



## **PRESS RELEASE**

### **THE PARIS CLUB RESCHEDULES GRENADA'S DEBT AND INTRODUCES FIRST-EVER HURRICANE CLAUSE**

Representatives of Paris Club creditor countries met with representatives of the Government of Grenada on 18 and 19 November 2015 and agreed to reschedule its external public debt. This arrangement follows the International Monetary Fund's approval of Grenada's Extended Credit Facility on 26 June 2014 and the assurance by Paris Club creditors to contribute to its financing.

This arrangement reschedules US\$ 8 million consisting of arrears (US\$ 6 million including late interest) due as of 31 October 2015, half of which will be repaid upfront in two installments, as well as maturities falling due from 1<sup>st</sup> November 2015 to 30 June 2017 (US\$ 2 million); rescheduled amounts will be repaid over 20 years including 7 years of grace for ODA claims and 15 years including 8 years of grace for NODA claims.

Paris Club creditors undertook to consider specific weather events that may impact Grenada's ability to service its debt by embedding into the agreement a first-ever "hurricane clause".

The Government of Grenada committed to seek comparable treatment from other creditors. The principle of comparability of treatment aims to ensure a balanced treatment among external creditors of the debtor country.

### **Background notes**

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

2. The members of the Paris Club which participated in the reorganization of Grenada's debt were representatives of the governments of France, the Russian Federation, the United Kingdom and the United States of America.

Observers at the meeting were representatives of the governments of Germany, Italy, Japan, the Netherlands, Norway and Spain, as well as the International Monetary Fund (IMF) and the World Bank.

3. The delegation of Grenada was headed by Mr. Timothy ANTOINE, Permanent Secretary, Ministry of Finance. The meeting was chaired by Mr. Guillaume CHABERT, Co-Chairman of the Paris Club.

### **Technical notes**

1. Grenada's economic program is supported by an Extended Credit Facility approved by the Executive Board of the International Monetary Fund (IMF) on 26 June 2014.

2. Grenada's public external debt was estimated to be USD 610 million as of end 2014 (source: IMF documents). The debt owed to Paris Club creditors was estimated to be USD 11 million as of 1<sup>st</sup> November 2015 (source: Paris Club).