## Preparatory Process for the Third International Conference on FfD First drafting session: Sovereign debt and systemic issues 29 January 2015

Statement by Mr. Takeshi Osuga, Ambassador, Deputy Director-General for International Cooperation and Global Issues

Mr. Co-facilitator,

On sovereign debt, Monterrey Consensus focused on "outstanding indebtedness" and gave a strong push to enhance HIPC initiative. We believe that this time, from sustainable development perspective, the Adis outcome should focus on debt sustainability and debt management.

We believe that the Paris Club and other arrangements have been achieving results and do not share the view that they are "loose set of mechanisms" as described in the element paper.

With regard to the legal framework for sovereign debt restructuring, our understanding is that the contractual approach is being mainstreamed. There are ongoing discussions in IMF to strengthen this approach and we prefer not to duplicate them in the FfD process.

On systemic issues, I would echo what had been said by EU with regard to the relationship between the UN and the Bretton Woods Institutions. They are governed under independent decision-making process from the UN and it is not realistic to think that the UN led process can effectively change the IMF or the World Bank.

With regard to the ongoing reforms in these institutions as well as different mechanisms they manage, I hope the co-chairs' zero draft will be circulated after going through appropriate "technical proofing" by these institution.

I thank you.