



Eric LeCompte's Remarks to the United Nations

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Thank you for this opportunity to join you today by phone. And I want to thank the committee for its really important efforts in looking at these issues and these questions. I agree with the previous comments that were made by Jesse Griffiths from Eurodad.

I think it's important to acknowledge that we are in a profound moment right now around sovereign debt issues. I think we all understand that our financial system at this point is principally based on credit markets and I think what we have seen from the court case in New York is that a dangerous precedent has been set, which will have profound impact on how the international financial system operates on poor country access to credit and the ability for countries to restructure debt. Unfortunately we've seen a type of predatory behavior that the entire world is against, from the G77 to the G20. We've seen a type of behavior be legitimized that is now equipping a small group of predatory actors to harm some of the world's poorest countries.

As of today, we know that two countries could be impacted by the Argentina decision in the New York court. We know that it's impacting likely two countries right away. One country is

Grenada, the Caribbean island where almost half the population lives in poverty. They're going through a debt restructuring and they're facing a very similar holdout case with the legal precedent that has already played out in New York. And then also, according to UN rankings, the country that is tied for last in global development, the Democratic Republic of the Congo, is also facing possible litigation around this same precedent. So we see already that extreme actors have been equipped with a precedent that will force poor and wealthy countries into submission. I think we acknowledge the moment that we're in and understand that we would never have seen Argentina or Grenada default and that these extreme actors would have been forced to sit at the table if we had an international bankruptcy process.

I know various colleagues today will touch on how these issues are connected to revenue raising, such as tax issues, and broader financial issues, but we need to understand that at this point what we need to do is look seriously at raising the profile of an international bankruptcy process for countries. There is an active conversation that is taking place within the International Monetary Fund and that is where the G20 has decided to have that conversation. It is very important for this committee to use this process to raise the international bankruptcy process to the point that we know it'll be neutral, transparent and accountable. So I think the question for the committee today is: How can we use this process to highlight this important need and ensure whatever moves forward within the global financial architecture is fair, transparent, neutral and accountable and ultimately serves all of us within the financial system? Thank you very much for this time today and allowing me to join by phone.