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PRESS RELEASE

THE PARIS CLUB WILL ABOLISH THE GREEK DEBT AND ADOPT OFFICIAL STATUTES

The representatives of the Paris Club met on 27 May 2016 and having consulted the United Nations Independent Expert report on the effects of external debt on the practice of human rights, [1] have decided to abolish the the debt of its biggest debtor: Greece. [2]

For the Paris club creditors this total abolition should permit the Hellenic government to fulfil its Internationally ratified obligations, particularly in matters of medical care and education, and to provide for public investment aimed at producing comprehensive growth and reducing poverty. The Paris Club has thus decided that from now on they will complete their country debt sustainability evaluation with an examination of the capacity of the country to fulfil its Human Rights obligations.

Based on this new approach to debt sustainability, recommended in several United Nations expert reports [3] and resolutions adopted by different United Nations bodies [4], the creditor countries of the Paris Club have also agreed to study the the possible options for further total and unconditional debt abolitions for other countries.

During this meeting the question of the Club's visibility in its efforts to coordinate their policies in favour of best management options for the foreign debt of debtor countries. To this end, the Club's secretary was mandated to produce for consideration at the next meeting, a project for Club statutes in order to dote the club with a judicial existence and to formalise working processes. The agendas and minutes of meetings will henceforth be available for consultation on the new internet gateway (<http://www.clubdeparis.fr>). This new approach was requested by the French Ministry of Finance in coherence with the proposed transparency, anti corruption and modernisation of economic activity act.

The Paris Club has been in existence for sixty years, the members are doing an about turn in the Club's policies having the objectives of comprehensive growth and poverty

reduction that will now be accompanied with respect for human rights, a profound preoccupation with transparency and stronger democratic principals.

Context Notes

1. The Paris Club met for the first time on 16 May 1956. It is a working group of creditor governments of the industrialised countries. See www.clubdeparis.fr
2. The Paris Club member governments that had representatives taking part in this meeting were Germany; Belgium, France , Italy, Japan, the Netherlands, the Russian federation, the UK and the USA. Observer status representatives came from Austria, Canada, the IMF, and the International Development Association (IDA).

Technical Note

The Greek Republic's debt to Paris Club countries was estimated to be \$62 billion on 1 April 2016 (source: Paris Club).

[1] Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights - Mission to Greece, 29 February 2016).

[2] On 31 December 2014 Greece's outstanding debt represents 20% of total debts owed to Paris Club countries.

[3] Effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights (A/70/275), http://www.un.org/ga/search/view_doc.asp?symbol=A/70/275&referer=/english

[4] UNCTAD, "Sovereign Debt Workouts: Going Forward: Roadmap and Guide" (2015), Geneva. Guiding principles on foreign debt and human rights, Annexe to the report cited in '3' Cephas Lumina, 10 April 2012 (A/HCR/20/23), <http://www.ohchr.org/FR/Issues/Development/IEDebt/Pages/GuidingPrinciples.aspx>.