



Inter-Parliamentary Union
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131st IPU ASSEMBLY AND RELATED MEETINGS

Geneva, 12 - 16.10.2014

Assembly
Item 2

A/131/2-P.6
30 September 2014

Consideration of requests for the inclusion of an emergency item in the Assembly agenda

Request for the inclusion of an emergency item in the agenda of the 131st Assembly of the Inter-Parliamentary Union submitted by the delegation of Argentina

On 30 September 2014, the Secretary General of the IPU received from the President of the delegation of Argentina, a request for the inclusion in the agenda of the 131st Assembly of an emergency item entitled:

“Commitment by the world’s parliamentarians to promote a multilateral legal framework for restructuring countries’ sovereign debt with a view to achieving a more stable and predictable international financial system.”

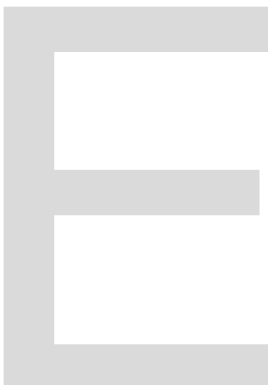
Delegates to the 131st Assembly will find attached the text of the communication submitting the request ([Annex I](#)), as well as an explanatory memorandum ([Annex II](#)) and a draft resolution ([Annex III](#)) in support thereof.

The 131st Assembly will be required to take a decision on the request of the delegation of Argentina on Monday, 13 October 2014.

Under the terms of Assembly Rule 11.1, any Member of the IPU may request the inclusion of an emergency item in the Assembly agenda. Such a request must be accompanied by a brief explanatory memorandum and a draft resolution which clearly define the scope of the subject covered by the request. The Secretariat shall communicate the request and any such documents immediately to all Members.

Furthermore, Assembly Rule 11.2 stipulates that:

- (a) A request for the inclusion of an emergency item must relate to a major event of international concern on which it appears necessary for the IPU to express its opinion. Such a request must receive a two-thirds majority of the votes cast in order to be accepted;
- (b) The Assembly may place only one emergency item on its agenda. Should several requests obtain the requisite majority, the one having received the largest number of positive votes shall be accepted;
- (c) The authors of two or more requests for the inclusion of an emergency item may combine their proposals to present a joint one, provided that each of the original proposals relates to the same subject;
- (d) The subject of a proposal that has been withdrawn by its authors or rejected by the Assembly cannot be included in the draft resolution submitted on the emergency item, unless it is clearly referred to in the request and title of the subject adopted by the Assembly.



**COMMUNICATION ADRESSED TO THE SECRETARY GENERAL
BY THE DEPUTY DIRECTOR OF THE INTERNATIONAL PARLIAMENTARY
RELATIONS, PARLIAMENTARY SECRETARIAT OF THE SENATE OF ARGENTINA**

29 September 2014

Dear Mr. Secretary General,

As directed by the Secretary of the Argentinian delegation, Mr. Juan Estrada, I have the honour of submitting to you a proposal for the inclusion of an emergency item in the agenda of the forthcoming Assembly entitled

“Commitment by the world’s parliamentarians to promote a multilateral legal framework for restructuring countries’ sovereign debt with a view to achieving a more stable and predictable international financial system”

to be presented to the 131st IPU Assembly by Senator Ruperto Godoy, leader of the Argentinian delegation.

Please accept, Mr. Secretary General, the assurances of my highest consideration.

Yours sincerely,

(Signed)

Lic. Graciela SERVIDIO (Ms.)
Deputy Director
International Parliamentary Relations
Parliamentary Secretariat of the
Senate of Argentina

**COMMITMENT BY THE WORLD'S PARLIAMENTARIANS TO PROMOTE A MULTILATERAL
LEGAL FRAMEWORK FOR RESTRUCTURING COUNTRIES' SOVEREIGN DEBT
WITH A VIEW TO ACHIEVING A MORE STABLE AND PREDICTABLE
INTERNATIONAL FINANCIAL SYSTEM**

Explanatory memorandum submitted by the delegation of Argentina

The delegation of Argentina to the IPU requests the inclusion on the agenda of the 131st IPU Assembly of an emergency item entitled *Commitment by the world's parliamentarians to promote a multilateral legal framework for restructuring countries' sovereign debt with a view to achieving a more stable and predictable international financial system*, for the reasons set out below.

The financial crisis that has affected the world economy since the end of 2007 has called into question the stability and equilibrium of the international financial system, necessitating the implementation of appropriate measures to give the most indebted countries a way out of the crisis but without affecting the welfare of their people. It is a fact that for the most indebted developing countries the burden of sovereign debt represents a serious obstacle to the implementation of sustainable development policies and the design of measures to eradicate poverty and social exclusion.

The sovereign debt crisis situations that have arisen and the restructuring mechanisms applied to these commitments need to be analysed and clear proposals need to be developed to lay the legal and regulatory basis for greater security in restructuring sovereign debt.

Experts from various international organizations have focused attention on the action of minority groups that, in their zeal for speculation and boundless profit, endanger the efforts of States to regularize their external financial commitments.

Accordingly, Argentina considers that IPU Member Parliaments should adopt decisions that are conducive to agreements on ways to balance the rights and interests of creditors and debtors, that ensure the long-term sustainability of sovereign debts, and that can serve in turn as the basis for a multilateral legal framework to facilitate debt restructuring processes in a fair, timely and effective manner.

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Draft resolution submitted by the delegation of ARGENTINA

The 131st Assembly of the Inter-Parliamentary Union,

- (1) *Recalling* the Millennium Declaration, approved on 8 September 2000; the International Conference on Financing for Development, held in Monterey, Mexico, in 2002, and its Outcome Document, which consider the stability of the international financial system to be crucial to the promotion of international economic growth,
- (2) *Also recalling* the Follow-up International Conference on Financing for Development, entrusted with examining the application of the Monterey Consensus and its Outcome Document, and the Doha Declaration on Financing for Development,
- (3) *Considering* that the financial crisis that has shaken the world since the end of 2007 has still not been overcome and continues to exert a negative impact on most countries, affecting the welfare and development possibilities of their people, especially in the lower income countries,
- (4) *Observing* that the crisis has revealed weaknesses and imbalances in the international financial system, in which the sovereign debt crisis constitutes a recurrent problem, generating negative political, economic and social consequences for countries,
- (5) *Considering* that processes for restructuring sovereign debt are a regular occurrence in the international financial system and that consideration must be given, in finding a way out of the crisis, to appropriate channels of access to development financing, sustainable levels of debt and effective restructuring mechanisms that facilitate the payment of external commitments,
- (6) *Taking note* that it is indispensable for countries, especially less developed countries, to ensure the long-term sustainability of their sovereign debt, and to encourage ways of providing financial resources for development without imposing conditions that cannot be fulfilled,
- (7) *Recognizing* that solving the sovereign debt problem of developing countries is a fundamental aspect of international cooperation,
- (8) *Recalling* that the United Nations Human Rights Council, in its Guiding Principles on foreign debt and human rights, established that State activities related to decisions about lending and borrowing, the use of loans, payments, renegotiation and restructuring of external debt should not derogate from the obligations to respect, protect and fulfil human rights,
- (9) *Calling attention* to the practices of commercial actors, investment funds and groups that purchase the bonds of countries in crisis with the sole aim of obtaining preferential treatment, by means of abusive and speculative measures that not comply with the principle of good faith that underlies the law in civilized nations,
- (10) *Recognizing* the sovereign right of every State to restructure its sovereign debt, which right must not be hindered or obstructed by measures adopted by another State,
- (11) *Observing* the activities or speculative manoeuvres of the so-called "vulture funds", which constitute a threat to all future debt restructuring processes, for developing as well as developed countries,

(12) *Considering* that the Millennium Declaration (2000), on which the Millennium Development Goals are based, recognizes the need for reform to achieve an open, equitable, rule-based, predictable and non-discriminatory international financial system.

(13) *Recalling* Resolution 27/30 of the United Nations Human Rights Council on *The effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights: The activities of vulture funds*, adopted on 26 September 2014,

(14) *Also recalling* the work of the International Monetary Fund in 2003 towards formulating a proposal for a sovereign debt restructuring mechanism, and United Nations General Assembly Resolution 68/304, *Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes*, approved on 9 September 2014,

(15) *Recognizing* that the international financial system lacks a rigorous legal framework for the orderly and predictable restructuring of sovereign debt, which increases the cost of default still further,

(16) *Highlighting* the need to continue correcting systemic flaws and imbalances and deploy every effort necessary to reform and strengthen the international financial system,

(17) *Observing* that achievement of this aim will require concerted action by States, their parliaments and international organizations to establish a framework for international assistance and cooperation,

1. *Requests* the Governing Council to organize as soon as possible an international parliamentary conference to engage with experts in examining the causes and effects of the activities of speculative funds in connection with sovereign debt restructuring processes and their systemic impact on the international financial architecture, affecting the stability of the global economic system with adverse repercussions for human rights;
2. *Urges* national parliaments to adopt provisions on ways to relieve the burden of foreign debt for less developed countries, so as to complement the efforts being deployed by the governments of those countries to ensure that their people fully enjoy their economic and social rights;
3. *Calls for* the initiation of a process of analysis and the formulation of legislative proposals for the creation of a legal regulatory framework for sovereign debt restructuring in all countries;
4. *Calls upon* all parliaments of the world, as a matter of priority, to promote legislation to limit the efforts of speculative funds to obtain immoral benefits through prolonged litigation, to the detriment of our peoples;
5. *Advocates* a comprehensive and effective approach to the problems countries encounter in connection with their foreign debt, improving the international financial mechanisms for preventing and resolving crises connected with foreign debt so that the unjust character of the current system does not affect the enjoyment of human rights in debtor countries;
6. *Recognizes* the importance of finding a rapid, effective, complete and lasting solution to the problem of debt among developing countries, so as to promote truly inclusive economic growth and development.