

Side event organized by erlassjahr.de/Jubilee Germany co-sponsored by the Government of Norway

FAIR AND TIMELY SOVEREIGN DEBT WORKOUTS

Putting Paragraph 46 of the Doha Outcome Document into practice

Sunday, November 30th 2008, 3 p.m. – 5.p.m.

Hotel Sheraton

Today's financial crisis presents challenges for countries that saw their external debt reduced since Monterrey and for other low and middle-income countries that have continued to pay all their debt service despite its fiscal burden. Global recession and falling commodity prices will force many countries to seek new debt restructuring and there is still no international mechanism for comprehensive, fair and timely debt workouts. Moreover, new private and official lenders are not part of the traditional debt relief mechanisms, driven by the Bretton Woods institutions and the Paris Club. New lending instruments, including domestic debt, cannot be easily included into traditional forums for debt restructuring. Finally, the re-definition of debt sustainability based on the multilaterally agreed development targets, including the Millennium Development Goals, remains to be accepted as the proper guide to the amount of relief needed.

The side event thus addresses the urgency of establishing new international mechanisms for debt relief. It will compare options for reform with regards to their practicability, conceptual strengths and weaknesses and table possible steps in a future political reform process. The workshop will build on short pointed inputs from various stakeholders' perspectives and leave as much time as possible for interaction among participants.

Development Minister Eric Solheim, Norway: Creditors' interest in new debt workout mechanisms with regard to the quality of claims.

Maria Elsa Viteri, Finance Minister Ecuador (tbc): A debtor perspective on reforming debt workout procedures.

Jürgen Zattler, Ministry of Economic Co-operation and Development Germany: Creditors' interest in new debt workout mechanisms with regard to debt sustainability and development finance.

Prof. Kunibert Raffer, University of Vienna: Sovereign Insolvency as a fair and comprehensive alternative process - ad hoc and institutionalized options.

Jürgen Kaiser, erlassjahr.de: Who is at risk in the 2010 sovereign debt crisis: Mapping of new risks for debt sustainability.