



SESSION I - Principles for a multilateral debt restructuring processes

There is broad agreement that national bankruptcy procedures are part of the regulatory framework of a healthy modern economy. In moving the issue of sovereign bankruptcy to the international level much of the debate involves whether and how to translate the national-level legal approach to the multilateral level where soft laws are the norm. This session will discuss some of the general principles of international law that could help guide the discussion of debt restructuring at the multilateral level and consider whether a treaty based approach is desirable (or necessary) to codify these principles at a working level.

The meeting facilitator, **Dr. Richard Kozul-Wright - Director, Division on Globalization Development Strategies, UNCTAD** gave welcome speech exemplifying with Germany's and Argentina's case as well as with Mackenzie's report entitled "Debt (and not very much) leveraging". Brought to attention an increase observed on debt stock during the year of 2007 which went up thrice the amount of global GDP as he enlightens UNCTAD's focus on developing countries and their markets' debts' tendency to become sovereign debt. Stagnation has become a prominent phrase again; trade expenses, commodities prices, volatile exchange rates shall all be considered. Delivered a brief history of UNCTAD's contributions of the past 50 years on relevant issues of debt restructuring mechanisms, debt forgiveness, principle of responsible borrowing and lending, and bankruptcy rules applied to SDR. Displayed the current context as one in need to fill in the gaps of the multilateral system, a remaining from 1944 BWS's failure. Finally, gave impulse to the meeting with the broad principles required by multilateral debt restructure processes.

The meeting facilitator, **Dr. Jose Antonio Ocampo - Professor, School of International and Public Affairs, Columbia University**, stated that after US Supreme Court ruling on Argentina, it was inevitable that the IMA – International Market Association - and IMF would adopt new legal framework and a new economical architecture that would differ much from the early year 2000 contractual approach, which carries 3 problems: it does not avoid holdouts, the "too little, too late" issue, and a lack of credit equity. The 4 essential elements for the present discussion are 1: debt sustainability; 2: bankruptcy procedure as a fresh start for sustainable debt contracts which can bring more protective measures to creditors rights as much as legal provisions to warrant that; 3: comprehensiveness; 4: binding decisions for all States and creditors to avoid holdouts as major and constant pain. Suggests the table to create something similar to the WTO dispute mechanisms, an incentive to negotiate on a voluntary basis; suggests mediation process by a panel of independent mediators; suggests conflict resolution and arbitration operations; also proposing IMF to be the focal point institution to hold the independent body of these arbitrators and mediators, even though recognizes that some countries would disagree with the use of arbitration.

The session moderator, **Matthias Goldmann - Professor, Max Planck Institute (public law approach)**, stated that The Open Working Report set up the roadmap initially bringing the idea and purposes behind principles. It has been noticed that the statutory approach is hard to come around, the contractual approach also has not been working out, and the new political tensions require a new integrative "installation" approach to law, since the international legal system also represents a form of order, more than simply another arbitrary chaotic system. Consistency is needed to avoid contradictions, so the principles shall follow a dual function: descriptive and normative. Inconsistency is very much current since there seems to be no array among the mechanisms on debt restructuring processes. Sovereign debt workouts' 4 principles include Sustainability as the most substantive principle, legitimacy as a metaphysical principle for



comprehensiveness and inclusiveness in vertical relations; good faith as horizontal principle for equality and to stop holdout litigation; impartiality as very necessary principle; and transparency as the last one. The Sovereign Debts Restructuring processes post WWII focused more on growth development; but after Paris Club, the changing policies since 1950 brought the attention over to more debt relief. The role of soft law works as a normative foundation for the SDR principles and on its actual interpretation of a legal worldwide order, which was the whole reason for this new road map.

The session moderator, **Martin Guzman - Professor, Columbia University**, stated that The Sovereign Debts Restructuring processes are not deep enough to restore the conditions for inclusive growth. Argentina's and Greece's examples on the modification/interpretation of the *pari passu* clauses did not help on ending the "too little, too late, too long" syndrome. May this meeting serves as an encouragement to start on timely way, setting up specific deadlines for different stages for better predictability, and prevent MS from destructive behaviour (during finalization phases). Set of principles to be used as according to the Harvard approach, Soft law approach, with a Commission installed for mitigation.

The ideas expressed by the meeting keynote speaker, **Dr. Joseph Stiglitz - Professor, Columbia University**, were in accordance with what he wrote in his op-eds and policy briefs on these topics which can be found on the UNCTAD debt portal website.

SESSION II - The building blocks of debt restructuring

This session will consider the specific elements that are needed to design a consistent debt workout mechanism from the decision to restructure (extension of maturity and/or haircut) to an end point which allows the debtor to exit and start afresh. This will involve moving through receivership and declaring a standstill, a stay of enforcement, capital controls, the verification of claims, the legitimacy of the restructuring process, interim financing and lending into arrears, seniority of loans, cut off dates, and the conclusion of negotiations.

The session moderator, **Yuefen Li - Senior Adviser, South Centre**, stated that the world has never been as convergent as today. There is insufficiency of the contractual approach and the need for a legal framework. There has been no shortage of proposals relating to what kind of debt restructuring mechanism or legal framework should look like, basically they have 3 major big building blocks: (a) for triggering a debt restructuring; (b) the negotiation of debt restructuring which includes inter creditor and creditors debtors negotiations; (c) the closing of the debt restructuring and the implementation of the debt restructuring agreement. Ms. Li highlighted the gaps and deficiencies about the contractual approach which some of the problems they cannot solve. This was quite intensely discussed. Referring to building blocks, and because of their deficiencies, suggests they defer to the legal framework or the roadmap as mentioned by the Meeting Facilitator, Kozul-Wright. The most important one when it comes to the last building block, that is the conclusion of the debt restructuring, relating to the fundamental issue is whether it is to solve the debt restructuring problem today and immediately also try to facilitate the future debt crises resolution in a timely and efficient manner, including the next debt crisis. Or wait patiently for the contractual improvement, based on today's problems, and which will not take effect immediately. Right now there has been the sense of complacency because some of the new bonds have started to use the beefed up clauses including the *pari passu* and also CACs. It is important to welcome these contractual improvements, and also the future legal framework should have these 'beefed up' clauses



embedded in the framework, however, this framework we know (also mentioned by several speakers), will not take effect immediately. They can only take immediate effect with newly issued bonds. And as we know already, the outstanding sovereign bonds amounting to the magnitude of 900 billion dollars, including the process of socialization of debt during the debt crisis could easily come to trillions of dollars. Talking about the trillions of dollars of debt which will continue to be exposed to the current weaknesses, continuously to be exposed to hedge funds, and also we know that the debt crises happens in regular intervals, for instance between 1970s up to now, about 70 sovereigns went through debt restructurings. Most of these sovereign bonds outstanding will last more than 10 years, and then they might cause at least 5 or 10 restructurings which cannot benefit from the beefed up contractual clauses. This is a major issue. Also there is the tendency in the past 30 years that it is much easier to get a court ruling from the private sector, from hedge funds against sovereigns. So right now, there is not really the need of gambles to get payment. The court will help you to do the job through clearance system and financial intermediaries. So this is a huge problem which exposes the sovereigns to loss of problems. Because of these changes, as a result of the signing up of various treaties, investment treaties, trade treaties, and also revision of different laws, there has been tremendous increase of very aggressive litigations which did not happen before. Another tricky building block: the beginning of the debt restructuring. That is the announcement of the debt restructuring, and also a standstill which is mentioned in the UNCTAD roadmap. If we see debt restructuring as a dragon, the IMF has actually tackled the head of the dragon, by having the policy paper on debt re-profiling; and the tail of the dragon which is endorsing the CACs and the *Pari Passu* Clause. However, by tackling the head of the dragon, the IMF is basically saying that the triggering of debt restructuring is in the charge of the IMF. So the IMF through its analysis, and also through a starter, will decide whether country needs debt re-profiling or debt restructuring because it will define whether the country is facing debt sustainability or high probability of unsustainability. And this is a very vague issue. The IMF will also decide when to have the money to finance the countries to solve their liquidity shortage. If after 3 years it still does not work, the IMF will go from debt re-profiling to debt restructuring. The debt re-profiling is a vague name because it can easily give rise to CDS triggering. Also it requires a lot of judgment from the IMF on debt sustainability. On the whole, the tackling and the triggering of debt restructuring is very contentious and problematic at this stage. That is why in the UNCTAD roadmap, a debt standstill is proposed. Of course it has a lot of legal issues involved, that is why we need a legal framework to tie over these legal problems about triggering of CDS and also sovereignty issues. **Ms. Yuefen Li's, main meeting points for this session were:** (a) current issues involve economy, law, diplomacy, trade. Mr. Kozul-Wright has pointed out to the existing gaps and weaknesses and the Open Working Group can fill in with the discussed principles; and this would be the longest process; (b) Paris Club will not have much to do in the future because of the changing on borrowing composition with domestic bonds, not facing debt crisis or sovereign shred in the EU zone, which experts started to compare to the US Federal system; (c) on shared sovereignty, the multilateral financial institutions have been performing the role of creditor. IMF also has that role, and there come some reservations: building blocks, outstanding 900 billion dollars debt, trillions on easily governed bonds, all of this exposed to the current weaknesses and hedge funds; (d) we should consider debt crisis intervals from all the way back in 1970's, ever since, 70 states went through debt restructuring through these last 30 years of court rulings to private and hedge funds. (e) UNCTAD: debt restructuring is a very complex issue, it involves legal, economic, diplomatic questions which should first be addressed to identify major deficiency, and then identify what principles can guide to better results. A very long process, which involves all; (f) 1st: Impartiality; actors must be all free from bias, so they are able to take neutral positions. But what organization can play this role? 2nd: Sustainability; to guide the future of SDR



under the bigger ‘correctiveness’ that people can follow - It’s easy to follow principles, but when it comes to specifics, more difficult it becomes (e.g. legal framework); (g) external shocks on interest rate: an exchange rate policy would have tremendous impact on debtors since there are vulture funds against so many HIPC countries, so domestic laws can go first to facilitate a more efficient restructuring; (h) single voting against all ruling in CAC: it should be defined as a simpler and clearer one.

The session moderator, **Robert Howse - Professor, New York University School of Law**, gave a sense of what concrete steps could be taken in the next month to actualize the UN initiative, in terms of the underlying concepts and policy analysis; picking up from what Dr. Joseph Stiglitz said: it may well be in the short-term a hopeless exercise to try and get some actors and interests to buy in, so one does not want to start a process in the UN that they can exercise a kind of blockage on holdout. The legal institutional strategy should be a buy-in approach that does not allow holdouts like US Treasury from preventing the process from moving forward in a constructive way. Some of these derives from insurgency and counter-insurgency theory which is to actually open up a number of battle fronts, which would eventually produce what he calls “counter framework”, which would offer alternatives, norms for a legal mechanism expertise and analysis, to those that dominate the existing informal framework where the IMF, Paris Club, US Treasury, financial industry associations, private law firms and creditor groups are the dominant players, who have an entrenched interest in this existing framework, which as is already noted, in addition to being somewhat chaotic, is also highly inefficient. So one aspect could be the General Assembly asking the International Law Commission to work on the application of concepts of sovereign immunity and extraterritoriality to the role of domestic courts and other legal actors in sovereign debt restructurings, and to clean up some of the problems with the courts that Stiglitz has mentioned. And if the International Law Commission could do that for a timeframe, it would require probably forming a special working group on these issues as they relate to the concepts of immunity and extraterritoriality. Secondly the UNCITRAL (United Nations Commission on International Trade Law) could think of a model for domestic law applicable to sovereign debt restructuring, including model and vulture provisions on issues about creditors who provide new financing to maintain liquidity during the work. Again, whether who buys in is a matter of who buys in. But if the law makes sense, you will start to get buy-in. Similarly it could be through UNCITRAL (who has developed model laws for domestic bankruptcy, and has a process to deal with analogy issues), to develop principles of sovereign debt contracts to deal with the aggregation issues, determine what are good CACs, redefine the notion of default and build in standstill, and so on. Whether creditors/debtors are able to swap into these contracts will depend on bargaining power. But the fact that the principles are there and you have a model contract will counter the boilerplate produced by law firms that represent or have represented primarily the creditor and IMF point of view. Finally we could have an independent institutional facility that could have a number of functions: early warning, sovereign debt management, moving the determination of sustainability beyond the political approach to one that takes into account a variety of considerations including economic and social rights, and a full range of stakeholders. The institution could also determine the kind of insolvency trigger whether it would be an obligation for all debtors to negotiate with creditors, and which could also trigger during those negotiations a standstill. Finally, must have the institution playing a convening role for meetings of all creditors and debtors. The principles of impartiality, transparency, inclusiveness and so on will come into how it plays the convening role. And mediation or arbitration could make binding through the New York Convention. Those are some options for moving forward with concrete legal and institutional steps within the overall UN context over the months to come. **Mr. Robert Howse’s main meeting points for this session were:** the contractual model serves to back up bargains; it may not be possible to get a part of



people with specific interests to buy in; instead the strategy should be preventing the holdouts; we must work on the definition of sovereign immunity, its use on mediation, arbitration and domestic law, and how the institutions can play a convening role.

The session moderator, **Marcus Miller - Professor, University of Warwick**, felt the previous discussion in the session has been too formalistic. For one thing, there are elements for judgment involved; chapter 11 is the judge who plays very important decisions on whether to keep the firm alive. Mr. Miller brought in two further arguments: one economic and the other on political economy. The economic argument is the question of second best. One may be tempted to think what we would have to do to make this market work better. But the economics of second best often warns that if there are problems elsewhere, improving one market may not actually make things better. An example we have been asked to consider is “who is the representative agent in a debtor country?” The problem arises when we have an ‘elite’ who can easily be seduced, as we briefly discussed before, to take on debt contracts, which may not be fulfilled, but in the long run will be bared by the tax payer. Then making that market work better is not necessarily in the long run interests of the non-elite. It is something which the United Nations will have to face. In a recent meeting, it has been said that one can never question the unified nature of a country in the UN. But now we have to. So that is the economic argument. The political economy argument refers to a couple of books: one by David Graeber on debt of the first 5,000 years, who just spent 2 weeks on the BBC Radio 4 outlining this history of debt from an anthropologic point of view, and to summarize it in one sentence, “getting into debt is the first step to slavery”. So that is the basic message he draws as an anthropologist. Another book, much shorter is by Ariel Rubinstein called *Economic Fables*, and its central chapter contrasts two different forms of general equilibrium. The one which is beloved by economists is the ‘paradigm of market clearing’: by looking at the economic efficiency and not asking too many questions about other things; the other one is what he calls ‘economics of the jungle’, where there essentially is the lion who leads first, followed by the tiger and somewhere way down the line comes the doe; through a very simple formalizing model. What it brings in is something that Joseph Stiglitz referred to: the element of power. It is not just the question of efficiency; it is a question of power and allocation. To take these points seriously is to find the history of debt and also the presence of market power, it does incline us towards this sort of soft law approach. Citing the author on how the slavery was abolished via a long campaign, which ultimately succeeded, presumably the mindset of a lot of the players, it was set in England, where there were compensation arrangements and a parliament paying off the guys who had slaves and freed the slaves. It was a complicated process, but it makes us wonder if that might offer some sort of model for the soft law approach. **Mr. Marcus Miller’s main meeting points included:** sustainability evolved as an idea (Sachs); Europe’s sustainability seems to have disappeared in favor of sovereign debt; “Getting into debt is the first step to slavery” (citing Rubinstein); now that Africa issues so much debt, is the Paris club going to have a lot of business in the future? Important to give a look on the laws governing the insurance contract (Chapter 11); economic argument: improving one market may not make the problem better, if the elite can take on debt and expect the worst tax payer to pay them, which would be not so good for the non-elite.

SESSION III - Institutional options for debt restructuring processes

This session will consider the range of options that could be used to institutionalize a debt workout mechanism; from a fully-fledged debt restructuring mechanism (SDRM type) hosted in an independent institution with an internal tribunal, through hybrid (private/public) arrangements



where restructuring negotiations take place in existing fora and are guided by general principles of international law that are implemented through existing international public tribunals/panels to de minimis options combining contractual and domestic statutory improvements guided by international soft law norms.

The meeting facilitator, **Dr. Richard Kozul-Wright** started the afternoon session by bringing the focus back to the soft-law aspects.

The session moderator, **Sebastian Soler – Attorney in Argentina and New York**, fully supported UN’s initiative on the legal frame work. And added that there would be a conundrum if countries continue to issue bonds under NY and UK law, but UK and US refuse to sign up. With 2012 Greece Restructure as an example, since they were able to manage no holdouts in the domestic law trench, but paid its price by exchange Greek law bonds for UK law ones, one can see that vulture funds would be out of business if this strategy spreads; but emerging nations would avoid it from happening. Implementation would be greater if as many nations as possible would sign a single treaty in that respect, with enough flexibility to include signatories’ law in the treaty; bringing the advantages of effectiveness against vulture funds, which does not happen in the domestic setting; it would be simple because it would confront signatory countries even with a smaller number of supporting emerging nations (ie. G77 + China supporting last year’s resolution); it would equate portfolio investment with foreign direct investment already exposed to domestic law; and also bring in incentives for creditors- SS alternative sources; promote domestic competition; and challenge emerging nations for international policy.

The session moderator, **Rodrigo Olivares Caminal - Professor, Queen Mary University (de minimis approach)**, reflected one important issue from the morning session: the main concern to cure the problem where we already failed which is on focusing on restructuring, whose approach carries the sovereignty issue. The non-consensus statutory approach points to diverse sources of problems: hold-out creditors, aggregation of other private creditors and the clubs’ involvement; the super-priority of IMF. Caminal’s main issue observed is the sovereignty holdouts, and legitimacy. “We are demanding too much from contract law to solve legal issues, where we cannot address social or political issues, as a moving target.” Prevention is a key issue, he continues, “so we must accelerated UNCTAD’s initiative, which needs to be supported, by strengthening the status quo, use IMF’s new policies, greater coordination, so we can claim we have a forum to work closely with the creditors.” Furthermore, Caminal suggests that GDP link bonds and warrant key bonds should be distinguished as contingency instruments, to be carefully looked at; with additional transparency and debt sustainability analysis as worked out by IMF so we can all reach a uniform view; with greater participation of the private sector in position financing as well. Not all problems can be solved by contracts, but it is our duty to improve them; not needing to include *pari passu* clauses in sovereign debt instruments. UNCTAD has brought substantial improvements; so we should continue by encouraging creditors to sign the engagement clauses; and with debt surveillance, greater degree of accountability, constitutional limitations, the role of society in supervising and overseeing debt levels should all be brought into the agenda. Statutory approach has many limitations and the contractual one cannot solve all problems but it is can be a successful kick-start.

The session moderator, **Thomas Lambert - Director, Lazard Bank**, observed that, under a practical perspective, last year’s IMF consultations were useful to be aware of their willingness to help private sector, and take stock of the problems occurred in Greece; willingness to move towards a place where



SDR can happen frequently, triggering dramatic changes, in the way SDR is managed, i.e.: Ukraine relief after a proactive IMF to prevent what has happened in Greece. Paris Club should not be underestimated, even though considered irrelevant for its lack of assets, or no legal framework; hence the complexity of setting up highly politicized international bodies, created during the 1950's. Russian's debt towards Ethiopia, in 2005, was erased in large proportion, as another example. Many more creditors could participate in the Paris Club exercise. To keep balance between private and public sectors, an option would be the public to provide cash to cover the needs and console the debt. This kind of informal functioning can produce resources. Another remark would be the Eurozone, there has been a lot of legit attention, but not easy to focus on SDR; for its specifications. The abandoned idea of having a central bank for the zone has to be addressed differently; resuscitating the chances of having an international Sovereign Bankruptcy framework.

The Table Discussion on the III Session recognized a lot of litigation against Greek; that Eurozone should not be prioritized in the discussion, just emerging nations, particularly in terms of shifting political balance, which does not currently reflect in governmental institutions. There is no universal treaty solution; must be careful of not requiring contradicting things among cultures. Colonization was not yet addressed, and cultural factors and political momentum are underestimated. Broad level economic technological investments are affecting labor wages, pension, union relations, etc. Prevention should be more than IMF private consultations: the UK and the US are essential leaders for new framework – so they need to be signatories-, otherwise we would have to go back to the UN soft-law strategies. Some disagree with Ocampo, which IMF should be definitely on board for a paradigm shift, proposing the UN as an option of having an institution that can help designing and facilitate the dialogue, mediate and arbitrate processes. The parallel of GDP bonds and SDR: hold out can prevent this through domestic law; why not go further? Price indexing of government debt: the financing industry would lose profits as opposed to having a contract – same as for IMF. This must be overcome through market leadership by having US and UK releasing the bonds: “GDP bonds in the great depression would have solved the debt problem.” The quota system brings inconsistency on DR treatment, which demands *pari passu* agreements, showing in many cases a political bias, and lacking credibility. Most of the discussion remained on the choice of the institution to host the SDR processes.

SESSION IV - Political challenges and strategy for moving forward

The final session will consider how to get institutional and political agreement on each of the options and the possible sequencing of institutional reforms needed to achieve the best result. It will also examine the political economy of bailing in the private sector as well as the possible role of civil society.

The meeting facilitator, **Richard Kozul-Wright - Director, Division on Globalization Development Strategies, UNCTAD**, pointed out the political challenges and strategies on moving forward.

The session moderator, **Ambassador Sacha Sergio Llorrenty Soliz, PR of Bolivia to the UN**, started by questioning “where are we now and what do we expect?”. If all agents are to see what happened in the regions of LATAM, they will see the different levels of organizations that have stressed their support to Argentina: UNASUR, MERCOSUR, ECLAC, etc. They all issued strong statements regarding this debt issue. In June last year there was the G77 summit and one of the discussions was debt restructuring. Most



delegations were in solidarity with Argentina. The standard in the UN charter that states all countries should be on equal footing must be applied here. We drafted a resolution regarding this subject that was adopted by the UNGA in September 2014. Almost 2/3rds voted in favor of the resolution. It is a political issue, as Prof. Stiglitz said. There was an adopted resolution with a clear mandate on legal framework for DRP, and a deadline for us: “we must submit a proposal before the end of this 69 UNGA session:, suggested the Ambassador. According to the resolution there should be 3 meetings. The first one was already held in February, the second one will be in the last week of April, and the third will be in June-July. “We need the IMF engaged in this process.” The first session’s purpose was to reach all stakeholders. The second mandate of the resolution is to stipulate a paper with 2 parts: first, what sort of principles we have for the debt restructuring process, and second: a map of different options we might have for a legal mechanism.

The session moderator, **Albrecht Ritschl - Professor, London School of Economics**, initiated his speech by looking at GER’s history in debt. At the end of WWII, GER’s national debt and national income ratio must have been above 400%. Foreign debt relief was provided to GER. Something interesting yet not seen in the SDRP is the fact that new debt is being issued to provide starting capital to the defaulter. Debt forgiveness has been a huge factor for GER. The EU crisis has further reversed GER’s position: their debt towards other EU countries is zero. Not everything has been GER’s fault however. The classical goal standard had 7 classical defaulters: Argentina, Brazil, Chile, Portugal, Spain, Italy, and Greece.

The session moderator, **Gudrun Johnsen - Assistant Professor, University of Iceland**, exemplified with Iceland, where they have been seeing failures in policy making and containing credit growth, but also successes. In 2008, the financial banking crisis hit Iceland hard. Parliament had met in October to discuss solution. What was successful with an investigative report we undertook is that we had complete access to all data to write comprehensive reports where every party could agree on the truth of what happened. In terms of what institutional mechanism is needed to move forward, the Professor was in favor of doing another attempt to the Stiglitz commission at the UN. “It is good for the UN to tackle the debt restructuring because sovereign default does not only come about because of external shocks, but also from incentives individuals have to create pacts with military and business complexes to support them when running for office and therefore sinking the country further in debt, which is used to buy services from the funding partners of the government official.” Iceland, in terms of debt restructuring, can set up an independent government agency funded by creditors with an unusual feature: the debtor can apply for debt forgiveness and the government agency decides on a program for the debtor, providing an agreement for debtor and creditor to sign. The unusual part is that the creditor doesn’t have any room to dispute the decision by the agency, only the debtor can dispute it and not many are tempted to dispute debt forgiveness.

The Final Table Discussion concluded with the following remarks: that it is time for the UN committee to bring in voice of players; to bring in bilateral lenders such as China for the outcome of deliberations. From 2009 to 2011, hedge funds made as much money off of Greece as Greece had to pay back. 34% interest rates for 3 years and banking on incompetence of GRE leaders. In regards to the IMF process, it is our understanding that it is going to use a roadmap and we expect that it will be the dominant discussion in April, motivated by the UN process. The IMF approach is not strong enough, but it is a step in the right direction. It is essential for governments to endorse the 4 points of the roadmap laid out in the April plan. Policy makers endorse what IMF has laid out so far. Important things to do: (a) Policy makers



UNCTAD New York Office Report

Legal Framework for Debt Restructuring Processes: Options and Elements

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from all countries need to endorse IMF process; (b) UN needs to endorse principles such as **UNCTAD's** responsible lending and borrowing principle; (c) Agreements that could be made to not do business with predatory funds. Force change in financial jurisdictions. For those who choose to be a part of this process, the table must encourage them to be ambitious beyond soft law approaches, and understand that a legal framework must come out of this process because lending instruments are varied and those who lend are a large collection of groups; Must recruit people from the IMF to the UN to learn from past efforts and make policy recommendations. But a question still remains to be answered: What would be different for the next country that goes through Argentina's situation? We are disappointed on how the SDRP has played out in EU. The EU systematically turned one of its own into a failed state. The idea of giving support to countries in debt restructuring is one that can work from the UN. Even with limited participation, hopefully enough MS will get involved. The Monterey consensus is the best declaration of its sort in international financial issues. The UN is the most open forum in the world. IMF has been unable to produce something similar to Monterey.