



**INTERVENTION POINTS ON BEHALF OF THE GROUP OF 77 AND CHINA BY
A REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE
UNITED NATIONS, AT THE FIRST WORKING SESSION OF THE AD HOC
COMMITTEE ON SOVEREIGN DEBT RESTRUCTURING PROCESS (New
York, 5 February 2015)**

Mr Chairman,

Your able stewardship in the past two days during the first working session of the Ad Hoc Committee on a multilateral legal framework for sovereign debt restructuring processes has been highly commendable. The Group of 77 and China also appreciates the level of engagement that has been shown by Member States and other stakeholders as well as the distinguished Panelists during the interactive dialogues.

Mr Chairman,

In all of these above engagements, what has really emerged strongly is the recognition that an existence of a multilateral legal framework for sovereign debt restructuring is urgently needed. It is needed not only as a complement to existing debt mechanisms but more importantly to influence the global financial system in a positive light.

The Group of 77 and China has also attentively heard, in support of the latter statement that the important roles of the United Nations and the International financial institutions in accordance with their respective mandates as reflected in various GA Resolutions can deal comprehensively and effectively with sovereign debt problems facing the global community in both the developed and the developing countries.

Mr Chairman,

Today, the Group of 77 and China would like to make the following contributions on The Political Economy of Debt Restructuring panel discussion.

The Group of 77 and China wishes to reiterate that:

All Members of the General Assembly and observers are invited to deliberate in an inclusive and transparent manner, in order to continue discussing debt restructuring processes which would be legitimate and characterized by sound practices on sovereign lending and borrowing.

A multilateral legal framework has a potential for a "win-win" situation for both sovereign lenders and borrowers as it will maximize the potential for coherence and predictability of the financial sectors. By so doing, it has a potential to fast-track the global economic growth and help to prevent developing countries from economic downturns and external financial shocks.

As it has been pointed out by various discussants during this first session of the Ad Hoc Committee, a timely, effective, comprehensive and durable solution to the debt problems of developing countries is urgently needed in order to promote their economic growth and development. The United Nations' role and that of International financial institutions become paramount in this regard.

Mr Chairman,

In Conclusion, the Group of 77 and China takes kind note of the Secretary General's latest Report on External debt and sustainability and development when he says that, "the adoption of sound practices in the management and governance of sovereign debt by both lenders and borrowers is the first line of defence against debt fragility and crises. Accordingly, possible elements to be crafted by this intergovernmental process will be this line of defence.

I Thank You.