Thank you, Mr Co-facilitator.

Although we welcome the Elements Paper, I would like to highlight a few important shortcomings.

As regards the major challenges, there are some important issues missing in the paper. This includes the fact that the initiative for Highly Indebted Poor Countries (HIPC) and the Multilateral Debt Relief Initiative (MDRI) has failed to reach all the countries that were in need of debt relief and furthermore came with conditionalities that increased debt vulnerability.

The paper also fails to recognise the fact that it will not be possible to resolve current debt crises and prevent new ones unless debt audits, principles for responsible lending and borrowing, as well as a debt restructuring mechanism, are introduced.

Third, the paper fails to recognise that there is a serious problem with implementation in the financing for development (FfD) process. The need for an international debt workout mechanism was recognised already in Monterrey, but has still not materialised.

As regards the annex, I also want to highlight a few important issues:

First, there is currently no paragraph addressing the need to cancel illegitimate and unsustainable debt. This must be introduced.

Second, while there is a paragraph that underlines the need to continue existing discussions on a multilateral framework for sovereign debt restructuring, this paragraph does not include a reference to the relevant UN General Assembly resolution. This must be added.

Third, we suggest that the paragraph about convening a UN- and IMF-supported intergovernmental committee should be replaced by a paragraph that encourages IMF to continue their efforts on contractual approaches that discourage future hold-out scenarios, and requests the UN to address the statutory approach, including by convening an intergovernmental committee with the IMF in an advisory role, with the objective of developing proposals that may win widespread support.

Finally, I want to underline the fact that, by changing the heading of the debt chapter from “External Debt” to “Sovereign Debt”, we lose important awareness of the financial risks associated with private debt. We therefore suggest that the original heading should be kept.

Thank you very much.