

25 October 2012

**Statement of H.E. Mr. Vuk Jeremić,
President of the 67th Session of the General Assembly,
at the Special Event on the Sovereign Debt Crisis and Restructurings**

Mr. Chairman,
UNCTAD Secretary-General,
Excellencies,
Distinguished Representatives,

I am grateful for the opportunity to offer the opening remarks at this important event.

At the onset, allow me to thank Chairman Talbot of the Second Committee and UNCTAD Secretary-General Panittchpakdi for inviting us here today. I would also take the opportunity to express my sincere appreciation to the Office for ECOSOC Support and Coordination, and the Department of Economic and Social Affairs, for their tireless efforts.

Although the United Nations Secretariat and UNCTAD have been engaged on this topic since the 1970s, this is the first time that a debate about enhancing sovereign debt restructuring and debt resolution mechanisms has ever taken place under the auspices of the General Assembly.

I wholeheartedly welcome this development. I hope that today's exchange of views will be helpful in the context of my initiative to involve the 'chief deliberative, policymaking and representative organ of the United Nations' more closely in the ongoing discourse about how to shape the material destiny of our planet.

Excellencies,

I hope today's conference will consider various aspects of the debt sustainability issue from the perspective of both developed and developing countries.

Regarding the former, I believe that the unfolding events in the Eurozone are a matter of significant concern for all of us, for they carry far-reaching implications for many economies across the world. Any comprehensive discussion about global debt crises and restructuring should consider its consequences with great care.

With respect to developing countries, I think we can be encouraged that in many cases, their respective foreign currency reserves still surpass their external debt levels, notwithstanding the global economic crisis.

Although debt indicators for developing countries have improved in the past decade, there are concerns about the sustainability of their resilience capacities.

Some of the conclusions of a number of recent UNCTAD studies are really worrisome. They indicate that crisis containment measures have used up much of the buffers built up by states in the decade prior to the downturn. These capacities are not being restored to previous levels.

This could become a serious challenge for a number of Member States, in particular the Heavily Indebted Poor Countries.

In the face of such hardship, I believe that a hand of solidarity should be extended further.

Enhancing South-South cooperation is an important aspect of the way forward.

But this is unlikely to be enough. In my view, developed countries should also try to meet the commitments they have made to partners obviously, bearing in mind their current economic challenges. Here I am thinking not only of the various LDC Programs of Action, for instance, but also to MDG-related assistance obligations, as per Resolution 66/293.

As we strive to come to terms with this increasingly complex economic landscape, we also have to turn our attention to longer-term, strategic issues. That is why the General Assembly has begun to focus on the post-2015 agenda. At the Rio+20 conference, world leaders gave the plenary a mandate to establish an intergovernmental process to propose options for an effective financing strategy for meeting the Sustainable Development Goals.

It will be up to the Member States to determine its scope and pace of work. I remain ready to engage with them to make sure the issue is prioritized during the 67th Session.

I am also committed to enabling the General Assembly to build more meaningful relations with IFIs such as the World Bank and the IMF, as well as with the G-20. Senior representatives from the G-20 will continue to brief the Assembly in the run-up to the annual Summit, as has been the custom in previous years.

In my view, however, more can be done to increase the complementarity of both policies and actions between the UN and key international economic players.

It is with this in mind that I have proposed to launch a process leading to the establishment of an effective consultative framework between the General Assembly and various international financial and trade institutions, as well as informal groupings, with a focus on the G-20.

The intent is not to infringe on established prerogatives; but rather to complement existing efforts with a regularized, broader-based approach. This would in turn help answer a number of questions related to transparency, inclusivity, and legitimacy.

Excellencies,

Your discussions on debt restructuring will concentrate on an important aspect of the global economic governance agenda. I hope that this exchange of views will be fruitful and but the first in a series of conferences of this sort held under the auspices of the General Assembly.

I would like to express my gratitude to our friends from UNCTAD for taking the lead in organizing today's Special Event.

I thank you for your attention.