



**PERMANENT MISSION OF JAMAICA
TO THE UNITED NATIONS**

STATEMENT BY

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PERMANENT MISSION OF JAMAICA
TO THE UNITED NATIONS**

DURING THE

68TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

ON

AGENDA ITEM 14: SOVEREIGN DEBT RESTRUCTURING

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Mr. President,

My delegation welcomes the opportunity to address the important issue of sovereign debt restructuring and debt sustainability. We have been carefully observing recent events which, we believe, bring great urgency to the need to address this issue, one that has remained unresolved for too long. Jamaica shares the concerns of many in the international community, including several eminent economists that the lack of a statutory international sovereign debt restructuring mechanism risks jeopardising any prospects that countries in debt distress have to reposition their economies on a growth trajectory.

The increased interdependence of the global economy magnifies the impact of both localized and exogenous economic shocks, which can quickly be transmitted from one part of the economic and financial system to another. It is imperative, therefore, that a holistic approach be taken to the restructuring of sovereign debt in a manner that brings increased stability and predictability to the operations of the international monetary and financial system.

Jamaica recognizes the need for a multilateral legal framework on sovereign debt restructuring to address risks posed to both developing and developed economies. Such a framework should operate in an equitable, timely, efficient and cost effective manner. We view the UN General Assembly as an appropriate forum to consider this issue as it impacts, in a fundamental way, the sustainable development objectives and aspirations of Members States.

Mr. President,

We do not hold the view that the private market, in and of itself, is able to fully address the problems of unsustainable sovereign debt owed to private creditors. This is particularly so in cases where the speculative actions of specialized investment funds undertake purchases of distressed sovereign debt on secondary markets at deeply discounted rates for the sole purpose of recouping full value through the pursuit of litigation. This activity is rendered even more pernicious when a minute proportion of creditors are allowed to thwart the desire of the overwhelming majority of investors to arrive at a structured resolution, via an orderly debt resolution.

We do also not subscribe to the view that Collective Action Clauses (CACs) represent a panacea for this problem which, though helpful, reflects a piecemeal approach to resolving an issue that requires a more comprehensive remedy.

It is for these reasons why Jamaica holds the view that market-based remedies, such as Collective Action Clauses, should be complemented by international statutory provisions that are undergirded by the force of law.

Mr. President,

The link between sovereign debt restructuring and the ability of countries to meet our commitments to the Millennium Development Goals, the Sustainable Development Goals (SDGs) and the Post-2015 Development Agenda is clear. The inability to undertake orderly sovereign debt workout arrangements within the framework of a predictable and legally-binding international sovereign debt restructuring mechanism will hinder the ability of countries to undertake vital public investment in areas such as health care, education, water and sanitation and renewable energy.

The value of an approach that provides breathing room for distressed sovereign debtors is clearly evidenced by the success that insolvent private firms have recorded through having recourse to national bankruptcy laws. We are also mindful that through the Paris Club arrangements similar mechanisms are in place to provide relief to debtor countries via arrangements with creditor countries.

Mr. President, it is indisputable that countries that are afforded an opportunity to undertake orderly debt workout arrangements will stand the best chance of stabilizing their economies and regaining macroeconomic balance, thereby providing a platform for economic growth.

Jamaica supports the launching of a process to negotiate a multilateral legal framework for sovereign debt restructuring and therefore welcomes the adoption of resolution, which addresses an issue that goes to the heart of the work in which our Assembly has been collectively engaged.

I thank.