United Nations A/68/PV.107

# General Assembly

Sixty-eighth session

Official Records

**107**th plenary meeting
Tuesday, 9 September 2014, 3 p.m.
New York

*President*: Mr. Ashe . . . . . (Antigua and Barbuda)

*The meeting was called to order at 3 p.m.*

**Agenda item 138** (*continued*)

**Scale of assessments for the apportionment of the expenses of the United Nations (A/68/716/Add.11)**

**The President**: I should like, in keeping with established practice, to draw the attention of the General Assembly to document A/68/716/Add.11, in which the Secretary-General informs the President of the General Assembly that, since the issuance of his communication contained in document A/68/716/Add.10, Yemen has made the payment necessary to reduce its arrears below the amount specified in Article 19 of the Charter.

May I take it that the General Assembly duly takes note of the information contained in this document?

*It was so decided.*

**Agenda item 14** (*continued*)

**Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields**

**Draft resolution (A/68/L.57/Rev.1)**

**The President**: Members will recall that the Assembly adopted resolution 68/6 under agenda item 14 and agenda item 118, entitled "Follow-up to the outcome of the Millennium Summit", at its 32nd plenary meeting, on 9 October 2013, and considered agenda item 14, jointly with agenda item 118 and agenda item 125, entitled "United Nations reform: measures and proposals", at its 54th plenary meeting, on 20 November 2013.

I now give the floor to the representative of the Plurinational State of Bolivia to introduce draft resolution A/68/L.57/Rev.1.

**Mr. Llorentty Solíz** (Plurinational State of Bolivia) (*spoke in Spanish*): I have the honour to make this introduction on behalf of the Group of 77 and China (G-77).

I would like to begin by expressing my appreciation for the commitment of all States members of the Group and other States that helped to improve this important draft resolution (A/68/L.57/Rev.1), demonstrating thereby their genuine commitment to building an international financial system in which the rules are fair and favourable towards development, and promoting a genuine global alliance in which developing countries will be able to achieve sustainable development.

I would also like to thank the representatives of the Member States among us today, and in particular the Foreign Minister of the Republic of Argentina, Mr. Héctor Marcos Timerman, for their presence here.

The Group of 77 and China is pleased to introduce draft resolution A/68/L.57/Rev.1, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes". The operative part of the draft resolution, inter alia, emphasizes the special importance of a timely, effective, comprehensive and durable solution to the debt



14-52899 (E)

problems of developing countries in order to promote their inclusive economic growth and development. It calls for an intensification of efforts to prevent debt crises by enhancing international financial mechanisms for crisis prevention and resolution, in cooperation with the private sector, with a view to finding solutions acceptable to all. It decides to elaborate and adopt through a process of intergovernmental negotiations, as a matter of priority during its sixty-ninth session, a multilateral legal framework for sovereign debt restructuring processes with a view, inter alia, to increasing the efficiency, stability and predictability of the international financial system and achieving sustained, inclusive and equitable economic growth and sustainable development, in accordance with national circumstances and priorities. It also decides to define the modalities for the intergovernmental negotiations and the adoption of the text of the multilateral legal framework at the main part of the sixty-ninth session, before the end of 2014.

A debate has been going on since 1970 on whether the international financial system should have a mechanism for addressing the restructuring of sovereign debt. Twelve years ago, at the first International Conference on Financing for Development, held in Monterrey, our leaders expressed their commitment to working to create an international mechanism for renegotiating debt. A similar commitment was made at the second Conference, held in Doha in 2008. Furthermore, at the conclusion of the 2009 Conference on the World Financial and Economic Crisis, we reaffirmed the importance of exploring "enhanced approaches to the restructuring of sovereign debt" (*resolution 63/303, para. 34*). At that time, a committee of experts appointed by the President of the General Assembly at its sixty-third session made specific recommendations for establishing an international bankruptcy court. The Secretary-General's reports on external debt, sustainability and development have also stressed for many years the importance of addressing this issue and have made recommendations on establishing a specific mechanism. The United Nations Conference on Trade and Development has also been considering the matter since the end of the 1970s.

In the past decade, the G-77 and China has called for proposals on establishing a legal framework for restructuring sovereign debt. In June in Santa Cruz de la Sierra, Bolivia, the Heads of State and Government of the G-77 and China agreed on the urgent need for the international community to examine options for an international mechanism for resolving debt that is effective, fair, lasting, independent and oriented towards development, and urged all countries to promote and contribute to debates in the United Nations and other relevant forums about this goal.

As the Secretary-General's latest report (A/69/167) indicates, the recent debt crises and the protracted holdout bondholder litigation against Argentina have led to intensified international debate on the need for a sovereign debt restructuring mechanism that can help improve efficiency, fairness and coordination in restructuring sovereign debt. Today it is Argentina, but many developing and developed countries have suffered in the past from the exact same predatory behaviour, and others will follow if we do not act. Debt and debt restructuring do not simply pose a financial, legal or even jurisdictional problem; this is a problem that concerns the whole world and every country, developed as well as developing. It is tied to growth, development and human rights. The lack of a structured mechanism is a major failure in the current international financial architecture, which leads to long delays in debt restructuring, unfair outcomes and loss of value for both debtors and creditors, among other problems.

The international community must realize that no path to growth can be pursued or encouraged when it has unsustainable debt hanging over it. The core element of any debt-restructuring exercise should therefore be determining real repayment capacity. If that is not properly addressed, the original restructuring may require more time and further restructuring, which can further affect growth and good-faith creditors.

The Group of 77 and China is very concerned about so-called vulture fund litigation. Debt restructuring processes and debt sustainability itself are at present facing serious risks, related to the actions of speculators seeking to profit excessively from countries dealing with excessive debt obligations and repayment processes, which put them in vulnerable situations. Sovereign debt management has in fact been a crucial issue for developing countries, both as a source of concern in past decades and as a hot button in recent years, owing to the activities of vulture funds. Recent developments in and examples of such activities have exposed these funds' speculative and profit-seeking nature, and they pose a risk to all future debt-restructuring processes for both developing and developed countries. The Group

of 77 and China believes that vulture funds should not be allowed to paralyse developing countries' efforts in this area, and that their claims should not take precedence over a State's right to protect its people under international law.

Recent events have also shown that market-based, ad hoc, contractual approaches to working out sovereign debt are insufficient to deal with such crises, and can lead to cascades of litigation, with ripple effects throughout the debt market. As we have said, the situation we are dealing with today affects every country, developing or developed, and demonstrates that the market approach has failures and gaps that should be urgently addressed.

The G-77 and China would like to reaffirm that the United Nations plays the central role in and possesses the necessary legitimacy for dealing with these issues of development and related matters. We reiterate that the General Assembly is the appropriate venue for discussing economic and financial affairs and deciding on the best follow-up and alternatives for meeting the needs and challenges of the twenty-first century. The systemic problems facing the global economy have yet to be resolved. There are still major unfulfilled goals to be reached, and we must intensify all our efforts in this area. We cannot afford to continue to be spectators until another situation arises and we are once again reminded of the importance of taking action on this issue.

In conclusion, I would like to specially thank the Argentine Republic, since it is owing to the situation of that country that the international community's eyes have been opened to an enormous risk. That is why the Group of 77 and China is presenting this draft resolution for adoption by the General Assembly.

**The President**: The Assembly will now proceed to consider draft resolution A/68/L.57/Rev.1.

I now give the floor to the representative of the Secretariat.

**Mr. Zhang Saijin** (Department for General Assembly and Conference Management): In connection with draft resolution A/68/L.57/Rev.1, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes", I wish to put on the record the following statement of financial implications on behalf of the Secretary-General, in accordance with rule 153 of the rules of procedure of the General Assembly.

In paragraphs 5 and 6 of draft resolution A/68/57/Rev.1, the Assembly would decide to elaborate and adopt, through a process of intergovernmental negotiations, as a matter of priority during its sixty-ninth session, a multilateral legal framework for sovereign debt restructuring processes, with a view, inter alia, to increasing the efficiency, stability and predictability of the international financial system, and achieving sustained, inclusive and equitable economic growth and sustainable development, in accordance with national circumstances and priorities; and would decide to define modalities for the intergovernmental negotiations and adopt the text of a multilateral legal framework at the main part of its sixty-ninth session before the end of 2014.

Pursuant to operative paragraphs 5 and 6 of the draft resolution, the modalities of the negotiation and adoption of the multilateral legal framework have yet to be defined. Accordingly, in the absence of the modalities for the framework, it is not possible at the present time to estimate the potential financial implications. As soon as specifications on the dates, format, scope and modalities are determined by the General Assembly at the main part of the sixty-ninth session, the Secretary-General would submit the relevant costs of such requirements in accordance with rule 153 of the rules of procedure of the General Assembly.

Accordingly, the adoption of the draft resolution A/68/57/Rev.1 will not give rise to any financial implications for the programme budget for the biennium of 2014-2015.

**The President**: Before giving the floor to the speakers in explanation of vote before the vote, may I remind delegations that explanations of vote are limited to 10 minutes and should be made by delegations from their seats.

**Ms. Gunnarsdóttir** (Iceland): Draft resolution A/68/57/Rev.1 addresses a very real problem. Only this summer, the Secretary-General concluded in a report on external debt sustainability and development that

> "[t]he international ad hoc arrangements for debt crisis resolution have created incoherence and unpredictability. Different courts have very different interpretations of the same contractual clause and can impose a wide array of rulings. Politics and interest groups can impact on the outcome of the rulings and debt restructuring,

compromising consistency and fairness.” (*A/69/167, para. 57*)

In Iceland’s view, it is highly relevant and timely to carefully explore sovereign debt restructuring processes, and we commend those State, Members of the United Nations that have raised the issue. It is of great importance that the restructuring of sovereign debt not be unreasonably impeded by commercial creditors, particularly by specialized investors such as hedge funds and the so-called vulture funds.

However, the question remains: What would be the right and proper international forum for this important issue? It is clear that a broad consensus is needed in order to find a sustainable and effective solution. It is also clear that further work is needed in order to achieve such a consensus, and therefore we abstain from voting on the draft resolution at this juncture.

**Mr. Maksimychev** (Russian Federation) (*spoke in Russian*): The debt market is a significant component of contemporary international currency credit relations. Its sustainability greatly defines the stability of the whole international financial system. The severe debt crises of recent years have clearly reflected shortfalls in our efforts and continued significant gaps in the existing regulatory system for public debt liability.

The Russian Federation actively supports improving predictability in the area of public debt liabilities and stands ready to make its practical contribution to supporting that issue. In that regard, we believe that the decision of the Group of 77 to raise in the United Nations the issue of developing a multilateral legal framework to regulate sovereign debt restructuring processes is justified and timely. We therefore support draft resolution A/68/L.57/Rev.1 and will vote in favour of its adoption.

**The President**: We have heard the last speaker in explanation of vote before the voting. A recorded vote has been requested.

*A recorded vote was taken.*

*In favour*:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Benin, Bhutan, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Chad, Chile, China, Colombia, Comoros, Congo, Costa Rica, Cuba, Democratic People’s Republic of Korea, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lao People’s Democratic Republic, Lebanon, Libya, Madagascar, Malawi, Malaysia, Maldives, Mauritania, Mauritius, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Palau, Panama, Paraguay, Peru, Philippines, Qatar, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, South Sudan, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe

*Against*:

Australia, Canada, Czech Republic, Finland, Germany, Hungary, Ireland, Israel, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America

*Abstaining*:

Albania, Andorra, Armenia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Denmark, Estonia, France, Georgia, Greece, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Montenegro, Netherlands, New Zealand, Norway, Papua New Guinea, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine

*Draft resolution A/68/L.57/Rev.1 was adopted by 124 votes to 11, with 41 abstentions* (resolution 68/304).

**The President**: Before giving the floor to speakers in explanation of vote, may I remind delegations that explanations of vote are limited to 10 minutes and should be made by delegations from their seats.

**Mrs. Robl** (United States of America): The United States remains committed to the stability of the international financial system and to the development of its partners around the world. Financing is a crucial tool for that growth and development. Access to functioning debt markets enables developing countries to make the infrastructure investments essential to diversify economies and expand productive capacity. In that context, the United States regrets that it was obliged to vote against resolution 68/304 on both substantive and procedural grounds.

The United States cannot support the creation of a sovereign debt restructuring mechanism, as envisioned in this resolution. The establishment of a statutory mechanism for debt restructurings would create uncertainty in financial markets. If lenders face higher uncertainty regarding repayment, they may be less likely to provide financing and will likely charge higher risk premiums, potentially stifling financing to developing countries.

Experience from the debate on an sovereign debt restructuring mechanism in the early 2000s reflected those concerns and concluded that the creation of such a mechanism would have highly uncertain results. Issuers of external debt, working with market participants and members of the Group of 10, instead elected to pursue market-oriented approaches, including the increasingly common use of collective action clauses, paired with enhancing debt management capacity in borrowing countries. Work on this technically complex issue is ongoing in other forums, including the International Monetary Fund and non-governmental bodies such as the International Capital Market Association. Those efforts have already begun to bear fruit and are the more appropriate venues for this type of discussion and better ways to address the issue.

The United States is also concerned about the procedures surrounding the resolution. The resolution clearly assumes a final outcome, namely the establishment of a binding convention or legal framework, precluding substantive debate on its merits. Effective discussion is further inhibited by the attempt to force this resolution through in the waning hours of the sixty-eighth session of the General Assembly and mandating an accelerated time frame for developing any convention or legal framework.

Finally, the resolution should give pause to those concerned about how United Nations system resources are deployed. The resolution establishes a mandate for an expensive United Nations process. However, its deliberate lack of specificity and the timing of its introduction, with the Fifth Committee out of session and no meetings of the Advisory Committee on Administrative and Budgetary Questions scheduled this cycle, will mean no effective scrutiny or review of costs. Members are being asked to write a blank check.

In sum, we have a range of objections to the resolution and therefore have joined others in voting against it.

**Ms. Miyano** (Japan): I, too, would like to explain the reasoning behind Japan's vote against resolution 68/304. The issue of sovereign debt is an extremely important issue. Japan has been taking part in and contributing to the relevant discussions at the International Monetary Fund (IMF), the Paris Club, the United Nations Conference on Trade and Development and other forums, and we will continue to do so. Japan has also been doing its utmost to deal with individual debt issues in a constructive and productive manner.

However, discussions on what kind of framework should be employed to deal with the issue of sovereign debt require technical expertise and knowledge, along with the participation of all relevant stakeholders. A lack of proper and effective discussion time and procedure adds to that problem. So at this juncture, when such discussions are under way in forums such as the IMF, Japan cannot support a resolution that has as its sole expected outcome the establishment of a general legal framework.

**The President**: We have heard the last speaker in explanation of vote. We shall now open the floor for statements after adoption.

**Mr. Timerman** (Argentina) (*spoke in Spanish*): On this day, 9 September, 50 years ago, an Argentinian diplomat, José María Ruda, made a historic statement to the Decolonization Committee in which he explained my country's opposition to all forms of colonialism. Once again, just as 50 years ago, the Argentine people have come to the United Nations to discuss a subject of great importance for my country and the entire international community. We are proud that this is happening as a result of the deep understanding shared by the developing countries of the world. We have come to the United Nations because we feel it is the most representative international forum and the General Assembly is the democratic forum par excellence, as all States participate in it on an equal footing.

I would like to recognize your leadership, Sir, as President of the General Assembly at its sixty-eighth session, and your initiative to convene this plenary meeting in full accordance with the rules of procedure and in complete transparency. We also welcome the adoption of resolution 68/304, submitted by the Group of 77 and China. This is a forum like no other, which has been able to highlight the devastating effects of the unfair distribution of global wealth and which is able to propose valuable initiatives aimed at building a world that is more just and free and has more solidarity.

In that respect, I would like to commend the leadership of the Chairperson of the Group of 77 and China, the representative of the Plurinational State of Bolivia, Sacha Llorentty Solíz, who has fully expressed the wishes of our Group. We will not accept distorting pressure, and we will not give in to the scepticism and indifference of the wealthy.

The important vote that we have just taken is the clearest possible expression of such global representativeness. The peoples of the world have spoken, and we have decided that the time has come to jointly embark upon an ethical, political and legal process that can put an end to unbridled speculation. In so doing, we are choosing a just and lawful path that is set out by means of a plural and democratic debate, a debate such as this one, where everyone — and I mean everyone — has a vote and a voice.

The resolution just adopted is also a faithful reflection of the relevance and urgency that the clear majority of the nations of the world assign to a reality that leaves us without protection from the practices of and abuses committed by speculators, given the normative gap in the current international financial system. We have decided that the time has come to provide to the financial system a legal framework for restructuring sovereign debt that respects the majority of creditors and allows countries to emerge from crises in a sustainable manner.

Billions of dollars are going into the pockets of the owners of vulture funds because of that legal vacuum. The vacuum's existence is no mere coincidence. Those who are involved in such trade, which is scandalously profitable, invest a percentage of their profits in campaigns and lobbyists to ensure that the situation does not change. The lack of a legal regulatory framework to restructure sovereign debt has a direct correlation with poverty, disease, illiteracy and the insecurity suffered by countries who have been historically crushed by external debt — countries where none of the owners of such funds, or their lobbyists or lawyers, live.

For over a decade, developing countries, as well as many developed countries that do not believe that the dignity of peoples should be held hostage to the invisible hand of the market, have been stating that the world cannot allow the restructuring of sovereign debt to be subject to the discretion or will of speculators. We have to put a limit on it, a limit that goes beyond mere rhetoric and guidelines and principles. For over a decade in various forums and agencies of this Organization, both developed and developing countries have been expressing the need for a legal framework that will establish effective and transparent rules in order to bring about sovereign debt restructuring processes that are ordered and predictable.

Allow me to address my remarks particularly and with full respect to the countries that did not vote for the resolution that we just adopted, specifically those where the majority of international financial activity is centred. I would like to remind them of the words of our President — words that she has uttered many times in this very place. She said we all know that finance is not possible without production. A bankrupt country cannot pay back what it owes. Developed countries benefit from the growth of developing countries, not just because of the virtuous cycle that is started by more countries joining in global demand, but specifically because a more inclusive, just and secure world presupposes the existence of a global economy that is more balanced and more efficient. At the same time, we all know that many countries over the past 200 years have gone into default and, at the end of the day, have needed to restructure their sovereign debt. We also know — and this is simply a fact — that there are many nations that have higher levels of debt than Argentina's when we went into default in 2001.

It is therefore clear that there is also a latent need in the short term for those countries to benefit from a predictable, fair and sustainable system for sovereign debt restructuring. I also think it is timely to stress with regard to financial investment that, in the light of the case of Argentina, the absence of a legal framework for sovereign debt restructuring has become a serious problem for investment funds, since the majority of them recognize the merit of respecting an agreement with a majority of creditors. In that regard, I believe that nothing shows more clearly the need for a legal regulatory framework than the situation my country is

going through since a judge in this very city allowed 1 per cent of the creditors — international usurers known as vulture funds — to block the funds that Argentina paid to 92.4 per cent of the creditors who agreed to the restructuring that was part of the economic recovery of my country.

Our concern is nothing new, and it has been expressed previously in other forums and in every way possible, as described by the Chair of the Group of 77 and China when he introduced the resolution just adopted. Since 2003, we have been working at the United Nations on the issue of sovereign debt and the obstacles that it represents for the sustainable development of peoples and the absence of an adequate legal framework for sovereign debt restructuring.

The decision we took today democratically is not only to express what our peoples demand but also to do what our peoples deserve, namely, to ensure that they are free and sovereign and that they can live a dignified life and without fear of becoming victims of speculation and greed. We have decided to fundamentally change the future and prevent more people from having to eternally pay in hunger and misery the exorbitant privileges of the owners of vulture funds, those sinister masters of opulence.

If the United Nations has been able to regulate diplomatic relations covering exploitation of marine resources, for example, and the need to have a regime for the non-proliferation of weapons of mass destruction and to universally condemn the worst crimes, how were we not going to decide what we have done today, that is, to draw up a multilateral legal framework for sovereign debt restructuring?

Honouring those who have preceded us, I am convinced that with the adoption of today's resolution we have undertaken the commitment of the hour, recognizing the right of everyone, particular our children and young people, to live a better present and future, removing one of the causes that contributes to generating the violence that we are so concerned about and which destroys the peace that we so urgently need. Let us work together to continue building a free, fair and sovereign world.

**Mr. Lambertini** (Italy): I have the honour to speak on behalf of the States members of the European Union.

There should be no doubt that we recognize the importance of sovereign debt restructuring, which is not pertinent only to certain countries. We ourselves have been seriously affected, whether on the creditor or debtor side. However, we regrettably were not in a position to support resolution 68/304, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes", as we have serious concerns about its substance and significant objections about the process of its adoption, especially with respect to the rush with which that complex proposal was launched and to the predetermined outcomes it prescribes.

Together with many other Member States represented here today, we are actively engaging in ongoing discussions that address and seek to identify solutions to the issues of sovereign debt restructuring. In particular, we are actively participating in the ongoing work of the International Monetary Fund on the contractual framework for addressing collective action problems in sovereign debt restructuring. We are also actively engaged in the Paris Club and the discussions on debt restructuring in that forum.

In last year's resolution on external debt sustainability and development, we also agreed to request that the Secretary-General provide

> "a comprehensive and substantive analysis of the external debt situation of developing countries and options for enhanced approaches to debt restructuring and resolution mechanisms that take into account the multiple dimensions of debt sustainability" (*resolution 68/202, para. 38*).

We look forward to discussing that report and its recommendations.

Furthermore, the Intergovernmental Committee of Experts on Sustainable Development Financing, in its recent report of 8 August 2014, stresses that it is

> "important for the international community to continue ongoing efforts to enhance the existing architecture for sovereign debt restructuring".

It also notes that

> "[d]iscussions on how to improve the framework for sovereign debt restructuring for countries in debt distress taking place in various official forums, in policy think tanks and in the private sector".

However, as we very much value multilateral solutions and strive to reach consensus solutions to common problems, and as we recognize the seriousness of the matter at hand, we cannot understand why the

decision to establish a multilateral framework for sovereign debt restructuring processes is rushed through the General Assembly at the very end of the session, with only a few days available to consider the proposal. In addition, the lack of information about the possible elements of the proposed framework, but with an end result that is determined in advance of the negotiation, makes it very difficult to respond in the manner that the proposing countries would like.

The decision on the relative merit of pursuing a multilateral legal framework requires much deliberation in our capitals and for us collectively within the European Union. We have not been afforded such a possibility, which thus makes it impossible for us to support the resolution.

**Mrs. Rubiales de Chamorro** (Nicaragua) (*spoke in Spanish*): My delegation has been an integral participant in the discussions on the draft resolution introduced by the Group of 77 and China and adopted today as resolution 68/304. We would now like to make some comments in our national capacity.

At the outset, we would like to thank the Minister for Foreign Affairs of Argentina for his presence and our dear Ambassador Marita and her entire team, who have given our countries a new space within the Organization. We would also like to thank the Chair of the Group of 77 and China and his team for their efforts in maintaining the unity and solidarity of the Group in the light of the importance of this subject for the future of our peoples.

In paragraph 3 of Article 1 of the United Nations Charter, it is stated that one of the purposes of the Organization is to achieve international cooperation in solving international problems, including those of an economic nature. The General Assembly is the sole universal body with equal representation of all Member States and which has the ability to solve various problems. Therefore, it is the appropriate forum for holding these debates and adopting resolutions such as resolution 68/304, which is intended to fill in the global legal vacuum with regard to sovereign debt restructuring.

The resolution just adopted is a reflection not only of our concerns with regard to the problems being faced by our dear brother, the Argentine Republic, but of the concerns and problems that all countries that have suffered from the impacts of external debt have faced and could face again at any time. It is a safeguard for the future of our peoples.

Sovereign debt is supposed to be directed essentially towards funding national policies for social development. However, in most cases it can throw millions of people into poverty if it is not managed properly, in particular if it leads to a debt crisis, as we have seen in many countries. The debt crisis can, and indeed does, have far-reaching and profound implications for global financial stability and economic growth and for the achievement of the economic, social and cultural rights of peoples. We reaffirm the need to ensure national sovereignty in sovereign debt restructuring processes and, in accordance with the agreements reached between creditors and debtors, for payment flows to be distributed to cooperative creditors, as agreed with them under the established debt realignment process.

Today's adoption of the resolution by the vast majority of the international community encourages us to continue to work for the necessary legal framework of our countries, in order for our countries to deal with the sudden onset, impact and threats of possible future crises such as that now facing the sisterly Argentine Republic, to which, as always, we reiterate our support and unconditional solidarity in the face of such vulture funds.

**Mr. Wang Min** (China) (*spoke in Chinese*): China associates itself with the statement made earlier by the representative of Bolivia on behalf of the Group of 77 and China. We support the adoption at the current session of resolution 68/304 on sovereign debt, introduced by the Group of 77 and China.

The debt problem is a major obstacle facing developing countries in promoting economic growth and in achieving the Millennium Development Goals. Since the international financial crisis, developing countries have faced greater difficulties with debt sustainability. The international community should take steps to improve international financial governance and to prevent speculative capital from obstructing sovereign debt restructuring so that countries can be more resilient and maintain financial stability. China shares and supports the concern expressed by the representative of Argentina on that point. We hope that the issue can be properly addressed.

China believes that the international financial system needs further reform and that the international

regulations governing sovereign debt restructuring should be further improved in order for emerging markets and developing countries to have greater input. We hope that the international community will work together to create conditions conducive to debt reduction by developing countries and to promote the early re-establishment of a fair, effective and development-oriented mechanism for international debt restructuring and debt resolution.

**Mr. Iziraren** (Morocco) (*spoke in French*): I would first like to make some comments in my national capacity following the introduction of and vote on resolution 68/304, introduced by the representative of Bolivia on behalf of the Group of 77 and China.

Developing countries continue to suffer from debt. In 2013, the debt level rose by 8.7 per cent compared with that of 2012. Such deterioration in the debt level of developing countries comes at a time when global economic growth has slowed. That makes those countries even more vulnerable to external economic crises and shocks. It is clear that the debt burden is preventing developing countries from finding the resources to promote economic growth, which would generate jobs and help to combat poverty and inequality. In general, debt crises gives rise to lower investment and public spending in sectors that primarily affect poor people, such as health care and education.

The speculative activities of certain funds, in particular vulture funds, should be regulated so as not to hamper State debt restructuring efforts for the benefit of development. Ensuring the sustainability of external debt and the capacity of States to meet their debt commitments are crucial elements for the effective implementation of the sustainable development goals and the post-2015 development agenda. In that regard, we regret the lack of consensus on the resolution, since we believe that the existence of a multilateral State sovereign debt restructuring mechanism on the basis of the internationally agreed principles and processes is an important step for the fair and transparent management of the sovereign debt issue.

Furthermore, we think that it is time to establish an international mechanism that allows for State debt restructuring on the basis of realistic and lasting solutions that take into account the capacity of such States to service their debt and their sustainable development needs.

Morocco voted in favour of the resolution on the establishment of a multilateral legal framework for sovereign debt restructuring processes in the conviction of the General Assembly's competence to address the crucial sustainable development issues facing States. Sovereign debt restructuring is a major challenge to development that requires urgent action by the international community.

**Mr. Mamabolo** (South Africa): South Africa aligns itself with the statement delivered earlier by the Permanent Representative of Bolivia on behalf of the Group of 77 and China. We also congratulate and thank Argentina for its initiative.

My delegation supports the commitment and unshakeable resolve shown in acting positively with regard to the adoption of resolution 68/304, which establishes a multilateral legal framework for sovereign debt restructuring processes. In the past, developing countries have called for the establishment of a debt restructuring mechanism. The absence of a debt crisis resolution mechanism has led to too little debt restructuring. A mechanism for sovereign debt restructuring would allow a country to approach institutions such as the International Monetary Fund and to request a temporary standstill on the payment of its debt. During that time, the country would negotiate a rescheduled time frame or restructuring with its creditors. It is important to note that previous efforts at restructuring have had mixed results with formal statutory initiatives, such as the sovereign debt restructuring mechanism, not being successful due to a lack of buy-in by stakeholders.

The resolution before us provides an opportunity to forge a multilateral commitment to ensure that sovereign debt crises are dealt with in a structured manner going forward. My delegation firmly believes that the United Nations is the relevant forum to discuss that issue of critical importance. The resolution recognizes the urgent need to enhance the coherence, governance and consistency of the international monetary and financial system.

The United Nations is well positioned to undertake various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture. The appearance of vulture funds has also imposed enormous harm on global sovereign debt markets and on those countries whose well-being depends on them. This

gave added impetus to the call made by developing countries in previous United Nations resolutions for enhanced approaches to debt restructuring and resolution mechanisms.

Once again, South Africa reiterates its support for the resolution.

*Mr. Beck (Solomon Islands), Vice-President, took the Chair.*

**Mr. De Aguiar Patriota** (Brazil): Let me congratulate Ambassador Sacha Llorentty, Permanent Representative of the Plurinational State of Bolivia, for having so ably guided us, on behalf of the Group of 77 and China (G-77), throughout the negotiations that led to the adoption of resolution 68/304.

I would also like to thank the delegation of Argentina, under the leadership of its Foreign Minister, Ambassador Héctor Timerman, and its Permanent Representative, Ambassador Marita Perceval, for drawing the attention of developing and developed nations alike to the critical issue of sovereign debt restructuring.

Brazil believes that the resolution should have been adopted by consensus. We underline the G-77 and China's initiative to engage in consultations on the importance of following up on an issue with evident systemic implications, especially at a time when Member States are negotiating a development agenda for the coming decades. We highlight the Group's flexibility in postponing the definition on modalities to the next session, thus setting in motion the negotiating process without prejudging its final outcome. The idea of a proposed multilateral legal framework on debt restructuring was yet another demonstration of flexibility.

We were surprised by allegations that this topic was not suitable for treatment at the United Nations. Development has never been a taboo issue for the General Assembly, including in its aspects related to debt sustainability and debt restructuring. The resolution we have just adopted builds on the treatment given to this issue in annual resolutions within the Second Committee and at annual special meetings of the Economic and Social Council with the Bretton Woods Institutions and the United Nations Conference on Trade and Development (UNCTAD), as well as at biannual special meetings of the Assembly on global economic governance.

As we approach the launch of the world's first universal development agenda, the linkage between debt sustainability and sustainable development becomes ever clearer. As the international community organizes itself to subscribe to an ambitious, transformational, sustainable and universal post-2015 development agenda, it must adopt the corresponding ambitious and transformational means of implementing it. Sovereign debt sustainability and restructuring have been portrayed prominently as a critical means of implementation in the outcome document of the Open Working Group on Sustainable Development Goals.

The report of the Intergovernmental Committee of Experts on Sustainable Development Financing also refers to the issue, stressing the fact that collective action clauses are seen by many analysts as not sufficient to deal with all sovereign debt restructuring cases. The process we have launched today will, hopefully, address this gap, with the timely support and technical expertise of all entities of the United Nations system, especially the International Monetary Fund, UNCTAD and the Department of Social and Economic Affairs.

We encourage delegations that have found it difficult to engage on this topic to reconsider their positions during the next session of the General Assembly in the context of the upcoming definition of modalities for the intergovernmental negotiations and the adoption of a multilateral legal framework on debt restructuring. Brazil will remain constructively engaged on this issue and looks forward to moving ahead on this process in coordination with all Member States and the relevant organizations.

**Mr. Lasso Mendoza** (Ecuador) (*spoke in Spanish*): I shall be brief; at a historic juncture, one can be very direct.

I should like to thank Foreign Minister Héctor Timerman for being with us today. I thank the Chairman of the Group of 77 and China (G-77), Ambassador Sacha Llorentty of the Plurinational State of Bolivia, for ably guiding the work of the Group.

Argentina is facing the most negative demonstration of speculative financial power that we have seen. What we have seen is explicit abuse on the part of the vulture funds that are threatening the national economic and financial system of Argentina and many other countries. It is deplorable that a small percentage of financial speculators is continuing to endanger an entire debt-restructuring system, affecting not only

the sovereignty of a nation but also the future of many children, girls, boys and elderly people, in order to promote the enrichment of the few.

The lack of regulation, transparency and accountability in the international financial system has led to the creation of veritable empires that have so much power that they are able to conduct ever-riskier financial operations, knowing full well that it is the people that will have to pay for their bankruptcies, so that the economic system does not collapse. This we know as privatizing profit while socializing losses.

In the light of the founding principles of the United Nations, it is vital that we continue to pool our efforts to promote resolutions of this kind. Unfortunately, we were not able to adopt this resolution by consensus. Nevertheless, Member States have spoken, and we have achieved a majority, which demonstrates the need to reflect and to continue to work constructively on this matter. That is why I urge all Member States to participate in the process of the establishment of a multilateral mechanism for the restructuring of processes of sovereign debt. This is basically what this resolution is proposing, and that is why my country, Ecuador, supported it and voted for it.

**Mr. Reyes Rodríguez** (Cuba) (*spoke in Spanish*): I wish to thank my brother, the Permanent Representative of Solomon Islands, for his leadership of this meeting.

Let me first welcome Héctor Timerman, Minister for Foreign Affairs and Worship of the Republic of Argentina, who honours us with his presence. Once again we express to him our full solidarity with and support for the Argentine people in the face of the aggression they are facing today from the so-called vulture funds. Given their spurious motives and conduct, those who run such funds do not even deserve to be called vultures. Vultures in general terms are scavengers and make a positive contribution to the balance of the ecosystem. These funds are dangerous parasites that threaten the welfare of our peoples.

Today is a historic day for the General Assembly. For the first time, after decades of discussion in the context of the United Nations, this body has been able to adopt a resolution whose aim is to establish, through a democratic, open and transparent negotiation process, a multilateral legal framework for restructuring the external debt of our countries.

The cause that brings us together is familiar to Cuba. The historic leader of the Cuban Revolution, Fidel Castro Ruz, said in July 1987:

> "If underdeveloped countries owe more even as they are paying more, it is because the monetary manipulations of the major capitalist Powers are dispossessing them of their own resources, with transnational banks denying them credit when they most need it or granting it under conditions not unlike those set by medieval usurers.
>
> "In the context of the framework of international economic relations, where we see the phenomenon of debt developing, its internal structure and dynamic growth require the creation of more debt in order to pay debt; hence the mathematical and economic impossibility of ever paying off that debt".

For years, our peoples have made enormous sacrifices to honour our foreign financial obligations, thus compromising their right to development and their own minimal living conditions. In contrast, wealthy usurers and speculators have stepped up their ambitions to absurd extremes, profiting from hunger, illiteracy and disease and denying the dream of a better future to our children, women and men.

Along with many other countries of the global South, Cuba supported a draft resolution in the Human Rights Council that established the mandate of the independent expert on the effects of foreign debt and other related international financial State obligations on the full enjoyment of all human rights, in particular economic, social and cultural rights.

The devastating impact of foreign debt on the enjoyment of human rights by many peoples of Asia, Africa and Latin America and the Caribbean — and more recently even Europe — demonstrates the urgency and relevance of adopting measures such as resolution 68/304, which we have just adopted.

Foreign debt has become a tool for looting developing countries. We have paid several times over the amount of money we received, and we have not significantly improved the conditions for future payment. The servicing of foreign debt is commandeering resources that are crucial to the South's development. Its diabolical mechanisms have served in several cases to plunder our natural resources and have forced industries that are strategic for the potential

development of our economies to denationalize. Even worse, in extreme cases, payments of those obligations has served to finance wars of imperialist aggression and conquest.

How much progress could have been made in meeting the Millennium Development Goals if developing countries had not been deprived of millions of dollars worth of financial resources that had to be allocated to meet the unfair conditions imposed for the repayment of foreign debt and its servicing? How many millions of children could have been saved from curable diseases? How many millions more would have attended school and fully realized their right to education? How many millions more would have slept happy and kept at bay the insufferable nightmares of a stomach ravaged by hunger?

The law must presuppose justice, rationality and guarantees for the greater good. International law must live up to the requirements of a peaceful world in which full human rights for all is a reality. Today we have made a modest contribution to the achievement of those paradigms.

Cuba is proud to be among the sponsors of today's resolution. We commend the Chair of the Group of 77 and China — Ambassador Sacha Llorentty Solíz — and all the representatives of the brotherly Plurinational State of Bolivia for their leadership of the negotiations.

Although the resolution is too late to provide the multilateral framework of justice Argentina deserves, its adoption confirms the solidarity of the international community with the determination of its leaders in defence of the Argentine people and the rights of the vast majority of creditors who have not colluded to deny a future of progress to the nation of San Martín, the same country that gave birth to and nurtured Ernesto Guevara de la Serna, our beloved Che Guevara.

With the resolution adopted today, we can indeed prevent the attack against the Argentine people from being repeated in future against this country or any other country on Earth. While we cannot ensure that there will be justice for the peoples of the South, we can indeed ensure that we will have made a contribution to establishing a framework to prevent the impunity from which selfish speculators who are wagering on the ruin of our peoples benefit today.

Finally, allow us to dedicate this historic achievement to the Grandmothers and Mothers of the Plaza de Mayo. In their time, they confronted the tragic silence that surrounded the issue of their disappeared relatives. But, while knowing that they could not bring them back, they also believed that justice was important. Above all, they believed that such an episode should not be repeated, saying "never again". So I conclude my statement by recalling that phrase. Let us hope that what has already happened will never again happen to Argentina or any other people on Earth.

**Miss Richards** (Jamaica): My delegation welcomes this 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 far 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 jeopardizing any prospects for countries in debt distress 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 the 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 General Assembly as an appropriate forum in which to consider this issue, as it has a fundamental impact on the sustainable development objectives and aspirations of Member States.

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. That 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. That 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 also do not subscribe to the view that collective action clauses represent a panacea for the problem as they, though helpful, reflect a piecemeal approach to resolving an issue that requires a more comprehensive remedy. It is for those reasons that 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.

The link between sovereign debt restructuring and the ability of countries to meet their commitments to the Millennium Development Goals, the sustainable development goals 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 their recourse to national bankruptcy laws. We are also mindful of the fact that, through the Paris Club arrangements, similar mechanisms are in place to provide relief to debtor countries via arrangements with creditor countries.

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 68/304, which addresses an issue that goes to the heart of the work in which the Assembly has been collectively engaged.

**Mr. Zamora Rivas** (El Salvador) (*spoke in Spanish*): I would like to thank you, Sir, for the manner in which you have led on this important issue. I would also like to thank and welcome the Minister for Foreign Affairs, International Trade and Worship of the Argentine Republic, His Excellency Mr. Héctor Marcos Timerman.

El Salvador aligns itself with the statement that was so rightly and clearly delivered by the Permanent Representative of Bolivia on behalf of the Group of 77 and China.

This afternoon the General Assembly has adopted a historic resolution (resolution 68/304). The efforts of developing countries, in particular of the Group of 77 and China, in support of the text were fuelled by widespread feeling, not only on the part of the financial world but also by debtor States themselves, along with Government and private credit institutions, inter alia, about the lack of international norms and conditions for framing the restructuring of sovereign debt and by the urgency to agree on appropriate ways to address demands for redress when such debts are not repaid.

We believe that the modalities invoked in the normative design for governing sovereign debt, which are to be negotiated subsequently, will affect not only all the countries forced at some point to enter a debt restructuring process but quite probably also future sovereign bond issues. Obviously, that matter will also affect the interests of both public and private creditors and all other agents involved in the process.

It is important to note that resolution 68/304 and the implementation of a mechanism along the lines of the one envisaged is not aimed at creditors as a whole, whether Governments or private bond holders, but rather at the disproportionate profits of those speculating on margin, who have the power to derail restructuring processes and to disrupt the proper functioning of debt markets, with the support of the law in the respective jurisdictions. It is therefore difficult for us to understand the refusal of a small number of developed countries to address this scourge, when it has been speculators themselves who have engaged in such practices, including vulture funds, that generated the bubbles that plunged us and other developing countries into the worst global economic crisis of the past 80 years. That is why El Salvador is proud today to have contributed to a measure that will make the world economy healthier, more fair and more developed.

**Mr. Bishnoi** (India): We commend the General Assembly for adopting resolution 68/304, which was introduced by the representative of the Plurinational State of Bolivia on behalf of the Group of 77 and China and which provides for the establishment of a multilateral legal framework for sovereign debt restructuring processes. We acknowledge the presence of the Minister for Foreign Affairs of Argentina and

commend his delegation's efforts to steer the resolution to the floor.

Issues related to sovereign debt have been on the radar of the international community for several years now. As early as 2002, the Monterrery Consensus encouraged the consideration of an international debt workout mechanism to restructure unsustainable debt in a timely and efficient manner. The issue has also been under consideration by the International Monetary Fund. However, a systemic solution to this long-standing problem, which continues to bedevil several developing and developed countries, has so far eluded us. The timing of the resolution, coming as it does as we gear up for negotiations on the post-2015 development agenda, as well as for a comprehensive review of financing for development, is appropriate.

As a firm believer in multilateralism, India believes that every effort must be made to find cooperative solutions to the common problems we face. We look forward to constructive engagement among all Member States so that we can collectively find a mutually acceptable solution to this issue.

**Mr. Neo** (Singapore): As a member of the Group of 77 and China, we voted in favour of resolution 68/304. However, at the same time, we are concerned that the United Nations may not be the best forum for such negotiations. There are established international financial institutions, such as the International Monetary Fund (IMF), that we think are better placed to take these discussions forward. The IMF has the mandate and necessary expertise. The IMF is already engaged in serious work on the technical issues needed to address and strengthen sovereign debt restructuring. We should allow it to continue those deliberations in good faith.

We hope that further deliberations will proceed with all due care and consideration for the complex and wide-ranging interests involved, including the need, in any debt restructuring, to take into account the contractual rights of all creditors. We look forward to an amicable and durable solution to this issue.

**Mr. Ja'afari** (Syrian Arab Republic) (*spoke in Arabic*): My delegation would like to make the following statement in connection with the adoption of today's important resolution (resolution 68/304), which calls for the establishment of a multilateral legal framework for sovereign debt restructuring processes.

My delegation aligns itself with the statement made by the representative of the Plurinational State of Bolivia on behalf of the Group of 77 and China.

We welcome the presence of the Minister for Foreign Affairs of Argentina.

My delegation welcomes the adoption of resolution 68/304. Although we regret that it was not adopted by consensus, we were pleased to be among its sponsors.

Various resolutions and documents adopted by this international Organization as well as within the framework of specialized international conferences, in particular the United Nations Conference on Sustainable Development and the United Nations Conference on Trade and Development, have led to a set of moral and legal obligations and responsibilities according to which support should be given to developing countries in line with their national development priorities, so as to eliminate all obstacles that hamper their efforts to achieve sustainable development. We therefore appreciate the initiative represented by the resolution just adopted, which complements the long-standing, ongoing efforts and numerous initiatives of the Group of 77 and China to find sustainable and just solutions to the issue of sovereign debt, which has become a major obstacle that prevents developing countries from achieving their development goals.

Syria welcomes the focus of resolution 68/304 on the role of the United Nations and the Bretton Woods institutions in improving economic and financial systems and providing a firm and swift response to assist developing countries in overcoming sovereign debt impediments and protecting their economies from the mechanisms that have burdened the economies of developing countries.

The restructuring of sovereign debt is well-established in the international financial system. As a sovereign right of all Member States, it must be protected from manipulation by predator entities.

Our role vis-à-vis the wave of crises — especially those of a global nature — requires serious efforts to assist affected countries, with full respect for their sovereignty and priorities. We must not merely look on as economies collapse, thereby threatening people's welfare. We therefore stress the importance of Member States and international and regional organizations assuming their international legal obligations with a view to immediately preventing any politically

motivated manipulation of a crisis in a developing country.

We must face up to the vulture fund phenomenon, as described by the Ambassador of Cuba. International financial institutions, which have not been reformed since their establishment in the 1950s, still contain the very same mechanisms. It is therefore imperative to reform those enormous international institutions, which are failing to uphold the principle of justice in the distribution of wealth.

In conclusion, we express our solidarity and support to the Government and the people of Argentina in their efforts to relieve themselves of the consequences of the sovereign debt crisis. We thank the delegation of Argentina for putting forward this timely initiative in the proper place and forum: the General Assembly.

**Ms. Mejía Vélez** (Colombia) (*spoke in Spanish*): I join others in welcoming Argentina's Minister for Foreign Affairs, Mr. Héctor Marcos Timerman, and thank him for his country's leadership in the adoption of resolution 68/304 at a difficult time.

Colombia welcomes the adoption of the resolution as a correct step forward towards that we hope will become a lasting, predictable and effective solution in dealing with sovereign debt as part of an international financial system, which also requires a stable period based on just rules to promote development. That was expressed clearly and eloquently by the Chair of the Group of 77 and China, Ambassador Sacha Llorentty Solíz, whom we also thank for his leadership. It is within the framework of the United Nations, more than in any other forum, that we should be able to find solutions for the establishment of a multilateral legal framework for sovereign debt restructuring mechanisms.

It has been nearly 70 years since the establishment of the Bretton Woods institutions, and more than 10 years since we have been trying here to develop a new financial architecture. Today we have taken a definitive step forward with the firm support provided for the adoption of today's resolution. The international community must realize that there can be no path to inclusive growth and sustainable development without providing a genuine solution to the sovereign debt problem.

Alleviating the debt situation is critical to freeing up resources that could be channelled towards activities favouring poverty eradication, sustainable economic growth, reducing inequality and achieving the internationally agreed Millennium Development Goals, especially now as we are discussing the post-2015 sustainable development goals and agenda. That is where those resources should be applied.

I thank you, Mr. President, for your efforts and determination. I am convinced that resolution 68/304, which we have adopted today, will be an indispensable element to be considered as part of next year's third International Conference on Financing for Development.

**Mr. De Lara Rangel** (Mexico) (*spoke in Spanish*): In the past, Mexico faced and successfully overcame a complicated process in order to restructure its foreign debt. We therefore understand and sympathize with Argentina, and others, in its current situation.

In a constructive spirit and bearing in mind our recent experience, my country proposed some amendments to resolution 68/304. Unfortunately, they did not receive favourable consideration. That is why my delegation abstained in the voting on the resolution and regrets that, despite the efforts made, it was not possible to reach consensus on an issue that is of interest to each and every State Member of the Organization.

For many years now, the international community has sought to ensure that the framework for the restructuring of sovereign debt would be capable of overcoming the difficulties that may arise in practice and providing guarantees to the parties involved. The past decade has seen significant progress in ensuring that those processes do not jeopardize the economic stability of States. The inclusion of collective action clauses in sovereign debt contracts is an example of such progress.

Improving and streamlining sovereign debt restructuring processes is an ongoing activity that is considered in the relevant international forums, with the participation of our countries. Recently, in particular, there has been significant progress and concrete alternatives proposed to strengthen the contractual frameworks regarding sovereign debt. We would like to point out that in those cases where we have identified areas that could benefit from greater legal certainty and clarity, we have gone before the relevant judicial bodies. For example, we recently had the honour to appear before the United States Supreme Court as a friend of the court in order to express our concerns about, and make recommendations for, creating a

better environment for restructuring sovereign debt in general, and in Argentina in particular.

Mexico agrees that we should continue to strengthen the existing framework and that no debt-restructuring process should impose unsustainable burdens on a country or endanger its development and population. In that regard, we reiterate our support to the Government of Argentina regarding the situation that the restructuring of its sovereign debt has led to and our solidarity with countries dealing with similar processes.

**Mr. Kohona** (Sri Lanka): I would like to associate my delegation with the statement delivered on behalf of the Group of 77 and China. We would also like to thank Argentina for taking this commendable initiative.

Sri Lanka would like to express its full support for the adoption today of resolution 68/304. We agree with its objective of increasing the efficiency, stability and predictability of the international financial system without adversely affecting economic growth. Maintaining economic growth is one of our prime goals. We expect this initiative to contribute to the fulfilment of the unfinished business of the Millennium Development Goals, sustainable development goals and the post-2015 development agenda. It is very clear that, if the current unregulated legal processes continue, finishing that unfinished business will remain a distant dream. After all, we have all committed to cooperating in the pursuit of sustainable development.

We hope that many of our developed-country partners will in due course support this initiative. Once we agree on the importance of establishing a legal framework for sovereign debt-restructuring processes, the framework's modalities could be decided through constructive dialogue. A constructive dialogue aimed at achieving an equitable goal will help both sides. We note the extensive arrangements that are in place to deal with debt in domestic legal systems; there is no reason not to have one in the international arena. Predictability and certainty in dealing with overhanging debt can only benefit the international community and individual countries, and make them less vulnerable to salivating vultures, whether developed or developing.

We believe that the United Nations is the most appropriate and representative forum for discussing the issue of sovereign debt. There are any number of reports that have examined this issue in the past. A regulatory legal framework for sovereign debt-restructuring processes is essential. Addressing the sovereign debt problems of developing countries is an important part of international cooperation. We hope that the Secretary-General, who has made sustainable development goals a priority, will focus on this critical aspect, perhaps by getting a group of advisers to look at it as an urgent matter.

**Mr. Mahmoud** (Egypt): I would like to align my statement with that delivered on behalf of the Group of 77 (G-77) and China on today's adoption of resolution 68/304, and I thank Ambassador Llorentty Solíz, Chair of the G-77 and China, for introducing it. I would also like to take this opportunity to commend the tactful diplomacy displayed by Argentina in addressing this issue, as well as its continuing engagement with the various delegations on this resolution. I applaud Mr. Timerman for his leadership of a fine group of diplomats.

We took a position in favour of this resolution because it addresses an issue of paramount significance for the global economy and one that affects the ability of the developing world to achieve sustainable development. As efforts are under way to design a blueprint for sustainable development in the coming year, those issues of sustainability and development must be addressed in order to ensure the realization of the post-2015 development agenda. The international community must examine options for effective, equitable, durable, independent and development-oriented debt restructuring, and for a resolution on international debt restructuring to meet the goals of eradicating poverty, achieving sustainable development and reducing inequalities.

**Mr. Grant** (Canada): Canada recognizes the challenges faced by countries suffering through fiscal difficulties, as well as the importance of examining mechanisms aimed at addressing sovereign debt restructuring. However, bringing this issue into the United Nations, particularly in an artificially short time frame, with procedural irregularities, further politicizes a technical issue. Canada's position against today's resolution 68/304 reflects our strong view that the General Assembly is not the appropriate venue for discussions about sovereign debt restructuring. Canada believes instead that the International Monetary Fund (IMF), where most Member States are well represented, and the Group of 20 are better venues for such discussions. We are also concerned about the possibility that finite United Nations resources may be

used for such initiatives, which would be a duplication of the work of other, better-suited institutions. The question of how to handle sovereign debt restructuring is highly technical in nature, and Canada supports continuing the existing discussions within the IMF and other bodies that aim to address issues of sovereign debt.

**Mrs. Eckey** (Norway): Norway supports parts of the technical aspects of today's resolution 68/304 and recognizes the need for an independent, multilateral approach to resolving the debt crises of developing countries. Since 2012 we have supported the United Nations Conference on Trade and Development in developing a step-by-step approach to the process of creating a mechanism for working out debt. Regrettably, the process that led up to today's resolution has not been fruitful or consensus-driven, which is unfortunate. The time set aside for the consideration of substance, discussion and negotiation was inadequate and unrealistic. The lack of consensus gives the resolution limited operational value.

We would have preferred to have a discussion in connection with the regular debt resolution of the Second Committee. Although there are other key players in the international arena, notably the International Monetary Fund and the Paris Club, we do welcome the engagement of the General Assembly in these matters. However, a rushed, divisive and premature proposal is counterproductive. Norway therefore abstained from taking a position on this resolution.

**Mr. Versegi** (Australia): I am speaking in explanation of our position on today's resolution 68/304 and request that it be recorded as such.

Australia was against the adoption of the resolution, but not because we think the issues it covers are unimportant. We agree on the importance of sovereign debt and on the need for a restructuring framework that does not undermine the smooth running of the global system and economic well-being of national Governments, businesses and individuals in affected countries.

That is why Australia is an active participant and contributor to the existing forums, including the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief initiative, the Paris Club, the World Bank and the International Monetary Fund (IMF). We recognize that progress towards consensus on sovereign debt issues has been slower than we and others would have liked, and we remain open to discussing ways to make existing forums work better. However, as others have said, the IMF's work on strengthening the contractual framework for sovereign-debt restructuring is well advanced, and it would be appropriate to consider how the international community should respond to sovereign-debt restructuring issues once that work is completed.

We should note, however, that we do not believe the United Nations is an appropriate forum in which to take this issue forward, or that a United Nations convention, or new multilateral legal framework, under legal United Nations auspices will be either appropriate or effective. We look forward to continuing to work with colleagues on these very critical issues through existing forums, with a view to reaching consensus.

**Mr. Koncke** (Uruguay) (*spoke in Spanish*): I would like to welcome the presence in the Hall today of the Minister for Foreign Affairs of the Argentine Republic, Mr. Héctor Timerman. I also wish to commend the work done by the Group of 77 and China under the chairmanship of the Plurinational State of Bolivia in the person of its Permanent Representative, Ambassador Sacha Llorentty Solíz. And I would like to commend the work of the Permanent Mission of Argentina under the leadership of Ambassador María Cristina Perceval, towards the adoption this afternoon of resolution 68/304, which Uruguay fully supports.

The problems of debt restructuring currently being faced by Argentina are not exclusive to that country; they reflect the reality of a great number of countries that have been affected by similar circumstances, or could find themselves in that situation in the near future. Moreover, it affects the international community as a whole, both developed and developing countries. We should not lose sight of the fact that external debt is one of the main obstacles to development, economic growth and the eradication of poverty. It is also clear that debt limits the capacity to create the conditions that are required for the exercise of human rights, in particular economic, social and cultural rights.

As far as breadth is concerned, we appreciate the fact that today in the General Assembly we have considered a resolution of this scope. We feel that this is the appropriate forum to deal with economic and financial matters, given the current challenges that exist. The General Assembly is the most democratic organ of this institution where the entire membership is represented on an equal footing.

Uruguay has expressed its repudiation of financial speculation as represented by vulture funds. We believe that it is essential that countries be able to count on a restructuring of sovereign debt under just conditions without that affecting their development, and at the end of the day the well-being of its people. These kinds of unjust situations fly in the face of creating the conditions for the development that we have referred to, as well as growth and the eradication of poverty, among other areas that we deal with in the United Nations. A human rights perspective is also absent, one that should be taken into considered when dealing with the well-being of peoples. We cannot allow restructuring of debt to prevent us in any way from achieving the Millennium Development Goals, or attaining the future sustainable development goals.

The international community must look into ways by which economic interests of this kind could threaten the well-being of millions of people. My delegation sees this resolution in that spirit.

**Mr. Barros Melet** (Chile) (*spoke in Spanish*): Chile voted in favour of resolution 68/304 because it refers to a pending issue in the area of financing for development. The international community, in the context of the Monterrey Conference on Financing for Development, stressed the need to work on and solve the systemic problems in the international financial architecture. We feel that the adoption of this resolution is a step in the right direction — part of the work of the upcoming third Conference on Financing for Development, to be held in Addis Ababa in July 2015 — in the framework of the sustainable development goals and the post-2015 development agenda. It is also a demonstration of solidarity towards developing countries that have faced a difficult situation in restructuring their sovereign debt because of the lack of a multilateral framework to govern such processes.

**Mr. Suárez Moreno** (Bolivarian Republic of Venezuela) (*spoke in Spanish*): At the outset, I would like to take this opportunity to support the statement made by the representative of the Plurinational State of Bolivia on behalf of the Group of 77 and China. We welcome the adoption of resolution 68/304, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes". We would also like to cordially welcome the Minister for Foreign Affairs of Argentina, Mr. Héctor Timerman.

Historically, the international financial institutions have promoted initiatives to alleviate debt that have been accompanied by favourable conditions for States that sign up to them. Although such initiatives may be able to solve structural economic problems, in the end they increase the structural social debt, in turn leading to serious violations of people's human rights. The persistent problem of external debt and the servicing of that debt by low- and middle-income developing countries over the years has been an important factor in preventing economic and social growth in a large number of countries. In addition, today some developed countries are also suffering from this, particularly the most vulnerable countries of the European Union who currently are facing very many social problems because of external debt.

A very sensitive and complicated issue for countries in debt are the so-called vulture funds — named for an animal whose main trait entails going in for the kill just as its prey is dying. Such funds, formally referred to as distressed investment funds, buy up the debt of countries and companies about to go bankrupt, usually at 20 to 30 per cent of their value, and then they argue in courts for 100 per cent reimbursement. According to inforamtion from the International Monetary Fund, as many as eight such funds are pursuing heavily indebted countries, such as the Republic of the Congo, Cameroon, Uganda and, more recently, Argentina. Clearly, vulture funds are behaving in line with the selfish logic of capitalism, which only seeks to easily enrich the few to the detriment of the most vulnerable.

The challenge faced by the international community is to find effective solutions at the United Nations, not from the international financial institutions given the disaster that the latter have brought about at the international level with regard to resolving the debt issue. For developing countries it is of vital importance that we maintain a reference to transparency in the processes dealing with external debt. That is a criticism of the non-functioning of the international financing institutions. As rightly pointed out by the Group of 77 and China in the Declaration of Santa Cruz de la Sierra, adopted on 15 June, it is alarming to see the increasing number of developing countries that are being affected by the global economic crisis and that are becoming even more vulnerable to problems related to external debt. Therefore, the external debt problem of developing countries is an important component of

international cooperation and the global alliance for development.

The Bolivarian Republic of Venezuela has been promoting bilateral financial assistance initiatives by buying up debt from other countries of the region, while condemning the speculative practices of so-called vulture funds. Once again, our country is an example in terms of the new strategies being adopted by developing countries to promote interregional financing among ourselves and to reduce our dependence on and vulnerability vis-à-vis international capital markets. That also means better usage of the financing cycles related to the export prices of primary resources and their rational usage in financing regional development strategies aimed at facilitating investment in infrastructure, growth and integration.

In that connection, the Venezuelan position is guided by its homeland plan for the period 2013-2019, which is aimed at contributing to the development of new international geopolitics in which a multicentric, polycentric world takes shape that will lead to the achievement of global harmony and guarantee peace in the world. That is seen in particular in the development of a new international financial architecture that is fair and can really solve the external debt problem of developing countries.

The Bolivarian Republic of Venezuela has been supporting Argentina's position in all international forums with regard to the restructuring of the country's sovereign debt in the face of vulture funds. In that connection, we have stressed the fact that one cannot require States to pay an immoral debt under unacceptable conditions. That is why the region must get behind such initiatives as the Bank of the South in order to independently counter the attacks of speculative financial capital.

In conclusion, the debt problem is intimately linked to the need to create a new international financial architecture that is fairer and more democratic by strengthening the United Nations system in that area, the commitment of developing countries and the new financial systems that are being created at the regional level. Bilateral funds such as Venezuela's with Iran, China and Russia seek new innovative alternatives to solve the problem of developing countries' debt, based on States' real needs and without affecting their internal policies or their economic or political systems.

In that regard, we would stress that the Millennium Development Goals could be jeopardized given the reality that the large majority of indebted countries must divert their scarce resources to paying their debt rather that investing them for the benefit of their peoples.

As Venezuela's President Nicolás Maduro Moros has said, we support any initiative aimed at finding appropriate, effective, wide-ranging and durable solutions to the problem of debt on the basis of the resolution adopted today.

**Mr. Boukadoum** (Algeria): My delegation aligns itself with the statement made by our colleague Mr. Sacha Llorentty Solíz, Ambassador of the Plurinational State of Bolivia and Chair of the Group of 77 and China (G-77).

While Algeria would have preferred to adopt resolution 68/304 by consensus, we nonetheless welcome the results of today's vote. By adopting the resolution, the General Assembly has sent a clear message to the banking and financial sectors that practices and measures that could hinder the development of any country are of serious concern to us at the United Nations.

Today's resolution is timely, judicious and legitimate. It not only seeks to establish an appropriate framework whose purpose is to effectively and adequately regulate the process of sovereign debt restructuring, but it also places States and peoples at the heart of the system, thereby preventing financial institutions devoid of any form of scruples from hijacking the development process of a nation or its sovereignty. In that vein, I must recall the words of President Evo Morales Ayma of the Plurinational State of Bolivia, who has spoken about the inhuman and untamed nature of capitalism. But we also accept our system of the global economy.

Algeria, which faced a terrible financial crisis in the 1990s and had to confront the terrible process of debt restructuring, has consistently advocated a profound reform of the international financial system so as to reflect the development aspirations of all people — which means that it is not just about making profits. We can accept reasonable profits, of course, but the goal is also to effectively promote poverty eradication, job creation, production and strong inclusive and sustainable economic growth.

At this juncture I wish to congratulate to congratulate Minister Timerman and our colleague,

Mrs. María Perceval. They did a tremendous job. We extend our congratulations for their initiative and for the huge international success they have achieved. We thank them because they sounded a wake-up call for everyone, including those who did not agree with the G-77 text. This goes beyond the Argentine debt: freedom and democracy are at stake. National cohesion and international relations should be governed in a transparent, democratic and open way that benefits all.

We cannot contemplate financial institutions and the latest crisis always being on our minds. We cannot countenance having invisible groups behind the scenes deciding on the stability and fate of peoples, countries and citizens without their knowledge. This is not a technical issue; it is a hard-wired political one. Those people, groups and institutions are not — and they cannot act as if they were — our elected leaders, working against our basic interests and the stability of our countries.

For all those reasons, Algeria is a strong supporter of the G-77 resolution.

**The Acting President**: The General Assembly has thus concluded this stage of its consideration of agenda item 14.

**Agenda item 67** (*continued*)

**Elimination of racism, racial discrimination, xenophobia and related intolerance**

**(b) Comprehensive implementation of and follow-up to the Durban Declaration and Programme of Action**

**Draft decision (A/68/L.58)**

**The Acting President**: Members will recall that the Assembly decided to consider sub-item (b) of agenda item 67 directly in plenary meeting and adopted resolution 68/237 at its 72nd plenary meeting, on 23 December 2013, and adopted decision 68/556 at its 99th plenary meeting, on 30 June 2014.

The General Assembly will now take action on draft decision A/68/L.58, entitled "Programme of activities for the implementation of the International Decade for People of African Descent".

May I take it that the Assembly decides to adopt draft decision A/68/L.58?

*Draft decision A/68/L.58 was adopted* (decision 68/558).

**The Acting President**: May I take it that it is the wish of the Assembly to conclude its consideration of sub-item (b) of agenda item 67 and of agenda item 67 as a whole?

*It was so decided.*

**Agenda item 75** (*continued*)

**Report of the International Criminal Court**

**Draft resolution (A/68/L.59)**

**The Acting President**: Members will recall that the Assembly considered agenda item 75 at its 41st and 42nd plenary meetings, on 31 October 2013.

I now give the floor to the representative of the Netherlands to introduce draft resolution A/68/L.59.

**Mr. Van Oosterom** (Netherlands): I have the honour to introduce, under agenda item 75, draft resolution A/68/L.59, entitled "Report of the International Criminal Court". In addition to the six countries listed in document A/68/L.59, which contains the text of the draft resolution, 59 countries have indicated their wish to be included as sponsors of the draft resolution. That brings the total number of sponsors to 66. It is my understanding that the Secretariat will read out the names of those countries.

On 31 October 2013, the President of the International Criminal Court, Judge Sang-Hyun Song, presented the ninth annual report (A/68/4) of the International Criminal Court (ICC) to the Assembly (see A/68/PV.41). We had a very constructive and in-depth debate then, and I would like to highlight a few elements of it.

First, in order to ensure the Court's success, universal adherence to the Rome Statute of the ICC remains essential. With 122 States having ratified or acceded to the Rome Statute, almost two thirds of States Members of the United Nations have shown their commitment to its universality. It is our sincere hope that others will join in the near future.

Secondly, I would like to highlight the fact that the situation with respect to outstanding arrest warrants remains deeply troubling. The Court remains reliant on State cooperation in the enforcement of its orders and decisions. If States do not provide the cooperation necessary for the Court's functioning in accordance with their legal obligations, it will not be able to fulfil its mandate, and impunity will continue to flourish.

The cooperation of States, international organizations and civil society is essential to the Court's functioning. That cooperation is crucial not only in relation to the arrest and surrender of accused persons, but also in relation to the provision of evidence, the protection and relocation of victims and witnesses and the enforcement of sentences. We are therefore pleased that the United Nations has continued over the past year to assist the Court in its endeavours through the implementation of the relationship agreement. We also welcome the assistance provided thus far by States parties and States not parties and call on all States to continue to support the Court's efforts in that respect.

Thirdly, I would like to recall that the hallmark of the Court is its independent judicial nature. At the same time, that judicial institution operates within the political world, and it needs States to not just cooperate with it but also respect, protect and enhance its judicial independence.

Fourthly, my Government welcomes the recent visit of the Security Council to The Hague to meet with the members of the International Criminal Court, among others. Practical follow-up to that visit to further enhance the relationship is called for.

Fifthly and finally, the ICC's annual report and the debate in the General Assembly also underlined the role of the Court in our common efforts to build an international community characterized not only by the rule of law and respect for human rights, but also by peace and security. Sustainable peace cannot be achieved if the perpetrators of the most serious crimes are not brought to justice. Peace and justice are complementary requirements. Peace and justice also serve as essential conditions that further the development of nations recovering from conflict. Research has demonstrated that those nations that have come to terms with the wrongdoings of the past are better equipped to make progress and advance than those that remain unable to deal with crimes from the past.

My country, the Netherlands, takes pride in being the host State to the International Criminal Court and many other leading international legal institutions. The Kingdom of the Netherlands reiterates its commitment to be the United Nations partner in the pursuit of peace, justice and development, which are three fundamental pillars that, as I mentioned before, are inseparable and cannot be attained in isolation. We stand ready to continue to work with the Assembly in achieving our common objectives in those areas.

Allow me to now turn to the draft resolution itself (A/68/L.59), which serves three main objectives.

First, it provides political support for the International Criminal Court as an organization and for its mandate, its aims and the work it carries out.

Secondly, it underlines the importance of the relationship between the Court and the United Nations on the basis of the relationship agreement, as both the United Nations and the ICC have an equally central role in enhancing the system of international criminal justice.

Thirdly and lastly, the draft resolution serves to remind States and international and regional organizations of the need to cooperate with the International Criminal Court in carrying out its tasks.

Please allow me to thank all delegations that participated in the negotiations for their constructive cooperation and the flexibility shown during the negotiations on this draft resolution.

The Kingdom of the Netherlands hopes that the draft resolution will be adopted by consensus and that it will lead to even greater support for the Court in the fight against impunity, and its attempts to hold the perpetrators of serious crimes accountable for their actions.

**The Acting President**: The Assembly will now take a decision on draft resolution A/68/L.59 entitled "Report of the International Criminal Court".

I give the floor to the representative of the Secretariat.

**Mr. Mahmassani** (Department for General Assembly and Conference Management): I should like to announce that, since the submission of the draft resolution and in addition to those delegations listed in document A/68/L.59, the following countries have also become sponsors of the draft resolution: Albania, Andorra, Austria, Belgium, Bosnia and Herzegovina, Botswana, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Cyprus, the Czech Republic, the Democratic Republic of Congo, Denmark, Estonia, Finland, France, Gabon, Georgia, Germany, Greece, Guatemala, Honduras, Hungary, Iceland, Ireland, Italy, Jordan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Mongolia, Montenegro, New Zealand, Norway, Paraguay, Peru, Poland, Portugal, the Republic of Korea, the Republic of Moldova, Romania, San Marino, Senegal, Serbia, Sierra Leone, Slovakia,

Slovenia, Spain, Sweden, Switzerland, Timor-Leste, Trinidad and Tobago, Tunisia and Uruguay.

**The Acting President**: May I take it that the General Assembly decides to adopt draft resolution A/68/L.59?

*Draft resolution A/68/L.59 was adopted* (resolution 68/305).

**The Acting President**: Before giving the floor to the speaker in explanation of position, may I remind delegations that explanations are limited to 10 minutes and should be made by delegations from their seats.

**Mr. Rahamtalla** (Sudan) (*spoke in Arabic*): The Sudan reiterates its clear and firm position on rejecting the so-called International Criminal Court (ICC), as it continues to serve as a forum for politicizing international justice and targeting African leaders. Since its establishment, the Court has maintained its antagonistic position vis-à-vis the African States.

The Sudan is not party to the Rome Statute. Hence, we are not bound by its decisions in accordance with the Vienna Treaty on the Law of Treaties. We have a national justice system that is qualified and capable of administering justice. We can achieve that without any external support. The strenuous efforts to make the General Assembly an assembly of States parties to the International Criminal Court violates the Charter of the United Nations and runs counter to the established principles of international law. The Court is an independent body with no institutional link with the United Nations. No obligation beyond the context of States parties should be imposed on non-State parties. The Sudan therefore did not vote in favour of resolution 68/305. It does not support it. We request that our position be reflected in the record of the meeting.

**The Acting President**: We have heard the only speaker in explanation of position after the adoption of the resolution.

I now give the floor to those representatives that have requested the floor to make statements following the adoption of the resolution.

**Mr. Wenaweser** (Liechtenstein): I have the honour to speak on behalf of Argentina, Austria, Belgium, Chile, the Democratic Republic of the Congo, Costa Rica, Estonia, Finland, Germany, Guatemala, Hungary, Iceland, Luxembourg, Mexico, Peru, Romania, Slovenia, South Africa, Switzerland, Trinidad and Tobago and my own country, Liechtenstein.

We welcome the adoption of resolution 68/305 by consensus but also regret that, despite the efforts of the facilitator from the Netherlands and of States parties, virtually no progress has been achieved compared to last year's text (see resolution 67/295) in spite of important substantive developments in the relationship between the United Nations and the International Criminal Court (ICC). We hope that we will be able to embark on a better process in the future and to agree on a text of improved quality and greater relevance.

The International Criminal Court has established itself as the centrepiece of the international fight against impunity for the most serious crimes under international law, in which the United Nations is a key partner. The annual resolution is the only text that deals exclusively with the relationship between the two institutions. It is therefore an important vehicle to adequately reflect and promote that relationship.

The resolution can and should be an important tool to assist the Court in fulfilling its mandate to fight impunity. Unfortunately, we must state that this year's text only partly fulfils that expectation. The States parties to the Rome Statute have made numerous suggestions on how the resolution could be improved but very few of those are reflected in the text just adopted.

We regret in particular that the text does not take better account of the ongoing ratification process of the Kampala amendments on war crimes and on the crime of aggression. The prohibition of the illegal use of force is at the core of the Charter of the United Nations. The criminalization of the crime of aggression before the ICC will bring the two institutions even closer together. It would therefore be appropriate for the General Assembly to call on States to ratify those amendments, since a significant number of States have already done so and as they entail a notable contribution to the purposes and objectives of the Organization.

The Security Council is given a special role under the Rome Statute, as it can refer situations of States not party to the Statute to the Court in order to hold perpetrators to account. The Security Council must utilize its referral power in a consistent manner, whenever necessary. Having made use of that role twice in the past, the Council also needs to follow up on its own referrals in order to allow for judicial proceedings to take place in The Hague. A better institutional framework to discuss issues of cooperation between the Council and the Court is needed, as too many of

the Court's letters and requests by States have gone unanswered and too many technical issues have not been addressed. The recent visit of the Security Council to the headquarters of the ICC is an important step that should be followed up by practical measures.

We also wish to again point out that the Relationship Agreement between the United Nations and the International Criminal Court provides for the Court to be refunded by the United Nations for expenses incurred in connection with Security Council referrals. That issue is also not adequately reflected in the text, even though a significant number of delegations felt that it should be. The ICC faces serious capacity constraints and would not be able to discharge crucial tasks, such as investigations of crimes in other situations following a Security Council referral, without being given additional resources. The United Nations membership cannot continue to turn a blind eye to that fact.

We therefore look forward to discussing with like-minded delegations how we can bring the text closer to its important purpose, reflecting the political challenges that the Court faces in its interaction with the United Nations and, instead of focusing on technical matters, addressing pressing political concerns.

**Ms. Millicay** (Argentina) (*spoke in Spanish*): At the outset, allow me to thank the representative of the Netherlands as the facilitator of resolution 68/305.

Argentina not only supported the adoption of the resolution but also co-sponsored it. It did so due to its firm support for the International Criminal Court (ICC). My country values the fact that the resolution was adopted by consensus because the relationship between the International Criminal Court and the United Nations is undeniable. The Organization has supported the objective of fighting impunity for the most serious crimes of international concern and, in the light of that and of the Rome Statute, the Security Council has already made two referrals to the ICC.

However, beyond valuing such consensus, we believe that consensus is not an end in itself but should contain the appropriate content that adequately reflects the development of the Court and of its relationship with the United Nations, as well as the new challenges. In that light, I would like to highlight some aspects of the resolution that have given us cause for concern.

Paragraph 14 limits itself to mentioning the fact that, to date, the financial cost of referrals made by the Security Council to the Court has been borne by the States parties. However, it is also a fact that the Rome Statute provides that the costs of the referrals must be borne by the United Nations. That provision is also reflected in the Relationship Agreement between the United Nations and the International Criminal Court, adopted by the General Assembly by consensus (see resolution 58/318).

That said, what we have before us today is the fact that the regrettable practice of the Security Council regarding the financing of referrals is also reflected in the General Assembly despite a great majority of States supporting full compliance with article 115, paragraph (b), of the Rome Statute and with article 13 of the Relationship Agreement and the fact that it is within the competence of the General Assembly. It is not acceptable that the General Assembly be put in the position of not being able to take a decision on the matter, for which it is fully competent under the Charter. My country believes that the issue must be adequately addressed. Not doing so may undermine the sustainability of the Court's investigations and the credibility of the Organization.

Also, with regard to the Security Council, the Organization must responsibly follow up its referrals to the Court. The Council has made very little progress to date. We believe that the General Assembly should be in a position to urge the Council to have a more organic institutionalized relationship and to cooperate more flexibly with the Court. Unfortunately, on this occasion we have not achieved this either.

Another aspect regarding which no progress is reflected in the resolution, even though there has in fact been progress among States parties, is that of the ratification of the amendments to the Rome Statute adopted in Kampala in 2010, in particular the ratification of the amendment on the crime of aggression. For reasons we fail to understand, the General Assembly does not seem to be able to reflect in its pronouncements the progress made towards the entry into force of the amendment on aggression. This attitude is deeply regrettable, as that amendment represents a clear contribution by the Rome Statute to international peace and security.

The notable contribution made by the ICC to the fight against impunity for the most serious crimes of international concern is also a contribution to the objectives of the Organization. We hope that the General Assembly, which throughout its history has also made remarkable contributions to the evolution of

the protection of human rights and accountability for heinous crimes, will in future be able to reflect in an appropriate manner the current challenges facing the ICC and its relationship with the United Nations.

**Mr. Mendoza-García** (Costa Rica) (*spoke in Spanish*): My delegation wishes to endorse the statement made by the Permanent Representative of Liechtenstein on behalf of a group of States parties. We should like to make some additional comments in our national capacity.

The International Criminal Court is undoubtedly one of the most important success stories of multilateralism. It was born of the will of the international community to put an end to impunity for the most serious crimes against humanity and to bring justice to victims. Its essence and its main strength lie in its erga omnes jurisdiction, a fundamental principle of justice, because history has shown that there can be no lasting peace without justice.

As a result of this global aspiration, the world demands that there can be no State where impunity prevails. That is why Costa Rica reiterates the need to continue promoting the ratification of the Rome Statute until such time as it becomes universal.

In the meantime, the Statute provides that the United Nations, through the Security Council, should refer to the International Criminal Court those cases where heinous crimes have been committed in States non-parties. That power conferred on the Security Council should be exercised with the utmost responsibility and objectivity. Costa Rica has repeatedly put forward a proposal to establish a uniform, predictable and transparent protocol for the referral of cases to the Court. There is no justification for situations such as that of Syria, where reports of United Nations experts have repeatedly found evidence of war crimes, not to have been referred to the Court.

In this respect, Costa Rica welcomes the fact that France has revised the proposal of the Small Five Group, of which Costa Rica was a part, which seeks to encourage members of the Security Council to subscribe to a code of conduct under which they would undertake not to resort to the veto in cases where war crimes, genocide or crimes against humanity have been committed.

My delegation would also urge that in future referrals to the Court, the Security Council not include jurisdictional exceptions that violate the principle of equality before the law and thereby risk its credibility and that of the Court. Such resolutions must also establish the obligation for all Member States to cooperate with the Court. The terms of the resolution on Syria, submitted by France and, unfortunately, vetoed, created unacceptable exceptions.

Another crucial issue is the financing of referrals to the ICC by the United Nations. Given that the Charter places responsibility for the maintenance of international peace and security on the shoulders of the Security Council, in effecting such referrals the Court is helping that organ to discharge its mandate. In cases relating to cooperation, article 13 of the Relationship Agreement between the United Nations and the International Criminal Court must be applied, as it provides for the provision of economic support by the United Nations.

The Agreement makes clear that contributions will be made by a decision of the General Assembly. For that reason, my delegation considers it inappropriate that resolutions of the Security Council incorporate language that has the aim of excluding such an economic contribution. That goes beyond the powers of the Council and contravenes the Agreement of September 2004.

The issues that I have just mentioned, as well as other key matters such as advance notification by United Nations officials who are to have essential contact with fugitives from the Criminal Court, as well as the status of the ratifications of the Kampala amendments on the crime of aggression, among other things, are issues covered in the report presented by the President of the Court. As such, and given their current relevance, mentioning them in the current resolution was not only appropriate but also particularly relevant.

However, it was not possible to include them fully in the text because of arguments to the effect that these matters are not the exclusive remit of the Assembly of States Parties. My delegation does not agree. International criminal justice must be in the interest of all States Members of the United Nations, and the preamble to the cooperation Agreement between the Court and the United Nations makes express reference to the fact that the Rome Statute reaffirms the purposes and principles of the Charter, mentioning the important role assigned to the Court in the context of the most serious crimes of concern to the international community as a whole.

The texts quoted show the recognition given by the Organization to the Court with regard to its key role in maintaining international peace and security. We must now implement this cooperation Agreement in such a manner that the support of the United Nations is strengthened.

Given its importance, the workload of the Court is the greatest in its history: eight active investigations, each with multiple cases, and eight preliminary investigations. If the United Nations does not provide financial support for Court referrals, we will have an institution that will be obliged to decide whether or not it begins an investigation based on its budget, not on justice.

It is for these reasons that Costa Rica deeply regrets that today we are adopting once again a draft resolution that does not meet the commitments emanating from the cooperation Agreement between the United Nations and the Court, and, worse still, does not meet the needs of international criminal justice.

Finally, I would like to share with the Assembly a few lines of the joint communiqué issued on 17 July during the celebration of International Criminal Justice Day by Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela:

> "Although we know that international criminal justice faces new challenges, we are confident that we will overcome them, and that, with the support and the commitment of all States Members of the United Nations, civil society and the relevant institutions, we will continue to move towards a world where accountability prevails".

**Mr. Joyini** (South Africa): South Africa aligns itself with the statement read on behalf of the States parties to the Rome Statute by the Permanent Representative of Liechtenstein. My delegation would like to join others in thanking the Netherlands for a job well done in facilitating negotiations on resolution 68/305. My delegation is pleased to join in the consensus on the resolution.

South Africa is a firm supporter of the International Criminal Court (ICC). As such, South Africa does not take for granted the ICC's contribution to international criminal justice and the fight against impunity.

As a State party to the Rome Statute, we are keenly aware of the budgetary implications resulting from ICC investigations and prosecutions. We wish to point out in this regard that the costs of the investigation and prosecution of situations referred to the ICC by the Security Council should be borne by the United Nations. After all, these situations are referred to the ICC on behalf of the United Nations as a whole, and it is inequitable that only States parties should bear the costs. More to the point, my delegation is concerned that the practice of the Security Council of excluding the possibility of United Nations financing for situations referred to the ICC by the Council amounts to usurping the functions of the General Assembly under Article 17 of the Charter of the United Nations.

For these reasons, while we joined the consensus on resolution 68/305, we wish to express our disappointment that it does not include a paragraph on financing.

**Ms. Grignon** (Kenya): The delegation of Kenya acknowledges the adoption by consensus of resolution 68/305, entitled "Report of the International Criminal Court". We express our gratitude to the facilitator, the representative of the Kingdom of the Netherlands, for ably steering the lengthy negotiations. As a responsible member of the family of nations, Kenya joins in the consensus and feels it pertinent to make the following statement in our national capacity.

At the outset, we note that the resolution can assist the Court in fulfilling its mandate, which is to fight impunity. However, informed by current developments in the Kenyan cases before the Court, and further informed by the recent filings by the Office of the Prosecutor, Kenya is constrained to state that we remain deeply concerned by the current interpretation and implementation of the Rome Statute of the International Criminal Court (ICC).

That the Kenyan cases are currently facing serious challenges is a matter of public knowledge. We are faced with a situation in which, in one case, the Office of the Prosecutor has on more than one occasion publicly stated that the evidence available is insufficient to prove the defendant's alleged criminal responsibility beyond a reasonable doubt. In the other case, a witness has publicly affirmed that he presented false evidence and, by his own account, committed perjury with the knowledge or connivance of named officials of the Court.

This unfortunate state of affairs goes against all time-tested tenets of legal and judicial norms practiced in line with known international standards of both civil law and common law. It would seem that there is an inability on the part of the Office of the Prosecutor and the Court to reach the only logical conclusion in light of the prevailing circumstances. We believe that these challenges are insurmountable even if the Office of the Prosecutor and the Court are given an indefinite length of time. The gaps are simply too wide and too huge to fill to ensure the credibility of the trials in the two Kenyan cases.

While the ICC endeavours to carry out its mandate and continues to receive the earnest cooperation of State parties, it may appear that in the present state of interpretation and implementation, the ideals of the Rome Statute — namely, punishment of serious crimes, fighting impunity, national healing and reconciliation and reparations for victims — may be achievable. However, our delegation believes that the current implementation and interpretation of the Rome Statute are counterproductive and antagonistic to these very ideals.

Our continued silence and acceptance will only undermine the legitimacy of the Court and its core mandate, the fight against impunity. They also do a great disservice to the victims in whose name the proceedings continue to be perpetuated, not to mention that they also violate the rights of the accused protected in the Rome Statute.

We believe that the Rome Statute is undergoing a test of its veracity, usefulness and impartiality. We therefore need the international community to take prompt and decisive action to ensure that the cases do not drag on ad infinitum. The time has come to make a decision on the future of the Kenyan cases. From where we stand, it is time for the Court and the Office of the Prosecutor to do the right thing by dropping the cases and charges. The present challenge is not only about the future management of international justice, or of cases of impunity and violence in the world; it is also about the way in which nation States relate to one another in the context of the international justice system. This is the only step that can keep the integrity of the Court intact.

The issues of resources and capacity constraints have been alluded to by many speakers before me. It is in this context that our delegation asks that both human capital and financial resources be judiciously utilized and best directed to other more deserving situations and uses.

In conclusion, allow me to reiterate my earlier remark, which was that the resolution adopted today, dealing with the relationship between the United Nations and the International Criminal Court, presents a unique opportunity for State parties and non-parties alike to support the Court in the fulfilment of its mandate. Therefore, our plea is that the Rome Statute be interpreted and implemented in the manner and the style that the framers of the same Statute intended.

**Mr. Kőrösi** (Hungary): My country welcomes the adoption of resolution 68/305, on the report of the International Criminal Court (ICC). Hungary co-sponsored the resolution, deeming it important that the United Nations membership regularly examine its relationship with the International Criminal Court in a forward-looking manner. Hungary is one of the countries that envisage even stronger resolutions that flesh out the relationship between the Court, the United Nations and its membership in a more detailed manner. Hungary therefore aligns itself with the statement just delivered by the Permanent Representative of Liechtenstein on behalf of a group of countries championing more frequent and principled interaction between the United Nations and the Court.

Let me touch upon only one element, already mentioned in that statement, namely, the issue of referrals. Hungary believes that future resolutions should take a broader perspective on the issue of referrals, acknowledging the mutually reinforcing relationship between the tasks of the ICC and the Security Council. Hungary continues to stress that there can be no lasting peace without justice. A lack of accountability not only kills in the present, but becomes a breeding ground for future atrocities. Moreover, where civilians are targeted, the Security Council should take all measures at its disposal to protect the civilian population.

In line with the Council's presidential statement S/PRST/2013/2 on the protection of civilians and the commitments towards strengthening accountability, the Security Council must utilize its referral power in a consistent manner wherever and whenever it is necessary. It is on the basis of these principles that Hungary joined the initiative of Switzerland and signed a letter (A/67/694, annex), along with 56 other Member States, requesting the Security Council to refer the situation in Syria to the ICC.

The international community must also assist the Government of Iraq in fighting terrorism and in investigating the brutal acts being committed in that country, including those threatening the very existence of Christian and other religious minorities living in northern Iraq.

Hungary welcomes the recent resolution adopted by the Human Rights Council requesting the Office of the United Nations High Commissioner for Human Rights (OHCHR) to dispatch a mission to Iraq to investigate alleged violations and abuses of international human rights law committed by the Islamic State in Iraq and the Levant and associated terrorist groups, with a view to ensuring full accountability. In addition to supporting the Iraqi Government and the OHCHR mission, all other options should be explored by the international community. One such possibility that has been carefully examined by Hungary is whether to initiate a request for a referral by the Security Council of the situation to the International Criminal Court, following due consultation with the Iraqi Government.

In general, it is our fervent hope that future resolutions will take an approach whereby the role of making referrals related to the protection of civilians and the prevention of conflict is further elaborated and strengthened.

**Mr. Luna** (Brazil): Brazil joined in the consensus adoption of resolution 68/305, on the report of the International Criminal Court (ICC). We sponsored annual resolutions on the ICC report until the sixty-sixth session of the General Assembly, demonstrating our unwavering support for the idea that the Court has a pivotal role to play in the fight against impunity. Precisely for that reason, we consider that the best means to support the ICC is to voice our deep and growing concern by emphasizing an issue of a structural nature that goes to the core of the relationship between the Court and the United Nations, in particular the General Assembly.

Despite the clear guidance provided in article 115 (b) of the Rome Statute and article 13.2 of the Relationship Agreement between the International Criminal Court and the United Nations, in the sense that the United Nations must bear the cost of investigations and prosecutions related to referrals by the Security Council, the Assembly has limited itself to acknowledging the fact that those expenses have been borne exclusively by States parties to the Rome Statute.

Considering that the annual resolution is the only text dedicated exclusively to the relationship between the ICC and the United Nations, it is regrettable that it does not call upon Member States to actually address that issue. Furthermore, the incipient practice of the Security Council to try to block the possibility of the United Nations bearing the costs arising from referrals to the ICC usurps the General Assembly's exclusive responsibility to consider and approve the budget of the Organization, as set out in Article 17 of the Charter of the United Nations. At a time when not only does the Court face an unprecedented workload, but Security Council members also frequently entertain ideas of proposing referrals to the ICC, we must objectively reflect on the sustainability of a system in which the costs of the implementation of this association are met solely by States parties to the Rome Statute.

Brazil firmly believes that the relationship of the United Nations with the ICC, including by means of referrals made by the Security Council, must be accompanied by the fulfilment of the responsibility of the United Nations in providing financial support for the work of the Court. That issue is one of many indications that the distance between the problems faced by the Court and this yearly negotiated text is not decreasing. We hope to redouble our efforts during the upcoming session of the General Assembly in order to approve a text truly deserving of the ICC.

**Mr. Adi** (Syrian Arab Republic) (*spoke in Arabic*): Having listened to the statements made in this debate, I am compelled to take the floor.

The representatives of Costa Rica and Hungary tried to include the situation in my country, Syria, in the negotiations on today's item. That imposition is part of an attempt to reshuffle the roles played by certain countries. This would seem to be a tradition. We are familiar with seeing the redistribution of roles when the item of the International Criminal Court (ICC) is brought into the discussion. The representatives of Hungary and Costa Rica forgot or omitted to mention that their countries and other States Members of the United Nations that claim to uphold justice recently turned a blind eye to documented war crimes and crimes against humanity. They have kept silent before the crimes that have been witnessed in the Arab region. That attitude has also been adopted by those who use hypocrisy to practice diplomacy.

We would have loved to see the debate focused where it should have been focused — on countries that sponsor terrorism, supply material and financial support, and instil barbaric ideas in the minds of terrorists. We would have loved for those two representatives to have called for those responsible for those brutal actions to be referred to the International Criminal Court. The politicization and double standards practiced by certain delegations have bled the lofty principle of justice of its meaning and undermined their credibility.

I wish to reaffirm that the Syrian Government is making every effort to shoulder its responsibility for upholding justice. The Syrian people and authorities are the only parties with the right to choose the judicial arrangements they deem necessary to punish those involved in the events in my country. We reaffirm that no State can impose its opinions on the Syrian people. Those who wish to help the Syrian people should assist the Syrian-led process on the basis of the principle of national ownership and the relevant Security Council resolutions.

The Costa Rican representative referred to the challenges faced by the ICC. It is true that the ICC is facing challenges, foremost among which are the double standards, politicization and hypocrisy that compose the approach of certain countries in dealing with international events. The representative of Hungary addressed terrorist crime in Iraq as if the killing of Syrians by terrorists were legal. He concentrated on the protection of certain religious minorities and the protection of minorities in general, omitting to state the need to protect all Syrians, all Iraqis and all human beings from indiscriminate terrorist actions sponsored by certain countries, such as his own, with its double standards.

We do not identify human beings according to their religions or affiliation with minority groups. Every citizen in Syria is a Syrian citizen. Every Iraqi in Iraq is an Iraqi citizen. Every human being is a human being before any other consideration. We call upon the two delegations to respect the Syrian people and take positions that reflect such respect.

**The Acting President**: The Assembly has thus concluded its consideration of agenda item 75.

**Agenda items 125** (*continued*) **and 124**

**United Nations reform: measures and proposals**

**Strengthening of the United Nations system**

**Draft resolution (A/68/L.42/Rev.1)**

**The Acting President**: Members will recall that the Assembly considered agenda item 125, jointly with agenda items 14 and 118, at its 54th plenary meeting, on 20 November 2013, and adopted resolution 68/268 at its 81st plenary meeting, on 9 April 2014.

I now give the floor to the representative of the Plurinational State of Bolivia to introduce draft resolution A/68/L.42/Rev.1.

**Ms. Rios Requena** (Plurinational State of Bolivia): I have the honour to introduce, on behalf of the Group of 77 and China, draft resolution A/68/L.42/Rev.1, entitled "Enhancement of the administration and financial functioning of the United Nations".

In recent years, many Permanent Missions of Member and Observer States to the United Nations and their staff have been seriously affected and even humiliated by the arbitrary decisions of several banking institutions in the City of New York to abruptly close their bank accounts and subsequently refuse to continue to provide services to them. As a result, the dignity and normal functioning of the Permanent Missions concerned and the United Nations as a whole have been negatively affected. That unusual situation is far from being in line with the facilities that have to be ensured to Permanent Missions to the United Nations under the host country agreement and the 1961 Vienna Convention on Diplomatic Relations.

Considering the severity of the situation and the number of Missions affected, the Group of 77 and China deems it necessary to present a draft resolution with the objective of achieving a long-term solution to the problem. In April, a process of informal consultations with the whole United Nations membership was undertaken. It is important to underscore that all concerned parties participated and contributed to the draft resolution in a constructive and cooperative spirit. We recognize the engagement of the host country of the United Nations, which has the regulatory power over the banking system, and trust that that engagement will continue.

The Group of 77 and China would like to take this opportunity to deeply thank Belarus for co-sponsoring the draft resolution under consideration.

After four months of consultations, a revised version of draft resolution A/68/L.42 was agreed informally, and it is now before the General Assembly for consideration. Allow me to highlight that the draft recognizes the problem and notes with concern the difficulties experienced by the affected Permanent Missions and their staff, and therefore requests the Secretary-General to report to the General Assembly on the issue and its impact on the adequate functioning of those Permanent Missions.

The draft resolution also requests the Secretary-General to report to the General Assembly on the financial relations of the Secretariat with the banking institutions in the City of New York, and to provide Member and Observer States with information on alternative options regarding banking services in the City of New York. Furthermore, the draft resolution requests that the host country take as soon as possible additional measures to assist the Permanent Missions accredited to the United Nations and their staff to obtain appropriate banking services, and also stresses the importance of ensuring confidentiality of personal data and information on persons affected by the closure of accounts, inviting the host country to submit relevant information on the norms and regulations applicable to the banking system.

In conclusion, the draft resolution under consideration by the General Assembly will allow the Organization to gain knowledge of the magnitude of the problem and its consequences and will certainly contribute to taking the necessary measures. The Group of 77 and China looks forward to adopting draft resolution A/68/L.42/Rev.1 by consensus and to following up on the matter during the sixty-ninth session, as a first step towards a much-needed permanent solution.

**The Acting President**: The Assembly will now take a decision on draft resolution A/68/L.42/Rev.1, entitled "Enhancement of the administration and financial functioning of the United Nations".

May I take it that it is the wish of the General Assembly to adopt draft resolution A/68/L.42/Rev.1?

*Draft resolution A/68/L.42/Rev.1 was adopted* (resolution 68/306).

**The Acting President**: The General Assembly has thus concluded this stage of its consideration of agenda items 124 and 125.

*The meeting rose at 6.10 p.m.*