthen the contractual approach to sovereign debt restructuring and to promote resiliency in sovereign debt markets through the development of new instruments, with a special emphasis on GDP-linked bonds and on environmental contingencies.

Based on input by the IMF on the upcoming reform of its policy towards countries in arrears vis-à-vis private creditors, participants, finally, reviewed past experience and the challenges ahead to ensure the efficiency of sovereign debt restructurings through effective cooperation between public and private sector creditors, including through the annual IIF-Paris Club meeting.