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Macroeconomic policy questions: external debt sustainability and development

Resolution adopted by the General Assembly on 19 December 2023

[*on the report of the Second Committee (A/78/459/Add.3, para. 7)*]

78/137. External debt sustainability and development

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005, 61/188 of 20 December 2006, 62/186 of 19 December 2007, 63/206 of 19 December 2008, 64/191 of 21 December 2009, 65/144 of 20 December 2010, 66/189 of 22 December 2011, 67/198 of 21 December 2012, 68/202 of 20 December 2013, 69/207 of 19 December 2014, 70/190 of 22 December 2015, 71/216 of 21 December 2016, 72/204 of 20 December 2017, 73/221 of 20 December 2018, 74/203 of 19 December 2019, 75/205 of 21 December 2020, 76/193 of 17 December 2021 and 77/153 of 14 December 2022,

Noting the work of the United Nations in this area,

Reaffirming its resolution 70/1 of 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Reaffirming further the Paris Agreement,[1] and encouraging all its parties to fully implement the Agreement, and parties to the United Nations Framework Convention on Climate Change[2] that have not yet done so to deposit their instruments of ratification, acceptance, approval or accession, where appropriate, as soon as possible,

Recalling the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,[3]

Recalling also the 2023 Economic and Social Council forum on financing for development follow-up and its intergovernmentally agreed conclusions and recommendations,[4]

Welcoming the convening of the High-level Dialogue on Financing for Development held in New York on 20 September 2023,

Emphasizing that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability, debt transparency and effective debt management to the efforts to achieve the Sustainable Development Goals, and acknowledging that debt crises are costly and disruptive, including for employment and productive investment, and tend to be followed by cuts in public spending, including on health and education, affecting the poor and vulnerable in particular,

Reaffirming that each country has primary responsibility for its own development, including through maintaining its own debt sustainability, and that the role of national policies and development strategies, including in the area of debt management, is central to the achievement of sustainable development, and recognizing that national efforts, including to achieve development goals and to maintain debt sustainability, should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

Noting the increasing share of domestic borrowing, and acknowledging that the development of domestic bond markets can contribute to fiscal and financial resilience and mitigate exchange rate risks in times of financial turbulence, while noting that excessive borrowing from the domestic banking system could also exacerbate vulnerabilities through the sovereign-bank nexus, in the event of a crisis,

Reiterating that debt sustainability depends on a confluence of many factors at the international and national levels, and emphasizing that country-specific circumstances and the impact of external shocks, such as volatile commodity and energy prices, more intense and frequent natural disasters and international capital flows, should continue to be taken into account in debt sustainability analyses,

Expressing concern that a development setback is already under way, with elevated debt burdens further hampering efforts to achieve the Sustainable Development Goals and strengthen economic resilience, and that, for developing countries, keeping debt default at bay has come with difficult policy decisions, which may create constraints on mobilizing the resources needed to achieve sustainable development,

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[1] See FCCC/CP/2015/10/Add.1, decision 1/CP.21, annex.
[2] United Nations, *Treaty Series*, vol. 1771, No. 30822.
[3] Resolution 63/303, annex.
[4] See E/FFDF/2023/3.

Recognizing with deep concern that tighter global financial conditions have contributed significantly to a finance divide between and within countries, leading to higher external borrowing costs, which could, inter alia, make it more difficult for developing countries to pay for external debt servicing and could push more countries towards debt distress, and undermine their debt sustainability,

Expressing concern about the adverse impact of and risks resulting from the continuing fragility of the global economy and the slow pace of the restoration of global growth and trade, including the impact on development, net negative capital flows from some emerging and developing economies and inequalities for young people, women, persons with disabilities, people in rural and remote areas and other people in vulnerable situations, underlining that global growth has remained strongly dependent on unprecedented increases in global debt stocks and, in conjunction with the fast integration of developing countries into international financial markets, including for purposes of debt refinancing, exposes a growing number of developing economies to highly sensitive and amplified reactions in financial markets, and stressing the need for continuing efforts to address systemic fragilities and imbalances and to reform and strengthen the international financial system, while implementing the reforms agreed upon to date to attend to these challenges and to make progress towards sustaining global demand,

Underlining that, globally, the gross domestic product growth rate could increase significantly if every country achieved gender equality, and recognizing that the economic and social losses owing to a lack of progress in achieving gender equality and the empowerment of women and girls are significant,

Recognizing with concern that, in 2022, the external debt positions of many developing countries remained alarmingly high, of which several had continued to deteriorate, with external debt stocks of developing countries reaching a level of 11.4 trillion United States dollars,

Recognizing the important role, on a case-by-case basis, of debt relief, including debt cancellation, as appropriate, and debt restructuring as debt crisis prevention, management and resolution tools,

Recalling the Sendai Declaration and the Sendai Framework for Disaster Risk Reduction 2015–2030,[5] reiterating that severe natural disasters and social or economic shocks can pose immediate fiscal challenges or undermine a country's debt sustainability, and noting that public creditors have taken steps to ease debt repayment obligations through debt rescheduling and debt cancellation following an earthquake or a tsunami and in the context of the Ebola crisis in West Africa, noting the debt swap initiative of the Economic Commission for Latin America and the Caribbean, Debt for Climate Adaptation Swap, and encouraging consideration of further debt relief steps, such as the use of State-contingent debt instruments where appropriate, and/or other measures for countries affected in this regard, as feasible,

Recalling also the call made in February 2022 by the Managing Director of the International Monetary Fund to prioritize help to those countries that need debt restructuring, considering that the share of low-income countries at high risk or already in debt distress has doubled since 2015,

Expressing deep concern that a number of countries in special situations, in particular African countries, the least developed countries, landlocked developing countries and small island developing States, as well as a growing number of middle-income countries, face challenges in servicing their debt and that, in spite of international efforts, 52 per cent of low-income countries and 25 per cent of emerging

[5] Resolution 69/283, annexes I and II.

economies are considered by the International Monetary Fund as being in debt distress or at high risk of debt distress, and the impact of high inflation and exchange rate fluctuations and rising international interest rates have significantly increased debt servicing costs,

Recognizing with deep concern the debt challenges faced by sub-Saharan Africa reflected in the ratio of public and publicly guaranteed debt service to government revenues, which increased to 18.4 per cent in 2022 from 13.6 per cent in 2021, to which the economic slowdown contributed,

Expressing deep concern that indicators of external debt sustainability of least developed countries deteriorated in 2022, and that the ratio of total debt service to export revenues rose to 18.9 per cent from 18.3 per cent in 2021, the share of government revenues spent on servicing the public and publicly guaranteed debt rose to 17.0 per cent from 15.6 per cent in 2021 and the ratio of reserves to short-term debt fell from 336 per cent in 2021 to 277.5 per cent in 2022,

Recognizing with concern that, although the ratio of total debt service to export revenues fell to 16.4 per cent in 2022 from 20.6 per cent in 2021, the liquidity buffer of small island developing States decreased to 148.3 per cent in 2022 from 181.9 per cent in 2021, making this group particularly vulnerable to external financial shocks,

Recognizing with concern also that the ratio of total external debt service to exports in low- and middle-income countries reached 13.2 per cent in 2022 and for low-income countries this ratio rose to a level of 22.6 per cent of their export earnings,

Recognizing with concern further that, prior to the coronavirus disease (COVID-19) pandemic, total external debt stocks of developing countries reached a new record of 10 trillion dollars and rising external debt burdens continued to absorb a growing share of developing countries' resources and simultaneously the ability of developing countries to self-insure against exogenous economic and non-economic shocks, and increased market risk through international reserve cushions continued to weaken, recognizing with concern also that there has been a deterioration in the external debt sustainability of economies, in particular in the most vulnerable and in middle-income countries throughout the crisis, despite efforts by the Group of 20, targeted at the most vulnerable countries, and bilateral creditors, such as the Paris Club and non-Paris Club members, and the International Monetary Fund and the World Bank to address the challenges of debt sustainability, and encouraging them to continue their work to mitigate the impact of the COVID-19 pandemic, socioeconomic crisis and the increase in cost of living on debtor countries' debt sustainability,

Recognizing the importance of debt sustainability for the smooth transition of countries graduating from least developed country status, as well as those that have already graduated,

Emphasizing that international support, in the form of official development assistance and a coordinated multilateral effort to provide low-cost, long-term development financing, as well as enhanced domestic resource mobilization, which is the primary source of financing for development across all country classifications, are needed to address the growing challenges to developing countries' debt sustainability,

Taking note of the operational guidelines for sustainable financing promoted by the Group of 20, while urging the Group to continue to engage in an inclusive and transparent manner with other States Members of the United Nations in its work, in order to ensure that the initiatives of the Group complement or strengthen the United Nations system, and noting the progress achieved in the implementation of the operational guidelines, *Noting* the need for coordinated efforts by the International Monetary Fund and the World Bank to promote responsible, transparent and sustainable lending and borrowing,

Noting with concern that countries around the world continue to grapple with multiple crises, including the ongoing impacts of COVID-19, climate change and geopolitical tensions and conflicts which have accentuated food, energy and financial challenges and undermined inclusive recovery and eradication of poverty, while rising risk aversion has triggered capital outflows from emerging market economies, causing adverse effects on the debt sustainability efforts of developing countries,

Noting with great concern the severe negative impact on human health, safety and well-being caused by the coronavirus disease (COVID-19) pandemic, as well as the severe disruption to societies and economies and the devastating impact on lives and livelihoods, and that the poorest and most vulnerable are the hardest hit by the pandemic, reaffirming the ambition to get back on track to achieve the Sustainable Development Goals by designing and implementing sustainable and inclusive recovery strategies to accelerate progress towards the full implementation of the 2030 Agenda for Sustainable Development and to help to reduce the risk of and build resilience to future shocks, crises and pandemics, including by strengthening health systems and achieving universal health coverage, and recognizing that equitable and timely access for all to safe, quality, effective and affordable COVID-19 vaccines, therapeutics and diagnostics are an essential part of a global response based on unity, solidarity, renewed multilateral cooperation and the principle of leaving no one behind,

1. *Takes note* of the report of the United Nations Conference on Trade and Development;[6]

2. *Emphasizes* the special importance of predictable, timely, effective, comprehensive and durable solutions to the debt problems of developing countries to promote their economic growth and development;

3. *Recognizes* the importance, in particular, of new and emerging challenges and vulnerabilities in regard to developing country external debt sustainability arising from structural changes to overall debt composition, the rapid growth of private sector debt in many emerging and developing countries and the growing use of new debt financing instruments and approaches;

4. *Notes* the growing concerns about fast-rising corporate debt, high-risk exposure to volatile international financial markets and fast-growing debt servicing burdens as potential triggers of financial and debt crises and the consequent need for coordinated policy responses;

5. *Stresses* the need to continue to assist developing countries in avoiding a build-up of unsustainable debt and in implementing resilience measures so as to reduce the risk of relapsing into another debt crisis, taking into account the challenges posed by the global economic environment and risks for debt sustainability in a growing number of developing countries;

6. *Acknowledges* the role played by the Debt Sustainability Framework for Low-Income Countries, jointly developed by the International Monetary Fund and the World Bank, to guide borrowing and lending decisions, and notes its operationalization in 2018 and the further enhancement of debt sustainability assessment frameworks, consistent with the 2030 Agenda for Sustainable Development[7] and longer-term structural transformation;

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[6] See A/78/229.

[7] Resolution 70/1.

7. *Reiterates* that no single indicator should be used to make definitive judgments about a country's debt sustainability, and, in view of the new challenges and vulnerabilities for developing countries' external debt sustainability, substantiated by the work of the United Nations Conference on Trade and Development and recent joint analyses of the International Monetary Fund and the World Bank, stresses the need for improved data collection and quality in areas that include domestic public debt and domestic and external private debt, as well as legal and regulatory features, such as ownership, currency denomination and jurisdiction according to national priorities, welcomes the work of the High-level Panel on the Development of a Multidimensional Vulnerability Index for Small Island Developing States, which was co-chaired by the Prime Minister of Antigua and Barbuda, Gaston Browne, and the former Prime Minister of Norway, Erna Solberg, including its consultations with Member States, and in this regard takes note of the Panel's final report and the recommendations contained therein;

8. *Also reiterates* that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect and release data, where appropriate, welcomes the ongoing work of relevant institutions to apply innovative tools for monitoring financial stress in developing countries and to invite relevant institutions to consider the creation of a central data registry that includes information on debt restructuring, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard;

9. *Encourages* the United Nations system, the World Bank Group, the International Monetary Fund and other relevant stakeholders, including the Development Assistance Committee of the Organisation for Economic Co-operation and Development, to continue to conduct analytical activities and to provide policy advice and technical assistance to Governments, upon request, in the areas of managing debt, and operating and maintaining databases, and in this regard recalls that the United Nations Conference on Trade and Development should continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, so that this extends not only to improvements in the timeliness and accuracy of debt data recording, but also to the enhanced coverage of public sector and other relevant debt data, including, in particular, heretofore unrecorded or hidden debt instruments, contingent liabilities and more complex debt instruments;

10. *Stresses* the need to strengthen information-sharing and transparency among all creditors and borrowers to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data, including an assessment of national public and private debt, in order to ensure the achievement of the Sustainable Development Goals, encourages further improvement of the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers, and takes note of the Paris Forum initiative, which gathers together sovereign creditors and debtors to share views and information, promote greater debt transparency and preserve debt sustainability;

11. *Recognizes* that the long-term sustainability of debt depends on, inter alia, economic growth, the mobilization of domestic and international resources, the export prospects of debtor countries, sustainable debt management, sound macroeconomic policies that also support job creation, transparent and effective regulatory frameworks and success in overcoming structural development problems and, hence, on the creation of an enabling environment at all levels that is conducive to sustainable development, and also recognizes the need to assist developing countries

in attaining long-term debt sustainability, through coordinated policies aimed at fostering adequate debt financing and resolution tools, such as debt relief and debt restructuring supporting sound debt management;

12. *Notes with concern* that some low- and middle-income developing countries that were not part of the existing debt relief initiatives now have large debt burdens that may create constraints on mobilizing the resources needed to achieve the Sustainable Development Goals, indicating a need to consider, as appropriate, stronger debt management initiatives for those countries, and stresses the importance of medium- and long-term debt sustainability to deal with debt, including non-Paris Club debt;

13. *Underlines* the fact that heavily indebted poor countries eligible for debt relief will not be able to enjoy the full benefits unless all creditors, both public and private, contribute to debt workouts, as appropriate, in order to ensure the debt sustainability of those countries, and invites creditors, both private and public, that are not yet fully participating in debt relief initiatives to substantially increase their participation, including by providing comparable treatment to debtor countries that have concluded sustainable debt relief agreements with creditors;

14. *Stresses* the need for the international community to remain vigilant in monitoring the debt situation of developing countries, including the least developed countries, landlocked developing countries and small island developing States, and to continue to take effective measures, preferably within existing frameworks, when applicable, to address the debt problem of those countries, acknowledges that sound debt management initiatives can play a key role in liberating resources that should be directed towards activities consistent with the eradication of poverty in all its forms and dimensions, including extreme poverty, and with the promotion of sustained economic growth and development and the internationally agreed development goals, including the Sustainable Development Goals, and in this regard urges countries to direct the resources freed through debt relief, in particular through debt cancellation and reduction, towards achieving those objectives, while still maintaining sustainable debt levels through prudent fiscal management, including in the context of the 2030 Agenda, according to their national priorities and strategies;

15. *Notes* that countries can seek to negotiate, as a last resort, on a case-by-case basis and through existing frameworks, agreements on temporary debt standstills between debtors and creditors in order to help to mitigate the adverse impacts of a debt crisis and stabilize macroeconomic developments;

16. *Acknowledges* the efforts of, and invites creditors to provide additional flexibility to, developing countries affected by natural disasters so as to allow them to address their national debt concerns, while taking into account their specific economic and social situations and needs;

17. *Recognizes* that the detrimental impact of disasters on the debt sustainability of many least developed countries, small island developing States and middle-income countries warrants further attention and that preserving external debt sustainability requires ex ante financing to enable the systematic reduction of disaster risk and resilience-building, as well as the disclosure of disaster risk to avoid exacerbating debt distress, when feasible, and in this regard recognizes that many least developed countries, small island developing States and middle-income countries have limited access to financing to invest in disaster risk reduction for resilience before and after disasters, while noting the potential benefits of climate-resilient debt instruments;

18. *Acknowledges* that State-contingent debt instruments could further strengthen borrower resilience, encourages the consideration of their use where

appropriate, with a view to providing breathing room to countries hit by shocks, welcomes the development of climate-resilient debt clauses, where appropriate, and further notes that clauses that consider other catastrophic external shocks could also be developed;

19. *Recognizes* that, in some cases, the use of public debt and renewed external borrowing to absorb the impact of a disaster could lead to higher debt servicing for developing countries and constrain their growth and their capacity to invest in long-term resilience-building measures, and further acknowledges that, with each new disaster, financial vulnerabilities grow and domestic response capacities weaken;

20. *Also recognizes* the importance of the creation of robust, nationally appropriate legal and regulatory frameworks for sustainable national and municipal borrowing, on the basis of sustainable debt management, supported by adequate revenues and capacities, by means of local creditworthiness, as well as expanded sustainable municipal debt markets, when appropriate, and in this regard underlines the importance of the establishment of appropriate financial intermediaries for urban financing, such as regional, national, subnational and local development funds or development banks, including pooled financing mechanisms, which can catalyse public and private, national and international financing;

21. *Further recognizes* that developing countries experiencing high debt distress can concurrently experience socioeconomic challenges and stretched social safety nets, and invites a multilateral response that supports these countries to achieve debt sustainability and sustainable development;

22. *Underlines* the importance of multilateral efforts to tackle increasingly complex cross-border challenges that have serious effects on development and debt sustainability;

23. *Recognizes with appreciation* the steps taken by the Group of 20, in particular under the presidencies of Saudi Arabia, Italy, Indonesia and India, to further promote debt-related measures and the implementation of the Debt Service Suspension Initiative and the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, and the recent agreements concluded under the Common Framework, while recognizing that delays in the implementation of the Common Framework may have impacted the confidence of some eligible countries and that the fear of downgrading inhibited some eligible countries from applying, emphasizes in that regard the need to further strengthen the Common Framework and calls to implement it fully in a transparent, predictable, timely, orderly and coordinated manner, including to increase the fiscal space of countries in debt distress, encourages greater private sector participation through more clarity in assessing comparability of treatment, while also noting that more needs to be done to respond to the need of countries not covered by current initiatives, including middle-income countries, and in this regard reaffirms the growing urgency of dealing not only with liquidity but also solvency risks;

24. *Welcomes* the special drawing rights allocation of the equivalent of 650 billion United States dollars of 23 August 2021, commends the achievement of the target of 100 billion dollars in pledges for rechannelling special drawing rights or equivalent contributions, recommends the exploration of further voluntary options related to special drawing rights that could serve the needs of developing member countries of the International Monetary Fund, calls for the urgent voluntary rechannelling of special drawing rights for countries most in need, including through multilateral development banks, while respecting relevant legal frameworks and preserving the reserve asset character of special drawing rights, and will explore ways for future allocations of special drawing rights to benefit those countries most in need;

25. *Looks forward* to the interim review of the Resilience and Sustainability Trust, considering the experiences with the Resilience and Sustainability Facility programmes;

26. *Recommends* assisting developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate, to enhance the ability of countries to achieve the Sustainable Development Goals;

27. *Also recommends* the facilitation of timely and orderly debt treatment with the broad participation of all creditors, including those in the private sector, on comparable terms, stresses the need in the medium term to strengthen information-sharing between debtors and creditors, as necessary, and long-term debt sustainability analysis, based on comprehensive, objective, transparent and reliable data, and technical cooperation that takes account of the requirements of sustainable development and the 2030 Agenda, and emphasizes the urgency of strengthening international efforts and cooperation and responding to the call for the easing of debt burdens by addressing the debt vulnerability, in the immediate term, and the debt sustainability, in the long term, of heavily indebted developing countries;

28. *Recognizes* the role of the United Nations and of the international financial institutions, in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustained and inclusive growth, sustainable development and the external debt sustainability of developing countries, including through continued monitoring of global financial flows and their implications in this regard;

29. *Takes note* of the Chair's statement in 2023 at the forty-eighth meeting of the International Monetary and Financial Committee, in which it was stated that a review of surcharge policies would be considered, and looks forward to this discussion;

30. *Recognizes* the important role of credit ratings in the capital market ecosystem, as they provide creditors and the public with assessments of a debtor's relative risk of default, and acknowledges that downgraded ratings may negatively affect the opinion of lenders and bondholders and as a result raise the cost and reduce the availability of future debt funding, and that it is important that credit rating agencies ensure that their ratings are objective, independent and based on accurate information and sound analytical methods, including by considering development, social and environmental indicators and impacts of external shocks in their ratings, to the extent that these factors have an impact on debt risk, noting in this regard the high-level meeting on the role of credit rating agencies in the implementation of the 2030 Agenda;

31. *Reiterates* that debtors and creditors must work together in a transparent manner to prevent and resolve unsustainable debt situations and that maintaining sustainable debt levels is the responsibility of the borrowing countries, acknowledges that lenders also have a responsibility to lend in a way that does not undermine a country's debt sustainability, and in this regard takes note of the principles on responsible sovereign lending and borrowing of the United Nations Conference on Trade and Development, recognizes the applicable requirements of the debt limits policy of the International Monetary Fund and/or the non-concessional borrowing policy of the World Bank and the safeguards of the Development Assistance Committee of the Organisation for Economic Co-operation and Development in its statistical system to enhance the debt sustainability of recipient countries, and resolves to work towards a global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns, building on existing initiatives;

32. *Calls for* the intensification of efforts to prevent and mitigate the prevalence and cost of debt crises by enhancing international financial mechanisms for crisis prevention and resolution, encourages the private sector to cooperate in this regard, and invites creditors and debtors to further explore, where appropriate and on a mutually agreed, transparent and case-by-case basis, the use of new and improved debt instruments such as debt swaps, including debt for equity in Sustainable Development Goal projects, as well as debt indexation instruments;

33. *Reiterates* the need for multilateral debt mechanisms to fully address sovereign external debt distress and provide an effective, efficient, equitable and predictable mechanism for managing debt crises in view of the development needs of developing countries;

34. *Recalls* the holding of the fifteenth session of the United Nations Conference on Trade and Development in Barbados and Geneva from 3 to 7 October 2021, and the Bridgetown Covenant,[8] and encourages the United Nations Conference on Trade and Development, in cooperation with the World Bank and the International Monetary Fund, to continue its analytical and policy work and technical assistance on debt issues, including to promote policies for responsible, sustainable and transparent sovereign borrowing and lending, as appropriate, and to enhance the efficiency of the global economic system and debt sustainability for the realization of the 2030 Agenda in developing countries;

35. *Expresses its concern* regarding the ability of non-cooperative minority bondholders to disrupt the will of the large majority of bondholders who accept a restructuring of a debt-crisis country's obligations, given the potential broader implications in other countries, notes contractual and legislative steps taken by countries to prevent these activities, and encourages all Governments to take action, as appropriate, and, furthermore, takes note of discussions in the United Nations on debt issues;

36. *Encourages* Governments to be mindful of the ability of non-cooperative minority bondholders to block a restructuring of a debt-crisis country's obligations, and encourages debtors and creditors to work together to draft bond agreements; accordingly;

37. *Welcomes* the reforms to pari passu and collective action clauses proposed by the International Capital Market Association and endorsed by the International Monetary Fund to reduce the vulnerability of sovereigns to holdout creditors, encourages countries to take further action to include those clauses in all their bond issuances, and welcomes the continued work of the International Monetary Fund to monitor the uptake of the clauses and explore options for resolving the issue with the outstanding stock of debt without such clauses;

38. *Recalls* that the United Nations, as a universal intergovernmental body, has provided a platform for both creditors and debtors to discuss ways to improve external debt sustainability, notes the substantive expert debate among the major institutional stakeholders on how to improve debt sustainability and debt restructuring during the 2023 Economic and Social Council forum on financing for development follow-up, and in this regard invites continued ongoing cooperation among the international financial institutions, including the Bretton Woods institutions, in particular the International Monetary Fund, relevant United Nations system entities, including the United Nations Conference on Trade and Development, and other relevant forums, in accordance with their respective mandates pursuant to the relevant resolutions on this matter;

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[8] TD/541/Add.2.

39. *Also recalls* the establishment of the Intergovernmental Group of Experts on Financing for Development of the United Nations Conference on Trade and Development, notes its seventh session, held in November 2023, at which policy priorities for financing for development, in particular delivering development finance to achieve the 2030 Agenda for Sustainable Development: making development finance contribute to environmentally sound industrialization, were items for deliberation, and recalls the request that the work of the Intergovernmental Group of Experts on Financing for Development at the United Nations Conference on Trade and Development be presented as a regular input to the Economic and Social Council forum on financing for development follow-up, in accordance with the terms of reference of the Intergovernmental Group of Experts;

40. *Reiterates* the invitation to the President of the General Assembly and the Secretary-General to give appropriate consideration to the central role of maintaining and facilitating the financial and macroeconomic stability of developing countries, including debt sustainability, and of supporting an appropriately enabling domestic and international economic, financial and regulatory environment for the means of implementation of the 2030 Agenda, and in this regard invites all major institutional stakeholders, including the International Monetary Fund, the World Bank and the United Nations Conference on Trade and Development, to support these efforts, in accordance with their respective mandates;

41. *Encourages* Member States, the United Nations system, the World Bank Group, the International Monetary Fund and other relevant stakeholders, and international financial institutions, to scale up technical assistance in debt management, including debt data recording and reporting, and debt transparency and to provide greater coordination of advice, for the delivery of such technical assistance upon request, and to ensure synergies with the full spectrum of debt management mechanisms;

42. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their provision of concessional and grant-based financing to developing countries, which could contribute to debt sustainability in the medium to long term, and notes the provision by the International Monetary Fund of interest relief to eligible developing countries in the form of zero-interest loans;

43. *Calls for* the scaling up of debt swaps for the Sustainable Development Goals, including debt swaps for climate and nature, and debt swaps for food security, as appropriate, while recognizing that debt swaps cannot replace broader debt treatments in unsustainable debt situations, to allow developing countries to use debt service payments for investments in sustainable development;

44. *Requests* the United Nations Conference on Trade and Development to develop a mapping exercise on the existing initiatives in the use of debt swaps for the Sustainable Development Goals, including for climate and nature, and to provide an analysis identifying the challenges and recommendations to scale up their use, and to include the results of this work in the report of the Secretary-General on the implementation of the present resolution;

45. *Invites* the international community to continue efforts to increase support, including financial and technical assistance, for institutional capacity-building in developing countries to enhance sustainable upstream and downstream debt management as an integral part of national development strategies, including by promoting transparent and accountable debt management systems and negotiation and renegotiation capacities and through supporting legal advice in relation to tackling external debt litigation and debt data reconciliation between creditors and debtors so that debt sustainability may be achieved and maintained;

46. *Requests* the United Nations Conference on Trade and Development, and invites the International Monetary Fund and the World Bank, in cooperation with the regional commissions, regional development banks and other relevant multilateral financial institutions and stakeholders, to intensify cooperation in respect of activities relating to capacity-building and to early warning monitoring systems in developing countries in the area of debt management and debt sustainability, with a view to contributing to the implementation of the 2030 Agenda;

47. *Invites* the United Nations Conference on Trade and Development, in cooperation and inclusive dialogue with international financial institutions and relevant international stakeholders, to continue its analytical, policy, technical cooperation and statistical work on debt issues and to strengthen its contribution to enhancing long-term financial and debt sustainability in developing countries, taking into account also the impact of investment requirements arising from the ongoing COVID-19 pandemic and other global crises, in accordance with the Bridgetown Covenant;

48. *Calls upon* all Member States and the United Nations system to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt sustainability of developing countries;

49. *Requests* the Secretary-General to submit to the General Assembly at its seventy-ninth session an action-oriented report on the implementation of the present resolution and to include in his report progress made on international measures and concrete recommendations to accelerate the implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development[9] and the 2030 Agenda with respect to matters of debt and debt sustainability and the related efforts to recover from the COVID-19 pandemic, as well as their implications for external debt sustainability and development, and decides to include in the provisional agenda of its seventy-ninth session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "External debt sustainability and development", unless otherwise agreed.

49th plenary meeting
19 December 2023

[9] Resolution 69/313, annex.