

Upcoming UNGA vote on Resolution “Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes.” (A/68/L.57)

5 September 2014

As European civil society organisations advocating for debt justice, we urge all European nations to vote in favour of the United Nations General Assembly Resolution “Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes” (A/68/L.57) at the 9th of September session.

The need for better institutions to prevent and manage debt crises is more evident than ever. Debt crises are costly and economically disruptive. The cuts in public spending that follow adversely affect development and poverty eradication. There is now wide consensus that the international community needs an effective, equitable, and development-friendly debt restructuring and international debt resolution mechanism, run independently of all creditors and debtors, including the IMF. However, a legal regulatory framework - as proposed by the UNGA Resolution – is still absent and is a gaping hole in the international financial architecture.

When endorsing the Monterrey Consensus of the International Conference on Financing for Development more than 10 years ago, all European nations committed “to consider an international debt workout mechanism ... to restructure unsustainable debts in a timely and efficient manner” (§60). The failure to implement this commitment has caused or aggravated many avoidable debt crises over the past decade and led to unnecessary economic costs, welfare losses and human suffering. Implementation is overdue. It is time for the international community to move from rhetoric to reality.

Bolivia, on behalf of the Group of 77 and China, have now called on the United Nations General Assembly to pass the Resolution that aims to create a multilateral legal framework for sovereign debt restructuring processes. Already backed by the G77, and thus 133 of the UN’s 193 Member States, this Resolution is expected to be adopted by a large majority.

We expect our European governments to contribute constructively to promoting the necessary reforms and to vote in favour of the Resolution. As European civil society organisations with several decades of experience in promoting just solutions for debt crises, we also stand ready to continue a dialogue with governments and international organisations, and contribute constructively to the development of this convention.

Yours sincerely,

ActionAid International, Alliance SUD, All We Can: Methodist Relief and Development, Both ENDS, Bretton Woods Project, Cartel Alfa, CEE Bankwatch Network, CCFD – Terre Solidaire, Christian Aid, Coopération Internationale pour le Développement et la Solidarité (CIDSE), CNCD – 11.11.11, Debt and Development Coalition Ireland (DDCI), Ekvilib Institut, Erlassjahr.de – Entwicklung braucht Entschuldung, European Network on Debt and Development (Eurodad), Global Policy Forum, Ibis, Instytut Globalnej Odpowiedzialności (IGO), Jubilee Debt Campaign UK, Kepa - the Finnish NGO Platform,

Koordinierungsstelle der Österreichischen Bischofskonferenz für internationale Entwicklung und Mission (KOO), Norwegian Campaign for Debt Justice (SLUG), Norwegian Church Aid, Norwegian Forum for Environment and Development, Oxfam, Share the World's Resources, Social Justice in Global Development, War on Want, World Development Movement, World Economy, Ecology & Development (WEED), and 11.11.11

