

Bolivia Leads UN Efforts on Debt Restructuring



La Paz, February 5 (RHC-teleSUR) -- The first United Nations meeting on creating a multilateral legal framework for sovereign debt restructuring, chaired by Bolivia concluded Thursday. The Andean nation was elected earlier this week to oversee the group.

Bolivian President Evo Morales issued a statement regarding the country's new role stating, "The negotiation process will require a lot of effort but there will be tremendous pride felt among all Bolivians in helping to design a new global financial architecture."

Last December, the UN General Assembly passed a landmark resolution that mandates the UN to create a legal framework that seeks increase "efficiency, stability and predictability of the international financial system", in a resolution drafted by Bolivia on behalf of the Group of 77 (G77) developing nations and China.

At the opening meeting on Tuesday, the ad hoc committee adopted its provisional agenda, which aims to achieve "sustained, inclusive and equitable economic growth and sustainable development, in accordance with national circumstances and priorities."

The Ecuadorean delegation issued a variety of progressive proposals that grant the state the right to negotiate the terms of their debt repayments as well as measures that ensure that debtor states are not

held hostage to the “biased demands of capital”.

The ad hoc Committee expressed an urgent need to implement more transparent and democratic mechanisms in the process of sovereign debt restructuring.

“There seems to be a broad recognition among member states and experts, that the absence of a multilateral legal framework for sovereign debt restructuring to complement existing mechanisms, such as contractual clauses, is one of the major gaps in the international financial architecture and that this should be addressed,” it said in a statement.

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