2010 - 0086

Statement Concerning the Agreement with the Central African Republic Regarding the Reduction of Certain Debts Owed to, Guaranteed by, or Insured by the United States Government and its Agency, with Annexes. Signed at Bangui March 18, 2010. Entered into force May 13, 2010.

RELEASE IN FULL

Explanation of Agreement:

This agreement reduces the debt owed by Central African Republic (CAR) to the United States. The reduction of Central African Republic's debt arises from multilateral negotiations that took place in Paris on September 15, 2009. On June 29 and 30, 2009, the Boards of the International Monetary Fund (IMF) and of the World Bank's International Development Association, respectively, determined that Central African Republic had reached its Completion Point under the Enhanced Debt Initiative for Heavily Indebted Poor Countries (Enhanced HIPC). In accordance with the U.S. policy on debts owed by HIPCs, the enclosed bilateral agreement cancels 100% of the outstanding debt owed by Central African Republic to the United States as of June 1, 2009, including principal, accrued interest and any principal and interest in arrears. This agreement furthers the understandings reached in Paris between the Central African Republic and its official creditors.

The debt relief provided by this agreement will support the Central African Republic's efforts to advance its economic reform and poverty reduction programs. U.S. participation in debt relief through this agreement protects our interest in ensuring equitable burden sharing among creditors and in maintaining effective international procedures for the extension of debt relief to eligible countries.

Legal Authority:

Article II of the United States Constitution; Public Law 106-113; and 12 U.S.C. § 635i-8.